



**ASX Announcement  
For Immediate Release**

12 May 2020

**2020 Notice of Annual General Meeting and Arrangements**

Please find attached:

- 1) Notification of arrangements for 2020 Annual General Meeting as despatched to Shareholders in lieu of Notice of Meeting.
- 2) Notice of Annual General Meeting and Proxy Form.

**Ends**

This ASX announcement was authorised for release by the Australis' Disclosure Committee.

For further information, please contact either:

Ian Lusted  
Managing Director  
Australis Oil & Gas Limited  
+61 8 9220 8700

Graham Dowland  
Finance Director  
Australis Oil & Gas Limited  
+61 8 9220 8700

**AUSTRALIS OIL & GAS LIMITED**

ABN 34 609 262 937

Level 29, 77 St. George's Terrace, Perth WA 6000, Australia • GPO Box 2548, Perth WA 6831

T +61 (8) 9220 8700 • F +61 (8) 9220 8799

[www.australisoil.com](http://www.australisoil.com)

12 May 2020

Dear Shareholder

Australis Oil and Gas Limited's 2020 Annual General Meeting will be held on Thursday, 11 June 2020 at 11:30am (AWST) (**AGM**). A copy of the Notice of Meeting is available at [www.australisoil.com](http://www.australisoil.com) (**Notice**).

Given the impact of COVID-19 and to comply with current Federal and State Government guidelines and restrictions on social distancing, the Board has made the decision that, in the interests of safety, the Company's AGM will be held via webcast. This means that Shareholders are not invited to physically attend the AGM but can attend via the webinar electronic platform.

All AGM resolutions will be voted upon by poll. Shareholders who have pre-registered to attend the AGM via the webcast and have elected to vote by poll during the meeting rather than by proxy will, immediately prior to the AGM, be sent a personalised poll form to complete and email back to the Company during the meeting while the poll is being conducted. Shareholders will be able to electronically attend the meeting and vote subject to completing the pre meeting registration procedures at least 48 hours prior to the meeting. To register please follow the link (<https://attendee.gotowebinar.com/register/6562918242437308939>).

Shareholders are encouraged to participate in the AGM via the live webcast and submit questions in the manner described below and in the Notice of Meeting. We will do our utmost to ensure that members are able to ask questions of the auditor, Board members and management.

Shareholders unable to attend the meeting via the webcast or who do not wish to vote during the meeting are encouraged to appoint the Chair as proxy ahead of the AGM. Shareholders can complete the proxy form attached to the Notice to provide specific instructions on how their vote is to be exercised on each item of business and the Chair must follow your instructions. Instructions on how to complete the proxy form are set out in the Notice.

Shareholders are encouraged to submit questions for the Company or the auditor ahead of the AGM to [contact@australisoil.com](mailto:contact@australisoil.com). Written questions must be received no later than 11.30am (AWST) on 9 June 2020. Shareholders will be able to ask questions during the AGM via the webcast. Further details are set out within the Notice.

#### **How Shareholders can participate in the live webinar**

Shareholders who wish to participate in the Meeting online may do so by registering no later than 48 hours in advance of the meeting at: <https://attendee.gotowebinar.com/register/6562918242437308939>. You will then be emailed further details on how to attend the webcast following registration. Details on how to register in order to log in to the meeting are also set out within the Notice.

The situation is constantly evolving and accordingly, we may make alternative arrangements to the way in which the AGM is held. If this occurs, we will notify any changes by way of announcement on ASX and the details will also be made available on our website at [www.australisoil.com](http://www.australisoil.com). The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours sincerely  
Australis Oil & Gas Limited  
Graham Dowland – Finance Director

#### **AUSTRALIS OIL & GAS LIMITED**

ABN 34 609 262 937

Level 29, Allendale Square, 77 St. George's Terrace, Perth WA 6000, Australia • GPO Box 2548, Perth WA 6831

T +61 (8) 9220 8700 • F +61 (8) 9220 8799

[www.australisoil.com](http://www.australisoil.com)



# Australis Oil & Gas Limited

ABN 34 609 262 937

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

11 June 2020

**Time of Meeting**

11:30 AM (AWST)

**Place of Meeting**

Level 29, 77 St Georges Terrace Perth, WA

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully and complete and return the enclosed Proxy Form in accordance with the specified directions.

## MEASURES TO DEAL WITH COVID-19 AND IMPACT ON THE MEETING

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. As a result of the potential health risks and the Government restrictions in response to the pandemic, it is not currently prudent for us to plan to physically host Shareholders and members of the public at the upcoming AGM.

The Board has made the decision that it will be admitting a very limited number of persons, such as the Chair and some of the Company's Directors, to the Meeting. Shareholders intending to attend the physical Meeting on 11 June 2020 are therefore unlikely to be admitted.

Australis will stream the Meeting via a webcast allowing Shareholders to participate in the Meeting and view the Company presentation, including being able to ask questions. In addition, Shareholders can submit questions before the Meeting by emailing [contact@australisoil.com](mailto:contact@australisoil.com).

All voting will be conducted by poll using either:

- the proxy instructions received from Shareholders in advance of the Meeting; or
- the personalised poll form issued immediately prior to the Meeting (**Poll Form**). Poll Forms will be provided by email to those Shareholders who have indicated that they intend to vote during the Meeting in accordance with the instructions set out below.

Shareholders should note that the webcast will not provide for a voting mechanism during the Meeting.

The Company strongly encourages all Shareholders to participate in the Meeting by:

- a) reading the Notice carefully;
- b) voting by proxy following the instructions set out in this Notice and return it to the Company no later than 11.30am AWST on 9 June 2020; viewing the Meeting via webcast. **Shareholders who wish to participate via the webcast must pre-register at least 48 hours prior to the meeting at:** <https://attendee.gotowebinar.com/register/6562918242437308939>  
Please note you will be emailed further details on how to view and participate in the webcast following registration;
- c) Shareholders who intend to participate **and vote** during the Meeting must first pre-register in accordance with the above webcast registration. The Company will email you instructions on how to register for voting during the Meeting. Following registration and provision of requested information (which must be completed by no later than 5pm AWST on 10 June 2020) the Company will send you a personalised Poll Form via the email address you provide at registration. The personalised Poll Form must be completed and returned to the Company during the Meeting after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised Poll Form; and
- d) For Shareholders who have registered to participate in the Meeting and who have completed a proxy form, the person appointed as your proxy will cast your vote on your behalf unless you elect to register to vote by poll.

Directors who are unable to, or whose preference is to not to attend the physical meeting in the current circumstances, will also be participating at the Meeting via webcast.

Additionally, circumstances relating to COVID-19 are changing rapidly. The Company will update Shareholders if changing circumstances will impact planning for the Meeting. Depending on these eventualities, the Company may need to adopt the Meeting procedures described above and/or, if necessary, the Company may need to postpone the Meeting, and we will inform Shareholders as soon as practicable.

# CHAIRMAN'S LETTER

Dear Shareholder

Please find enclosed the Notice of Meeting for our upcoming AGM. You will notice some differences from previous years as a result of circumstances surrounding COVID-19 and I would like to briefly take you through those. In addition, I wish to provide some context and additional background to steps we have been taking in the interests of Shareholders. These steps are quite straight forward but can appear otherwise when committed to legal requirements.

## **AGM remote attendance**

Given the impact of COVID-19 and to comply with current Federal and State Government guidelines and restrictions on social distancing, the Company's 2020 AGM was delayed and will now be held on 11 June 2020. The Board has made the decision that, in the interests of safety, it will be admitting a very limited number of persons, such as the Chair and some of the Company's Directors to the Meeting. We ask that Shareholders not attend the physical Meeting and strongly encourage all Shareholders to view the Meeting via webcast. Details are included within this Notice however please note that you must pre-register to attend the webcast. Shareholders may submit questions prior to the Meeting by emailing [contact@australisoil.com](mailto:contact@australisoil.com) and also during question time at the Meeting via the webcast platform. I urge you to utilise the proxy voting forms within the prescribed timeframes or pre-register to vote during the Meeting.

## **AGM Agenda - Normal business items**

The AGM will as usual, consider the various normal course items of receiving the Financial Statements, voting on the Remuneration Report, re-election of Directors and the annual granting to executive Directors of long term, performance based, incentive remuneration under our Shareholder approved Plan (similar incentives to be granted to other executives who are not directors does not require Shareholder approval). The enclosed Explanatory Memorandum provides detail regarding these annually reoccurring agenda items.

## **Actions taken due to COVID-19**

The Board, in conjunction with the Company's executives, have acted quickly to manage cashflow as a result of the recent severe fall in oil price. The dramatic decline in global oil demand due to the COVID-19 pandemic and the unrelated actions by Saudi Arabia and Russia to increase supply created somewhat of a perfect storm for oil markets.

In response we have halted capital expenditure and implemented significant reductions in overhead expenditure via staff rationalisation and material reductions in KMP and other executive base salary remuneration. The Company has renegotiated the Macquarie debt facility with key covenants waived during this difficult period and is actively managing our operated production volumes to maximise the field returns during these low oil prices.

We have retained a core team to manage our business and they have been asked to undertake additional roles and responsibility for a lower salary during this period. All non-executive Directors volunteered to reduce their cash fees by 50% for the 2020 year. Additionally, I have offered to reduce my cash fees to zero for the remainder of the year. The executive Directors have reduced their base salary remuneration by between 48% and 52%, as well as forgoing their earned 2019 cash bonus. The combined cash saving from these commitments exceeds A\$1 million for 2020.

## **Out of the ordinary course business items**

In return for these material cash savings offered by the Board, it is proposed to issue equity in the form of "Fee Rights" to the non-executive Directors in lieu of their cash fees and to the executive Directors to compensate them for the significant salary reductions undertaken.

Accordingly, there are a number of additional resolutions for Shareholders to consider concerning the issue of Fee Rights to Directors. The Fee Rights will vest in 2021, are subject to continued service or employment and are able to be converted to shares. The Fee Rights will be granted based on the cash savings value at an average share price (VWAP) for the first quarter of 2020, being the period the cash sacrifices were offered for the 2020 year. Fee Rights are also being offered to the remaining staff of

Australis to the value of their mandated salary reductions and any elected salary sacrifices for the 2020 year.

The cash savings generated are material in value to the Company and in my opinion demonstrate commitment to the future. I urge you to support these resolutions.

**The immediate and medium term**

Your Board and executive management team continue to believe the Company has built a valuable asset base with production, substantial reserves and large drilling inventory. Our immediate focus is to safeguard this asset base in the best interests of Shareholders. This focus has included sensible cash management as described above and other steps announced recently including the restructure of our Macquarie debt facility and managing production rates to match hedge volumes priced well above market prices.

I acknowledge these are unique times for the Company and for its Shareholders. We hope Shareholders take the opportunity to participate in the AGM by viewing proceedings via the webcast and submitting their proxy votes on time or pre-registering to vote during the Meeting.

Yours sincerely

**Jon Stewart**  
**Chairman**

# AUSTRALIS OIL & GAS LIMITED

## ABN 34 609 262 937

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

#### FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 31 December 2019, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

#### RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's Annual Report for the year ending 31 December 2019 be adopted. The Remuneration Report is set out in the Company's Annual Report for the year ending 31 December 2019 and is also available on the Company's website ([www.australisoil.com.au](http://www.australisoil.com.au)).

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

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then

convene a Spill Meeting within 90 days of the second Annual General Meeting. All Directors who were in office when the applicable Remuneration Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 31 December 2018 received a vote of less than 25% against its adoption at the Company's last general meeting held on 29 April 2019. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

### **Voting**

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

### **RESOLUTION 2 – RE-ELECTION OF MR GRAHAM DOWLAND AS A DIRECTOR**

Pursuant to Clause 6.1(f) of the Company's Constitution, Mr Dowland, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Dowland was appointed to the Board on 12 November 2015 and is the Finance Director and Chief Financial Officer.

Previously, Mr Dowland was a founding director of Aurora and held the position of Finance Director of Aurora from November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd in June 2014. He has over 30 years corporate finance and management experience in the oil and gas industry having previously held director, senior management or advisory positions in Australian, Canadian and UK-listed companies with operations in various jurisdictions worldwide.

Based on Mr Dowland's relevant experience and qualifications, the members of the Board (in the absence of Mr Dowland) support the re-election of Mr Dowland as a Director of the Company.

### **RESOLUTION 3 – RE-ELECTION OF MR ALAN WATSON AS A DIRECTOR**

Pursuant to Clause 6.1(f) of the Company's Constitution, Mr Watson, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Watson was appointed to the Board on 24 May 2016 and is Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Management Committee. The Board considers that Mr Watson, if re-elected, will continue to be classified as an independent director.

Currently, Mr Watson is independent Chairman of ASX listed funds management company, Pinnacle Investment Management Group Limited.

Mr Watson was formerly an independent, non-executive director of Aurora from November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd in June 2014. Sydney-based Mr Watson is a former investment banker with 35 years of experience within various global equity markets. Over this period, Mr Watson established, directed and was responsible for the conduct of securities businesses both in Europe and Asia, advising many companies on capital structuring, initial public offerings, takeovers, mergers and investment relations strategies. Mr Watson held positions at



Barclays de Zoete Wedd Limited, Donaldson, Lufkin & Jenrette Securities Corporation, Lehman Brothers Holdings Inc and as Head of Securities Europe for Macquarie Capital (Europe) Ltd.

Based on Mr Watson's relevant experience and qualifications, the members of the Board (in the absence of Mr Watson) support the re-election of Mr Watson as a Director of the Company.

#### **RESOLUTIONS 4 AND 5 – ISSUE OF PERFORMANCE RIGHTS TO MR IAN LUSTED AND MR GRAHAM DOWLAND OR THEIR NOMINEE(S) PURSUANT TO THE 2020 LTI AWARD UNDER THE PLAN**

The Company proposes to issue Performance Rights to all eligible Australis employees (including Mr Lusted and Mr Dowland), or their nominees, pursuant to the 2020 LTI Award under the Plan.

A total of 6,334,246 Performance Rights (each with an exercise price of nil and an expiry date of 31 January 2025) are proposed to be issued to Mr Lusted and Mr Dowland (**Participating Directors**), or their nominee(s), pursuant to the 2020 LTI Award under the Plan.

The 2020 LTI Award is similar to prior year's annual LTI Awards and comprises the contractual annual long-term component of the 'at risk' remuneration for the Participating Directors and aligns with the longer-term objectives of Shareholder return.

The number of Performance Rights proposed to be granted is based on the terms of the 2020 Remuneration Plan approved by the Board on 28 November 2019. At that time, the Board determined the 2020 LTI Award methodology would follow prior years methodology and as such included:

- the award being a percentage of each eligible employees 2020 commencing base salary converted to Performance Rights using the Australis share trading VWAP for the month of December of 2019; and
- such Performance Rights to vest over three years subject to continuous employment during each Vesting Period and various performance hurdles.

The performance hurdles and their application to the proposed issue of Performance Rights to the Participating Directors are set out in full in Annexure C.

#### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Lusted and Mr Dowland are related parties of the Company as they are Directors of the Company. This Resolution relates to a proposed issue of Performance Rights to Mr Lusted and Mr Dowland (or their nominee(s)), which are financial benefits that require Shareholder approval for the purposes of section 208 of the Corporations Act.

Under section 208 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; 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.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board (in the absence of Mr Lusted and Mr Dowland) to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Lusted and Mr Dowland's respective positions with the Company, the Board (in the absence of Mr Lusted and Mr Dowland) considers that the financial benefits conferred by the issue of Performance Rights to Mr Lusted and Mr Dowland (or their nominee(s)) is reasonable given:

- (a) the respective experience of Mr Lusted and Mr Dowland;
- (b) the total remuneration package, including the proposed issue of the 2020 LTI Award Performance Rights under the Plan and Fee Rights – B to compensate the executive Directors for reductions in their cash remuneration, the subject of Resolutions 9 and 10, is benchmarked to a peer group of a similar size and stage of development;
- (c) The 2020 LTI Award is based on similar awards provided in prior years under the Group wide long term incentives; and
- (d) the benefit derived from the proposed issue of the Performance Rights would otherwise be provided as a cash settled equivalent.

Therefore, the exception in section 211 applies.

#### **Section 195(4) of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

A Director does not have a material personal interest in the issue of Performance Rights to another Director (or their nominee(s)). However, given that it is proposed that all current Directors are either issued Performance Rights pursuant to Resolutions 4 and 5 or Fee Rights pursuant to Resolutions 6, 7, 8, 9, and 10 they may be considered to have a material personal interest in the outcome of some Resolutions, in which case the Directors may be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act and put the matters to Shareholders to resolve.

## Directors' recommendation

Mr Lusted declines to make a recommendation about Resolution 4 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him individually (or his nominee(s)). Mr Dowland declines to make a recommendation about Resolution 5 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him individually (or his nominee(s)).

ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest.

Accordingly, each of the Directors decline to make a recommendation with respect to Resolutions 4 and 5. The Directors are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.

## Information Requirements– Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed issue of Performance Rights to Mr Lusted and Mr Dowland (or their nominee(s)) pursuant to the Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If these Resolutions are passed, the Company will issue Performance Rights to Mr Lusted and Mr Dowland (or their nominee(s)) as set out in Annexures A to C to this Explanatory Memorandum. If these Resolutions are not passed, the Company will not issue Performance Rights to Mr Lusted or Mr Dowland (or their nominee(s)) and the Company may consider alternative ways to remunerate Mr Lusted and Mr Dowland, including by way of payments settled in cash based on similar performance hurdles.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Performance Rights will be issued to Mr Lusted and Mr Dowland, or their nominee(s), as noted in Annexure C to this Explanatory Memorandum;
- (b) Mr Lusted and Mr Dowland are related parties of the Company for the purposes of Listing Rule 10.14.1 as they are Directors of the Company;
- (c) Mr Lusted is a Director of the Company and the issue of Performance Rights the subject of Resolution 4 is intended to remunerate or incentivise Mr Lusted, whose current total remuneration package as at the date of this Notice is as follows:
  - salary of A\$240,000 (excluding superannuation);
  - short-term incentive (**STI**) of up to 75% of base salary (excluding superannuation), however, Mr Lusted voluntarily forfeited the achieved 2019 STI; and
  - long term incentive (**LTI**) of 70% of base salary excluding superannuation as at 1 January 2020, being the Performance Rights the subject of Resolution 4.

The Company notes Mr Lusted's base salary at the commencement of 2019 was A\$500,000 (excluding superannuation). In late 2019, Mr Lusted agreed to a 20% reduction of his base salary, effective 1 November 2019. The 2020 LTI Award is based on Mr Lusted's base salary as at 1 January 2020 of A\$400,000. Mr Lusted agreed to a further 40% reduction of his base salary, effective 1 April 2020. The salary reductions are not dependent on the passing of Resolution 4.

(d) Mr Dowland is a Director of the Company and the issue of Performance Rights the subject of Resolution 5 is intended to remunerate or incentivise Mr Dowland, whose current total remuneration package as at the date of this Notice is as follows:

- salary of A\$197,600 (excluding superannuation);
- STI of up to 65% of base salary (excluding superannuation), noting Mr Dowland voluntarily forfeited the achieved 2019 STI ; and
- LTI of up to 60% of base salary excluding superannuation as at 1 January 2020, being the Performance Rights the subject of Resolution 5.

The Company notes Mr Dowland's base salary at the commencement of 2019 was A\$380,000 (excluding superannuation). In late 2019, Mr Dowland agreed to a 20% reduction of his base salary, effective 1 November 2019. The 2020 LTI Award is based on Mr Dowland's base salary as at 1 January 2020 of A\$304,000. Mr Dowland agreed to a further 35% reduction of his base salary, effective 1 April 2020. The salary reductions are not dependent on the passing of Resolution 5.

(e) up to 3,835,616 Performance Rights will be issued to Mr Lusted (or his nominee(s)), and up to 2,498,630 Performance Rights will be issued to Mr Dowland (or his nominee(s)) pursuant to the 2020 LTI Award under the Plan

<b>Participating Director</b>	<b>Base Salary (excl Superannuation) as at 1 January 2020</b>	<b>2020 LTI Award %</b>	<b>2020 LTI Award Performance Rights based on Dec 2019 Australis VWAP (A\$0.073)</b>
Ian Lusted (or his nominee(s))	A\$400,000	70%	3,835,616
Graham Dowland (or his nominee(s))	A\$304,000	60%	2,498,630

The proposed issue of Performance Rights to the Executive Directors or their nominee(s) in respect of the 2020 LTI Award will, subject to the satisfaction of the Vesting Conditions and performance hurdles (described in Annexure C) and vest in 3 tranches over a 3-year period as follows:

Tranche	Performance Test Period	Vesting Date	Number of Performance Rights vesting
Tranche 1	1 January 2020 to 31 December 2020	31 January 2021	Up to 1/7 <sup>th</sup> of total Performance Rights awarded
Tranche 2	1 January 2020 to 31 December 2021	31 January 2022	Up to 2/7 <sup>th</sup> of the total Performance Rights awarded
Tranche 3	1 January 2020 to 31 December 2022	31 January 2023	Up to 4/7 <sup>th</sup> of the total Performance Rights awarded

Vesting of Performance Rights requires continued employment through to the Vesting Date and

- i) 56.25% of the Performance Rights in each Tranche are subject to the “*Absolute total shareholder return*” performance minimum threshold and vesting schedule set out in Annexure C, and
  - ii) 18.75% of the Performance Rights in each Tranche are subject to the “*Relative total shareholder return*” performance vesting schedule set out in Annexure C.
- (f) the terms and conditions of the Performance Rights are set out in Annexure C to this Explanatory Memorandum;
- (g) a summary of the material terms of the Plan are set out in Annexure A to this Explanatory Memorandum;
- (h) the proposed issue of Performance Rights under the Plan is designed to encourage the Executive Directors to have a continuing strong alignment with other Shareholders through increasing share ownership by way of a combination of the achievement of the Company’s objectives and that progress being reflected in share price performance and retention mechanisms to provide consistent long-term service. Under the Company’s current circumstances, the Directors consider (in the absence of Mr Lusted and Mr Dowland) that the incentives represented by the issue of Performance Rights are a cost effective and efficient means for the Company to provide a reward and incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation;
- (i) the Company’s advisers, RSM Australia Pty Ltd, have valued the Performance Rights using the Analytical Model and a Monte-Carlo simulation model in the manner set out in Annexure B to this Explanatory Memorandum. Based on the assumptions set out at Annexure B of this Explanatory Memorandum, it is considered that the estimated average value of the Performance Rights to be issued to the Participating Directors pursuant to each Vesting Condition for each tranche are as follows:

Valuation date	Award Type	Vesting Condition	Valuation methodology	Value per Performance Right
15 Apr 2020	Performance Rights -Tranche 1	Service condition	Analytical Model	A\$0.0340
15 Apr 2020	Performance Rights – Tranche 1	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0167
15 Apr 2020	Performance Rights – Tranche 1	Service condition and RTSR hurdle	Monte-Carlo	A\$0.0258
15 Apr 2020	Performance Rights -Tranche 2	Service condition	Analytical Model	A\$0.0340
15 Apr 2020	Performance Rights – Tranche 2	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0169
15 Apr 2020	Performance Rights – Tranche 2	Service condition and RTSR hurdle	Monte-Carlo	A\$0.0257
15 Apr 2020	Performance Rights -Tranche 3	Service condition	Analytical Model	A\$0.0340
15 Apr 2020	Performance Rights – Tranche 3	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0147
15 Apr 2020	Performance Rights – Tranche 3	Service condition and RTSR hurdle	Monte-Carlo	A\$0.0236

Estimated Value of the proposed 2020 LTI Award Performance Rights to Directors	Ian Lusted A\$	Graham Dowland A\$	Total (A\$)
Tranche 1	12,455	8,114	20,569
Tranche 2	25,014	16,295	41,308
Tranche 3	46,452	30,260	76,712
<b>Total</b>	<b>83,921</b>	<b>54,669</b>	<b>138,590</b>

- (j) the Performance Rights will be issued on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (k) the Performance Rights will be issued for no consideration;

- (l) no funds will be raised from the issue of the Performance Rights;
- (m) the number of Performance Rights that have previously been issued to Mr Lusted and Mr Dowland (or their nominee(s)) under the Plan since it was last approved under Listing Rule 10.14 and the average acquisition price for the Performance Rights paid by Mr Lusted and Mr Dowland (or their nominee(s)) is set out in Annexure A. The terms and conditions including the performance hurdles for the prior awards of Performance Rights to Mr Lusted and Mr Dowland are detailed in the 2018 and 2019 Remuneration Reports;
- (n) details of any securities issued under the Plan have or will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after these Resolutions are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule; and
- (p) a voting exclusion statement applies to these Resolutions as set out in the Notice of Meeting.

If approval is given for the issue of the Performance Rights under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

### **Voting**

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

### **RESOLUTIONS 6, 7, AND 8:**

**ISSUE OF “FEE RIGHTS – A” TO MR JONATHAN STEWART, MR STEVE SCUDAMORE AND MR ALAN WATSON (OR THEIR NOMINEE(S)) IN LIEU OF NON-EXECUTIVE DIRECTOR CASH FEES (RESOLUTIONS 6, 7 AND 8 RESPECTIVELY), AND**

### **RESOLUTIONS 9 AND 10:**

**ISSUE OF “FEE RIGHTS - B” TO MR IAN LUSTED AND MR GRAHAM DOWLAND (OR THEIR NOMINEE(S)) UNDER THE PLAN TO COMPENSATE FOR BASE SALARY AND OTHER CASH REMUNERATION REDUCTIONS (RESOLUTIONS 9 AND 10 RESPECTIVELY)**

To reduce the cash burden on the Company in 2020, the non-executive Directors offered at the commencement of 2020 to reduce the portion of their annual fees paid in cash in lieu of the Company issuing Fee Rights - A for no consideration on the terms and conditions set out in Annexure D to this Explanatory Memorandum.

In addition, the proposed issue of Fee Rights - B to the executive Directors is to compensate Mr Lusted and Mr Dowland for the significant reductions in cash remuneration they have each voluntarily taken, being a 20% reduction in base salary effective 1 November 2019, voluntary forfeiture of their 2019 cash bonus that was due to be paid in the first quarter of 2020 and further base salary reductions effective 1 April 2020 of 40% (Mr Lusted) and 35% (Mr Dowland). The base salary for each of the executive Directors is reviewed on an annual basis and for 2021, depending on the Company's

financial position and the status of the oil industry in general, the Board may, although no undertaking or commitment has been made, increase the base salary or either or both executive Directors. Subject to the receipt of Shareholder approval,

- 50% of Mr Stewart's 2020 fees from 1 January 2020 to 30 April 2020 (A\$38,052);
- 100% of Mr Stewart's 2020 fees from 1 May 2020 to 31 December 2020 (A\$152,207), and
- 50% of each of Mr Scudamore's and Mr Watson's 2020 fees (A\$45,662 each),

will be settled in equity by the issue of rights which are able to be exercised into ordinary Shares (**Fee Rights - A**)

- Subject to the receipt of Shareholder approval, the value of Mr Lusted's base salary reductions only, exclusive of superannuation, from 1 November 2019 to 31 December 2020 (A\$236,667), and
- the value Mr Dowland's base salary reductions only, exclusive of superannuation, from 1 November 2019 to 31 December 2020 (A\$168,467),

will be settled in equity by the issue of rights which are able to be exercised into ordinary Shares (**Fee Rights - B**).

The reductions in cash fees further reduces the entitlement for the Directors to receive superannuation that would otherwise normally be paid by the Company. No Fee Rights are proposed to be granted in lieu of superannuation forgone or other cash remuneration forfeited or forgone as a result of the reduction of base salary.

Subject to the receipt of Shareholder approval, the Fee Rights will be issued on one date, which will be no later than 1 month after the date of the Meeting . The deemed issue price of the Fee Rights is based on the Company's VWAP for the period of 1 January to 31 March 2020, being 2.4 cents. The number of Fee Rights proposed to be issued to each Director is set out below.

Director	Number of Fee Rights proposed to be issued	
	Fee Rights - A	Fee Rights - B
Mr Jon Stewart	7,927,458	Nil
Mr Steve Scudamore	1,902,583	Nil
Mr Alan Watson	1,902,583	Nil
Mr Ian Lusted	Nil	9,861,125
Mr Graham Dowland	Nil	7,019,458



If a non-executive Director ceases to hold office during 2020, the number of Fee Rights - A vesting on 31 January 2021 will be reduced proportionally to the time served as a Director during 2020.

If an executive Director ceases to be continually employed by the Company up to and including the Vesting Date of 31 January 2021 all Fee Rights - B lapse.

### **Rationale for the issue of Fee Rights**

The offer by Directors to materially reduce the portion of fees paid in cash or their base salary was made specifically to conserve Company cash resources. The recent volatility in oil price based on over-supply and reduction in demand for oil due to COVID -19 has negatively impacted operating conditions for at least the short term. The Directors accept the value risk associated with accepting Fee Rights in place of cash in that the value of the Fee Rights proposed may fall or increase in value over time. The cash funding reduction was, however, fixed at the time of the offers being made.

The Directors consider the proposed issue of Fee Rights materially assists in the conservation of the Company's cash through this period. The rationale for the proposed issue of Fee Rights to the Directors is set out in further detail below.

#### *Rationale for the issue of Fee Rights - A to the non-executive Directors*

The proposed issue of Fee Rights - A is to compensate Mr Stewart, Mr Scudamore and Mr Watson for the sacrifice of 50% of each non-executives cash fees, an offer made by each non-executive Director at the commencement of 2020 to assist the Company to reduce cash expenditure during the period of low and falling oil prices.

In April 2020, Mr Stewart further offered to sacrifice 100% of his cash fees for the period 1 May to 31 December 2020.

The Directors consider (in the absence of the non-executive Directors) that the compensation represented by the issue of Fee Rights - A are an efficient means for the Company to settle the non-executive Directors fees whilst conserving cash. In the event Shareholders do not approve the issue of Fee Rights - A to a non-executive Director, the Company will continue to settle the full amount of that non-executive Director's fees, together with superannuation due, in cash.

#### *Rationale for the issue Fee Rights - B to the executive Directors*

The proposed issue of Fee Rights is to compensate Mr Lusted and Mr Dowland for the significant reductions in base salary and other cash remuneration they have each voluntarily taken. Both executive Directors reduced base salary by 20% effective 1 November 2019, and a further 40% (Mr Lusted) and 35% (Mr Dowland), effective 1 April 2020. In addition, they both voluntarily forfeited their 2019 cash bonus payable in the first quarter of 2020.

The reductions in base salary and other remuneration by each of the executive Directors was offered to assist the Company to reduce cash expenditure during the period of low and falling oil prices.

The Fee Right - B proposal for executive Directors values only the base salary reductions, for the period 1 November 2019 to 31 December 2020. The proposal does not include any value for the superannuation forfeiture resulting from the base salary reductions, the voluntary forfeiture of achieved 2019 cash bonus (Mr Lusted US\$96,921 and Mr Dowland US\$63,838) nor does it include the reduced basis for calculation of incentive awards for 2020 that are based on 1 January 2020 base salary. There is no agreement for either executive Directors remuneration to revert to the levels prior to the base salary reductions or amended in any way as at 31 December 2020. Any increase to reflect appropriate remuneration levels subsequent to this date will be subject to a range of factors including the Company's financial position and the status of the oil industry in which the Company operates.

The Directors (other than the executive Directors), consider the actions taken by the executive Director's as further confirmation of their commitment to the Company, the Australis strategy and the

current operating environment. As Australis manages its assets through this challenging and volatile international environment, retention of key executives is critical.

The proposed issue of Fee Rights - B assists in recognising the significant commitment of the executive Directors to Shareholders.

The Directors consider (in the absence of Mr Lusted and Mr Dowland) that the issue of Fee Rights - B are an efficient means for the Company to settle the executive Directors base salary reductions whilst conserving cash. In the event Shareholders do not approve the issue of Fee Rights -B to an executive Director the Company will seek alternative methods of compensation and incentivisation to reflect the value of the significant reductions in remuneration of Mr Lusted and Mr Dowland as applicable.

### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision;  
or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Stewart, Mr Scudamore and Mr Watson are related parties of the Company as they are Directors of the Company. Resolutions 6, 7 and 8 relate to a proposed issue of Fee Rights - A to Mr Stewart, Mr Scudamore and Mr Watson (or their nominee(s)), which are financial benefits that require Shareholder approval for the purposes of section 208 of the Corporations Act.

For the purposes of Chapter 2E of the Corporations Act, Mr Lusted and Mr Dowland are related parties of the Company as they are Directors of the Company. Resolutions 9 and 10 relate to a proposed issue of Fee Rights - B to Mr Lusted and Mr Dowland (or their nominee(s)), which are financial benefits that require Shareholder approval for the purposes of section 208 of the Corporations Act

Under section 208 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; 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.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and the Directors positions with the Company, the Board considers that the financial benefit conferred by the issue of Fee Rights to each of the Directors (or their nominee(s)) is reasonable given the issue of Fee Rights does not amount to any additional payment as:

- the value of the Fee Rights - A to be issued to the non-executive Directors (or their nominees) represents the non-executive Directors' fees which would otherwise be settled in cash; and
- the value of the Fee Rights - B to be issued to the executive Directors (or their nominees) compensates the executive Directors for base salary reductions and associated reduction in any other remuneration that is based on the level of base salary,

and therefore, the exception in section 211 applies.

### **Section 195(4) of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

A Director does not have a material personal interest in the issue of Fee Rights to another Director (or their nominee(s)). However, given that it is proposed that all current Directors are either issued Fee Rights pursuant to Resolutions 6, 7, 8, 9, and 10 or Performance Rights pursuant to Resolutions 4 and 5, they may be considered to have a material personal interest in the outcome of some Resolutions, in which case the Directors may be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act and put the matter to Shareholders to resolve.

### **Directors' recommendation**

Mr Stewart declines to make a recommendation about Resolution 6 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights- A to him individually (or his nominee(s)).

Mr Scudamore declines to make a recommendation about Resolution 7 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights - A to him individually (or his nominee(s)).

Mr Watson declines to make a recommendation about Resolution 8 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights – A to him individually (or his nominee(s)).

Mr Lusted declines to make a recommendation about Resolution 9 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights - B to him individually (or his nominee(s)).

Mr Dowland declines to make a recommendation about Resolution 10 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights - B to him individually (or his nominee(s)).

ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest.

Accordingly, each of the Directors declines to make a recommendation with respect to Resolutions 6, 7, 8, 9, and 10. The Directors are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.

### **Information Requirements - Listing Rules 10.11 and 10.13**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- a related party (*Listing Rule 10.11.1*);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (*Listing Rule 10.11.2*);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (*Listing Rule 10.11.3*);
- an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (*Listing Rule 10.11.4*); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (*Listing Rule 10.11.5*),

unless it obtains the approval of its Shareholders.

The proposed issue of Fee Rights to Mr Stewart, Mr Scudamore Mr Watson, Mr Lusted and Mr Dowland (or their nominee(s)) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue 7,927,458 Fee Rights - A to Mr Stewart (or his nominee(s)).

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue 1,902,583 Fee Rights - A to Mr Scudamore (or his nominee(s)).

Resolution 8 seeks Shareholder Approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue 1,902,583 Fee Rights - A to Mr Watson (or his nominee(s)).

Resolution 9 seeks Shareholder Approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue 9,861,125 Fee Rights - B to Mr Lusted (or his nominee(s)).

Resolution 10 seeks Shareholder Approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue 7,019,458 Fee Rights - B to Mr Dowland (or his nominee(s)).

If these Resolutions are passed, the Company will be able to proceed with the issue of Fee Rights to Mr Stewart, Mr Scudamore Mr Watson, Mr Lusted and Mr Dowland (or their nominee(s)) as applicable.

The Board considers the passing of Resolutions 6, 7, 8, 9, and 10 will have no material impact on each Directors' (or their nominee(s))'s voting power in the Company.

If these Resolutions are not passed:

- the Company will not be able to proceed with the issue of Fee Rights - A to Mr Stewart, Mr Scudamore or Mr Watson (or their nominee(s)) and the Company will continue to settle the full amount of the non-executive Directors' fees together with superannuation due to Mr Stewart, Mr Scudamore and Mr Watson in cash; and
- the Company will not be able to proceed with the issue of Fee Rights - B to Mr Lusted or Mr Dowland (or their nominee(s)) and the Company will seek alternative methods of compensation and incentivisation to reflect the value of the significant reductions in base salary of Mr Lusted and Mr Dowland.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Fee Rights will be issued to Mr Stewart, Mr Scudamore, Mr Watson, Mr Lusted and Mr Dowland (or their nominee(s)), as set out in Annexure D to this Explanatory Memorandum;
- (b) Mr Stewart, Mr Scudamore, Mr Watson, Mr Lusted and Mr Dowland are related parties of the Company as they are Directors of the Company;
- (c) the number of Fee Rights to be issued to Mr Stewart, Mr Scudamore Mr Watson, Mr Lusted and Mr Dowland (or their nominee(s)) is set out in the table of page set out on page 13 of this Explanatory Memorandum and is based on the Company's VWAP for the period of 1 January 2020 to 31 March 2020, being 2.4 cents;
- (d) the terms and conditions of the Fee Rights are set out in Annexure D to this Explanatory Memorandum;
- (e) the purpose of proposed issue of Fee Rights is set out on page 14 of this Explanatory Memorandum under the heading "Rationale for the issue of Fee Rights";
- (f) the Fee Rights will be issued on one date, which will be no later than 1 month after the date of the Meeting;
- (g) the Fee Rights will be issued for no consideration;
- (h) no funds will be raised from the issue of the Fee Rights;
- (i) Mr Stewart is a Director of the Company and, as such, is a related party of the Company and the issue the subject of Resolution 6 is intended to remunerate Mr Stewart in lieu of cash fees;
- (j) Mr Scudamore is a Director of the Company and, as such, is a related party of the Company and the issue the subject of Resolution 7 is intended to remunerate Mr Scudamore in lieu of cash fees;
- (k) Mr Watson is a Director of the Company and, as such, is a related party of the Company and the issue the subject of Resolution 8 is intended to remunerate Mr Watson in lieu of cash fees;
- (l) Mr Lusted is a Director of the Company and, as such, is a related party of the Company and the issue the subject of Resolution 9 is intended to compensate Mr Lusted for the previous significant reductions in his base salary;
- (m) Mr Dowland is a Director of the Company and, as such, is a related party of the Company and the issue the subject of Resolution 10 is intended to compensate Mr Dowland for the significant reductions in his base salary; and
- (n) a voting exclusion statement applies to these Resolutions as set out in the Notice of Meeting.

If approval is given for the issue of the Fee Rights under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

**Voting**

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

## GLOSSARY

**2020 LTI Award** has the meaning set out in Annexure A to this Explanatory Memorandum.

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Analytical Model** has the meaning set out in Annexure B to this Explanatory Memorandum.

**Annual Report** means the annual report of the Company for the year ended 31 December 2019.

**Associate** has the meaning given to that term in the Listing Rules.

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

**ATSR** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual appointed under clause 5.5 of the Company's Constitution.

**Change of Control** has the meaning set out in Annexure D to this Explanatory Memorandum.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Australis Oil and Gas Limited ABN 34 609 262 937.

**Constitution** means the Company's constitution, as amended from time to time.

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

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

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Executive Directors** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Fee Rights - A** has the meaning set out on page 13.

**Fee Rights - B** has the meaning set out on page 13.

**First Exercise Date** means the date specified in the Offer, or if no date is specified, the date of issue of the Performance Rights.

**Group** means the Company and its Related Bodies Corporate and **Group Company** means the Company or any of its Related Bodies Corporate.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Last Exercise Date** means the date specified in the Offer, or if no date is specified, the date two years after the First Exercise Date.

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

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

**Notice** means this Notice of Annual General Meeting.

**Notice of Meeting** means this Notice of Annual General Meeting.

**Offer** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Participant** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Participating Directors** has the meaning set out on page 6.

**Performance Rights** means the performance rights issued under the Plan.

**Plan** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Poll Form** has the meaning set out on page 1.

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

**Remuneration Report** means the remuneration report set out in the Annual Report.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**RTSR** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Shareholder** means a member of the Company from time to time.

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

**Spill Meeting** has the meaning set out on page 4.

**Spill Resolution** has the meaning set out on page 4.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**TSR** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Vesting Condition** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Vesting Period** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Voting Power** has the meaning given to that term in the Corporations Act.

**VWAP** has the meaning set out in Annexure A of this Explanatory Memorandum.



# AUSTRALIS OIL & GAS LIMITED

## ABN 34 609 262 937

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Australis Oil & Gas Limited ABN 34 609 262 937 will be held at Level 29, 77 St Georges Terrace, Perth WA for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

#### AGENDA

##### Financial Reports

To receive and consider the financial report of the Company for the year ended 31 December 2019, together with the Directors' Report and the Auditor's Report as set out in the Annual Report for the year ended 31 December 2019.

##### Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 31 December 2019 as set out in the Annual Report for the year ended 31 December 2019 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and

(b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

##### Resolution 2 – Re-election of Mr Graham Dowland as a Director

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

*"That, Mr Graham Dowland, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **Resolution 3 – Re-election of Mr Alan Watson as a Director**

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

*"That, Mr Alan Watson, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **Resolution 4 – Issue of Performance Rights to Mr Ian Lusted or his nominee(s) pursuant to the 2020 LTI Award under the Plan**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 3,835,616 Performance Rights for no consideration, with each Performance Right having an exercise price of nil and an expiry date of 31 January 2025, to Mr Ian Lusted or his nominee(s), pursuant to the 2020 LTI Award under the Plan on the terms and conditions set out in the Explanatory Memorandum (including Annexures A to C to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

### **Resolution 5 – Issue of Performance Rights to Mr Graham Dowland or his nominee(s) pursuant to the 2020 LTI Award under the Plan**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 2,498,630 Performance Rights for no consideration, with each Performance Right having an exercise price of nil and an expiry date of 31 January 2025, to Mr Graham Dowland or his nominee(s), pursuant to the 2020 LTI Award under the Plan on the terms and conditions set out in the Explanatory Memorandum (including Annexures A to C to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## **Resolution 6 – Issue of Fee Rights - A to Mr Jonathan Stewart (or his nominee(s)) in lieu of non-executive Director cash fees**

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

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 7,927,458 Fee Rights - A to Mr Jonathan Stewart (or his nominee(s)) in lieu of non-executive Director cash fees, on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the Fee Rights - A in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or

- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

### **Resolution 7 – Issue of Fee Rights - A to Mr Steve Scudamore (or his nominee(s)) in lieu of non-executive Director cash fees**

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

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 1,902,583 Fee Rights - A to Mr Steve Scudamore (or his nominee(s)) in lieu of non-executive Director cash fees, on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum)."*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) *the person who is to receive the Fee Rights - A in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or*
- (b) *an Associate of that person.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- (a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
- (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
- (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- (a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

### **Resolution 8 – Issue of Fee Rights - A to Mr Alan Watson (or his nominee(s)) in lieu of non-executive Director cash fees**

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

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 1,902,583 Fee Rights - A to Mr Alan Watson (or his nominee(s)) in lieu of non-executive Director cash fees, on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the Fee Rights - A in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## **Resolution 9 Issue of Fee Rights - B to Mr Ian Lusted or his nominee(s) under the Plan**

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

**"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 9,861,125 Fee Rights - B to Mr Ian Lusted (or his nominee(s)) , on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum)."**

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the Fee Rights - B in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or

- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

## **Resolution 10 Issue of Fee Rights - B to Mr Graham Dowland or his nominee(s) under the Plan**

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

**"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 7,019,458 Fee Rights - B to Mr Graham Dowland (or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum))."**

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) *the person who is to receive the Fee Rights in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights - B (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or*
- (b) *an Associate of that person.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- (a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
- (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
- (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- (a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

**OTHER BUSINESS**

---

**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

---

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**



**Graham Dowland  
Finance Director**

Dated: 12 May 2020

## Voting

Subject to the voting instructions on page 1 which include restrictions on voting, Shareholders entitled to vote at the Meeting can vote in any of the following ways.

### How to vote

Shareholders can vote by either:

- a) attending the Meeting via webcast and pre-registering to vote during the Meeting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- b) appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

### Voting in person (or by attorney) or by a Corporation

- a) Ordinarily, the Company and Board encourage all Shareholders to participate in general meetings such as this Meeting by attending and voting in person at the Meeting venue. This includes a Shareholder that is a corporation that has appointed an individual to act as its representative and vote in person at the Meeting.
- b) However, due to the current exceptional circumstances, and with the health, wellbeing and best interests of the Company's Shareholders, staff and broader community in mind, the Company and the Board expect that Shareholders will not be admitted to the Meeting venue. Shareholders may participate in the Meeting:
  - via webcast including submitting questions; and/or
  - in voting on Resolutions by poll during the Meeting,by registering prior to the meeting in accordance with the instructions on page 1 of this Notice
- c) At this stage, in the current circumstances, the Company expects only a very limited number of persons – such as the Chair and some of the Company's Directors – will attend the venue in person. Directors who are unable to, or whose preference is to not to attend the physical Meeting in the current circumstances, will also be participating at the Meeting via webcast at- <https://attendee.gotowebinar.com/register/6562918242437308939>.

As such, the Board strongly encourages all shareholders to vote by proxy following the instructions set out in this Notice and the enclosed proxy form.

## Voting by proxy

As a result of the evolving COVID-19 circumstances, we strongly encourage Shareholders to carefully consider whom they appoint as their proxy.

If a proxy, other than the Chair, cannot attend or is not admitted to the Meeting, the Chair will become the proxy. In this circumstance, the Chair will be directed by the voting preferences (if any) provided in the Proxy Form.

Please refer to the Proxy Form for further details.

- a) A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- b) The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- c) A proxy need not be a Shareholder.
- d) The proxy can be either an individual or a body corporate.
- e) If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 4, 5, 6, 7, 8, 9 and 10 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- f) Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- g) If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- h) Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to



vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.

- i) To be effective, proxies must be received by 11:30 AM (AWST) on 9 June 2020. Proxies received after this time will be invalid.
- j) Proxies may be lodged using any of the following methods:
  - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:

Australis Oil & Gas Ltd  
Level 29, 77 St Georges Terrace, Perth,  
Western Australia
  - or
  - by email to [contact@australisoil.com](mailto:contact@australisoil.com)
  - or
  - by faxing a completed Proxy Form to +61 (0) 8 9220 8799.
- k) The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 11:30 AM (AWST) on 9 June 2020. If facsimile transmission is used, the Power of Attorney must be certified.

#### **Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00 PM (AWST) on 9 June 2020.

#### **Shareholders' Questions to the Chair and Board**

- a) Due to the impact of COVID-19 and restrictions on physical attendance at the Meeting, the Company strongly encourages Shareholders who would like to ask questions on the Resolutions of the Chair, Board or management to do so in writing before the Meeting.
- b) Any written questions to the Company should be sent to: [contact@australisoil.com](mailto:contact@australisoil.com). Written questions that are sent to the Company must be

received by no later than 11.30 (AWST) on 9 June 2020.

- c) Shareholders will be able to submit questions to the Meeting via a webcast, available at: <https://attendee.gotowebinar.com/register/6562918242437308939>
- d) Questions from Shareholders are important. Although the Board may not be able to reply to each question individually, the Board will respond to as many of the frequently asked questions as possible at the Meeting and those answers will be posted on the Company's website.

## ANNEXURE A - 2020 LTI AWARD UNDER THE EMPLOYEE EQUITY INCENTIVE PLAN

### The Plan

The Plan was initially approved by Shareholders at the General Meeting held on 27 June 2016 and, in accordance with Listing Rule 7.2 (Exception 6(b)), the Company re-approved the Plan at the Annual General Meeting held on 29 April 2019. No changes to the Plan have been made since it was last approved at the General Meeting held on 29 April 2019.

Under the Plan, the Board may offer employees, contractors and Directors the opportunity to subscribe for such number of Options, Performance Rights and Shares as the Board may decide and on the terms set out in the rules of the Plan. For the purposes of the Plan, a Fee Right satisfies the definition of a Performance Right.

### Summary of the Plan

- (a) Eligibility: The Board may provide an offer to an employee or Director of the Company (or subsidiary of the Company) to participate in the Plan (**Offer**). Where such person (or a nominee of such person approved by the Board) accepts the Offer, he or she will become a participant under the Plan (**Participant**).
- (b) Offer: The Board may make an Offer at any time. The Offer will include the following information:
  - (iii) the name and address of the person to whom the Offer is being made to;
  - (iv) the date of the Offer;
  - (v) the final date that the person can accept the Offer;
  - (vi) the number of Performance Rights being offered;
  - (vii) the amount payable per Performance Right by the person on application for the Performance Rights offered;
  - (viii) the conditions (if any) determined by the Board which are required to be satisfied, reached and met before a Performance Right will be issued, whether not it is issued subject to further Vesting Conditions;
  - (ix) the Vesting Conditions attaching to the Performance Rights;
  - (x) the First Exercise Date and Last Exercise Date of the Performance Rights;
  - (xi) the exercise price or the manner of determining the exercise price of the Performance Rights;
  - (xii) the Vesting Period of the Performance Rights; and
  - (xiii) any other specific terms and conditions applicable to the Offer.
- (c) Issue Price: The issue price in respect of the Performance Rights granted under the Plan is as determined by the Board at its discretion.
- (d) Nominees: A Participant may, by notice in writing to the Board, nominate a nominee in whose favour the Participant wishes the Performance Rights to be issued. The Board may, in its sole and absolute discretion, decide not to permit the Performance Rights to be issued to a nominee.
- (e) Transferability: Performance Rights may not be assigned or transferred except on the death of the Participant in limited circumstances or with the prior consent of the Board.

- (f) Vesting: A Performance Right will vest when the Vesting Conditions attaching to the Performance Right are met, or immediately upon:
  - (i) a takeover bid (as defined in the Corporations Act) becoming or being declared unconditional;
  - (ii) the Court sanctioning a compromise or arrangement relating to the Company under Part 5.1 of the Corporations Act;
  - (iii) any other merger, consolidation or amalgamation involving the Company occurring which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation;
  - (iv) any Group Company entering into agreements to sell in aggregate a majority in value of the businesses or assets of the Group to a person, or a number of persons, none of which are Group Companies; or
  - (v) the Board determining in its reasonable opinion that control of the Company has or is likely to change or pass to one or more persons.
- (g) Lapse of Performance Right: A Performance Right will not vest and will lapse on the earlier of:
  - (i) the Board determining that the Vesting Conditions attaching to the Performance Right have not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
  - (ii) the day immediately following the Last Exercise Date; or
  - (iii) with respect of unvested Performance Rights, the date the Participant ceases to be employed by the Company or ceases to hold office in the Company, including upon the death, permanent disability or redundancy of the Participant, subject to certain exceptions.
- (h) Issue of Shares on vesting of Performance Rights: Upon determination that the Performance Rights have vested, the vested Performance Rights may be exercised and following exercise of the Performance Rights, the Company will, subject to the terms of the Company's relevant policies, issue or transfer Shares to that Participant and apply for official quotation or listing of those Shares on the ASX if applicable. Unless and until the Performance Rights have been exercised and the relevant Shares issued or transferred to that Participant as a result of that exercise, a Participant has no interest in those Shares.
- (i) Ranking of Shares: Shares issued upon exercise of the Performance Right will rank equally in all respects with existing Shares.
- (j) Adjustment of Performance Rights: If, prior to the vesting of a Performance Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital to Shareholders), the number of Shares the subject of the Performance Rights will be adjusted in a manner required by the Listing Rules.
- (k) Amendments to the Plan: Subject to and in accordance with the Listing Rules while the Company is listed, the Board may amend the Plan (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company), provided that rights or entitlements in respect of any Performance Right granted before the date of the amendment shall not be reduced or adversely affected without the prior written consent of the Participant affected by the amendment.

## Performance Rights issued under the Plan

1,834,921 Performance Rights have been issued to Mr Lusted and Mr Dowland or their nominee(s) under the Plan since it was re-approved at the General Meeting held on 29 April 2019, as set out below.

Director	Number of Performance Rights issued	Average acquisition price
Ian Lusted (or his nominee(s))	1,111,111	Nil
Graham Dowland (or his nominee(s))	723,810	Nil
<b>Total</b>	<b>1,834,921</b>	

## The 2020 LTI Award

Resolutions 4 and 5 seek Shareholder approval for the issue of the following Performance Rights to the Executive Directors or their nominee(s) based on the 2020 LTI Award:

Executive Director	Number of Performance Rights
Ian Lusted (or his nominee(s))	3,835,616
Graham Dowland (or his nominee(s))	2,498,630
<b>Total</b>	<b>6,334,246</b>

The proposed issue of Performance Rights to the Executive Directors or their nominee(s) in respect of the 2020 LTI Award will, subject to the satisfaction of the Vesting Conditions and performance hurdles (described below) vest in 3 tranches over a 3-year period as follows:

Tranche	Performance Test Period	Vesting Date	Number of Performance Rights vesting
Tranche 1	1 January 2020 to 31 December 2020	31 January 2021	Up to 1/7 <sup>th</sup> of total Performance Rights awarded
Tranche 2	1 January 2020 to 31 December 2021	31 January 2022	Up to 2/7 <sup>th</sup> of the total Performance Rights awarded
Tranche 3	1 January 2020 to 31 December 2022	31 January 2023	Up to 4/7 <sup>th</sup> of the total Performance Rights awarded

## Service-based vesting condition

25% of the relevant tranche of a 2020 LTI Award will vest on the relevant vesting date subject to the Executive Directors remaining in the employment of the Company throughout the period from 1 January 2020 through to the vesting date for each tranche (**Vesting Period**).

## Performance hurdles

### *Absolute total shareholder return performance target*

Up to 56.25% of the relevant tranche of a 2020 LTI Award will vest on the relevant vesting date subject to the Executive Director remaining in the employment of the Company throughout the relevant test period and in accordance with the following vesting schedule dependent on the Company's absolute total shareholder return (**ATSR**) performance measure, being the increase from the Company's volume weighted average Share price (**VWAP**) for December 2019, of \$0.073, to the Company's VWAP for the month of December prior to the vesting date for the relevant tranche.

ATSR increase compared to Dec 2019 VWAP of A\$0.073	0% < 5%	5% <10%	10% to <15%	15% to <20%	20% to <25%	25% to <30%	30% to <40%	40% +
<b>Testing Period</b>								
VWAP Dec 2020 - Tranche 1	10%	20%	40%	60%	80%	100%	100%	100%
VWAP Dec 2021 – Tranche 2	5%	10%	20%	40%	60%	80%	100%	100%
VWAP Dec 2022 – Tranche 3	0%	5%	10%	20%	40%	60%	80%	100%

### *Relative total shareholder return performance target*

Up to 18.75% of the relevant tranche of a 2020 LTI Award will vest on the relevant vesting date subject to the Executive Director remaining in the employment of the Company throughout the relevant test period and in accordance with the following vesting schedule dependent on the Company's relative total shareholder return (**RTSR**) performance (being the comparison of the Company's VWAP for the month of December prior to the relevant vesting date to that of the Company's VWAP for the month of December 2019 of \$0.073) with the total shareholder return (**TSR**) performance of a selected peer group of ASX listed companies for the relevant Vesting Period.

Each peer company's TSR is calculated by comparing its VWAP for the month of December in the most recent period prior to the vesting date for the relevant tranche with its December 2019 VWAP. The ranking of the Company's TSR performance within the peer group will determine the achieved percentage of the relevant tranche of the 2020 LTI Award that will vest on a particular vesting date. For each percentile increment that the Company's TSR exceeds the 50<sup>th</sup> percentile of the peer group, 2% of the 2020 LTI Award subject to the RTSR performance target vests, as set out below.

ATS Ranking	1	2	3	4	5	6
<b>RTSR vesting %</b>	100	83.3	66.7	50	33.3	16.7

The 2020 LTI Award incorporates a retest facility whereby any Performance Rights that do not vest on the Tranche 1 and/or Tranche 2 vesting dates pursuant to the ATSR and/or RTSR performance targets will be retested at the Tranche 3 vesting date in accordance with the Tranche 3 performance hurdles.

## ANNEXURE B – MONTE-CARLO VALUATION METHOD

The Company's advisers, RSM Australia Pty Ltd (RSM), have valued the Performance Rights using the Monte-Carlo simulation model and the Hoadley's "Options 1" valuation model (**Analytical Model**).

The Analytical Model has been used to value those Performance Rights for which only service conditions exist. The Monte-Carlo simulation model has been used to value those Performance Rights subject to ATSR and RTSR conditions in addition to service conditions.

The value of a Performance Right calculated by the Analytical Model and the Monte-Carlo Model is a function of a number of variables. The indicative valuation of the Performance Rights has been prepared using the following assumptions:

Variable	Tranche 1	Tranche 2	Tranche 3
Share price	A\$0.034	A\$0.034	A\$0.034
Exercise price	nil	nil	nil
Risk Free Interest Rate	0.23%	0.23%	0.26%
Volatility	75%	75%	75%
Time (years to expiry)	5	5	5

RSM have calculated the value of each Performance Right based on the following assumptions:

- the underlying value of each Share in the Company on the ASX closing price of A\$0.034 on 14 April 2020 being the most recent Trading Day prior to the Valuation Date of 15 April utilised by RSM ;
- risk free rate of return – 0.23% for Tranche 1 and 2 (estimated, based on the two-year yield for Commonwealth bonds) and 0.26% for Tranche 3 (estimated, based on the three-year yield for Commonwealth bonds); and
- volatility of the Share price of 75% as determined from the daily movements in Share price over the last one, two and three year periods, adjusted for abnormal trading, particularly given the market wide volatility caused by the COVID-19 pandemic.

Based on the assumptions, it is considered that the estimated average value of each Performance Right to be issued to the Participating Directors is as follows:

	Maximum Number of Performance Rights-under the 2020 LTI Award		Valuation per Performance Right
	Ian Lusted	Graham Dowland	
Tranche 1 – Service condition	136,986	89,237	A\$0.0340
Tranche 1 – ATSR hurdle	308,219	200,783	A\$0.0167
Tranche 1 – RTSR hurdle	102,740	66,927	A\$0.0258
Tranche 2 – Service condition	273,973	178,474	A\$0.0340
Tranche 2 – ATSR hurdle	616,438	401,565	A\$0.0169

Tranche 2 – RTSR hurdle	205,479	133,855	A\$0.0257
Tranche 3 – Service condition	547,945	356,947	A\$0.0340
Tranche 3 – ATSR hurdle	1,232,877	803,131	A\$0.0147
Tranche 3 – RTSR hurdle	410,959	267,711	A\$0.0236
<b>Total</b>	<b>3,835,616</b>	<b>2,498,630</b>	

Estimated Value of the proposed 2020 LTI Award Performance Rights	Ian Lusted A\$	Graham Dowland A\$	Total (A\$)
Tranche 1	12,455	8,114	20,569
Tranche 2	25,014	16,295	41,308
Tranche 3	46,452	30,260	76,712
<b>Total</b>	<b>83,921</b>	<b>54,669</b>	<b>138,590</b>

Any change in the variables applied in the Analytical Model and the Monte Carlo calculation between the date of the valuation and the date the Performance Rights are issued would have an impact on their value.

#### Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 12 May 2020:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
0.29 – 13 May 2019	0.007 - 24 March 2020	0.023 – 12 May 2020

#### Other Information

Under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Performance Rights in its statement of financial performance for the current financial year.

## **ANNEXURE C – TERMS OF THE PERFORMANCE RIGHTS**

The terms of the Performance Rights are as follows:

### **Issue price**

- (a) Each Performance Right will be issued for nil cash consideration.

### **Rights**

- (b) The Performance Rights do not carry any voting rights in the Company.
- (c) The Performance Rights do not entitle the holder to any dividends.
- (d) The Performance Rights do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (e) The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) The Performance Rights do not confer the right to participate in new issues of securities such as entitlement issues. 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) and no Share has been issued in respect of the Performance Right before the record date for determining the entitlements to the bonus issue, the number of Shares which must be issued on the conversion of a Performance Right will be increased by the number of Shares which the holder would have received if the relevant Performance Right had converted before the record date for the bonus issue.
- (g) If at any time the issued capital of the Company is reorganised, the Performance Rights are to be treated in the manner set out in Listing Rule 7.2 (or other applicable Listing Rule), being that the number of Performance Rights or the conversion ratio or both will be reorganised so that the holder of the Performance Rights will not receive a benefit that holders of Shares do not receive and so that the holders of Shares will not receive a benefit that the holder of the Performance Rights does not receive.
- (h) The Performance Rights give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

### **Vesting and exercise**

- (i) Subject to these terms, once vested, each Performance Right may be exercised to convert into one Share. The Performance Rights may be exercised by the Participant delivering to the Company Secretary the certificate for the Performance Rights and a notice of exercise in a form approved by the Board signed by the Participant.
- (j) The Company must issue or transfer Shares into the name of the Participant (or its nominee(s)) within 15 days of delivery of the documents referred to in (i) above.
- (k) Each Share issued or transferred on exercise of a Performance Right will rank equally with a fully paid ordinary share in the capital of the Company.
- (l) The Performance Rights will not be quoted on any securities exchange and the Company will not make an application for quotation in respect of them. However, application will be made to ASX for official quotation of any Shares issued pursuant to the exercise of the Performance



Rights, to the extent required by Listing Rule 2.4 if the Company is listed on the ASX at the relevant time.

### **Expiry**

- (m) If a Vesting Condition is not satisfied on or before 31 January 2023, the relevant Performance Rights will immediately and automatically lapse. If a vested Performance Right is not exercised on or before 31 January 2025, the relevant Performance Right will immediately and automatically lapse

### **Transferability**

- (n) The Performance Rights are not transferable. The Board has determined that no approval for the transfer of the Performance Rights will be granted.

### **Compliance with Corporations Act, Listing Rules and Constitution**

- (o) Despite anything else contained in these terms and conditions, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (p) Nothing contained in these terms and conditions prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (q) If the Corporations Act, Listing Rules or Constitution conflict with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.
- (r) The terms of the Performance Rights may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms, provided that rights and entitlements in respect of any Performance Rights issued before the date of the amendment shall not be reduced or adversely affected without the prior written approval from the affected Participant.

## **ANNEXURE D - TERMS OF FEE RIGHTS - A AND FEE RIGHTS - B**

The terms of the Fee Rights - A and Fee Rights B are as follows:

### **Issue price**

- (a) Each Fee Right will be issued for nil cash consideration.

### **Rights**

- (b) The Fee Rights do not carry any voting rights in the Company.
- (c) The Fee Rights do not entitle the holder to any dividends.
- (d) The Fee Rights do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (e) The Fee Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) The Fee Rights do not confer the right to participate in new issues of securities such as entitlement issues. 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) and no Share has been issued in respect of the Fee Rights before the record date for determining the entitlements to the bonus issue, the number of Shares which must be issued on the conversion of a Fee Right will be increased by the number of Shares which the holder would have received if the relevant Fee Right had converted before the record date for the bonus issue.
- (g) If at any time the issued capital of the Company is reorganised, the Fee Rights are to be treated in the manner set out in Listing Rule 7.21 (or other applicable Listing Rule), being that the number of Fee Rights or the conversion ratio or both will be reorganised so that the holder of the Fee Rights will not receive a benefit that holders of ordinary shares do not receive and so that the holders of ordinary shares will not receive a benefit that the holder of the Fee Rights does not receive.
- (h) The Fee Rights give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

### **Vesting and exercise**

- (i) Fee Rights vest on 31 January 2021 (or earlier on a Change of Control), subject to the conditions set out in clauses (j) and (k) below.
- (j) Fee Rights - A: If a non-executive Director ceases to hold office at any time during the 6-month period to 31 December 2020, the amount of Fee Rights that vest on 31 January 2021 reduces proportionally to the time served as a Director during 2020.
- (k) Fee Rights - B: If an executive Director does not remain in continued employment until 31 January 2021, all Fee Rights – B lapse.
- (l) Subject to these terms, once vested, each Fee Right may be exercised to convert into one ordinary Share. The Fee Rights may be exercised by the holder delivering to the Company Secretary the certificate for the Fee Rights and a notice of exercise in a form approved by the Board signed by the holder.

- (m) The Company must issue or transfer Shares into the name of the holder (or its nominee(s)) within 15 days of delivery of the documents referred to in (l) above.
- (n) Each Share issued or transferred on exercise of a Fee Right will rank equally with a fully paid ordinary share in the capital of the Company.
- (o) The Fee Rights will not be quoted on any securities exchange and the Company will not make an application for quotation in respect of them. However, application will be made to the ASX for official quotation of any Shares issued pursuant to the exercise of the Fee Rights, to the extent required by Listing Rule 2.4 if the Company is listed on the ASX at the relevant time.

#### **Expiry**

- (p) Fee Rights will expire 2 years from the date of vesting.

#### **Exercising of a Fee Right**

- (q) A vested Fee Right can be exercised either:
  - a. during 10 ASX Trading Days following the release of either:
    - i. The first or third quarters activities report,
    - ii. The half yearly financial report
    - iii. the annual audited financial statements
  - b. the 10 ASX Trading Days prior to the expiry date being 2 years from vesting, or
  - c. within 10 ASX Trading Days of receiving approval from the Chairman, or in the case of the Chairman from the Lead Independent Director.

#### **Transferability**

- (r) The Fee Rights are not transferable. The Board has determined that no approval for the transfer of the Fee Rights will be granted.

#### **Compliance with Corporations Act, Listing Rules and Constitution**

- (s) Despite anything else contained in these terms and conditions, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (t) Nothing contained in these terms and conditions prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (u) If the Corporations Act, Listing Rules or Constitution conflict with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.
- (v) The terms of the Fee Rights may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms, provided that rights or entitlements in respect of any Fee Rights issued before the date of the amendment shall not be reduced or adversely affected without the prior written approval of the affected holder.

**Change of Control** means a Shareholder, or a group of associated Shareholders:

- (a) becoming entitled to sufficient Shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Board; or
- (b) gaining the ability to control more than 50% of the Voting Power in the Company.

# PROXY FORM

## AUSTRALIS OIL & GAS LIMITED ABN 34 609 262 937

Name Address 1  
Name Address 2

### Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse side of this page. I/We \_\_\_\_\_ of \_\_\_\_\_, being a Shareholder/Shareholders of Australis Oil & Gas Limited, pursuant to my/our right to appoint not more than two proxies, appoint:



The Chair of the Meeting  
(mark with an "X")

OR

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

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (or if no proxy is specified above), the Chair of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at Level 29, 77 St Georges Terrace, Perth Western Australia 6000 and at any adjournment of that Meeting.

This proxy is to be used in respect of \_\_\_\_\_% of the ordinary Shares I/we hold.

### Voting directions to your Proxy

#### Important for Resolutions 1, 4, 5, 6, 7, 8, 9, and 10- If the Chair of the Meeting is your proxy or is appointed as your proxy by default

Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolutions 1, 4, 5, 6, 7, 8, 9 and 10 (except where I/we have indicated a different voting intention) even though Resolutions 1, 4, 5, 6, 7, 8, 9 and 10 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair of the Meeting.

The Chair of the Meeting intends to vote all available undirected proxies in favour of Resolutions 1 to 10 (inclusive).

RESOLUTION	For	Against	Abstain*
1. Non-binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Graham Dowland as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Alan Watson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Performance Rights to Mr Ian Lusted or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Performance Rights to Mr Graham Dowland or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Fee Rights - A to Mr Jonathan Stewart or his nominee(s) in lieu of non-executive Director cash fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Fee Rights - A to Mr Steve Scudamore or his nominee(s) in lieu of non-executive Director cash fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Fee Rights - A to Mr Alan Watson or his nominee(s) in lieu of non-executive Director cash fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of Fee Rights - B to Mr Ian Lusted or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Issue of Fee Rights - B to Mr Graham Dowland or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

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

### PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

If executed by a company, executed in accordance with section 127 of the *Corporations Act 2001* (Cth):

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Date: \_\_\_\_\_/\_\_\_\_\_/2020

Contact Name

Contact Business Telephone/Mobile

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. As noted on page 1, voting restriction will apply for the Annual General Meeting. Due to the current exceptional circumstances, and with the health, wellbeing and best interests of the Company's Shareholders, staff and broader community in mind, the Company and the Board expect that Shareholders will not be admitted to the Meeting venue.
2. At this stage, in the current circumstances, the Company expects only a very limited number of persons – such as the Chair and some of the Company's Directors – will attend the venue in person. Directors who are unable to, or whose preference is to not attend the physical meeting in the current circumstances, will be participating in the Meeting via webcast. As such, the Board strongly encourages all Shareholders to vote by proxy following the instructions set out below.
3. As a result of the evolving COVID-19 circumstances, we strongly encourage Shareholders to carefully consider whom they appoint as their proxy.
4. If a proxy, other than the Chair, cannot attend or is not admitted to the Meeting, the Chair will become the proxy. In this circumstance, the Chair will be directed by the voting preferences (if any) provided in the Proxy Form.
5. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
6. A proxy need not be a Shareholder of the Company.
7. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.
8. Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

### 9. **Signing Instructions**

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

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this Proxy Form must be signed by that person.
- If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise this Proxy Form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### 10. **Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 11:30 AM (AWST) on 9 June 2020 (48 hours before the commencement of the Meeting). Any Proxy Form received after that time will not be valid for the scheduled Meeting.

- By mail:** Level 29, 77 St Georges Terrace, Perth, Western Australia
- By fax** +61 (0) 8 9220 8799
- By email** [contact@australisoil.com](mailto:contact@australisoil.com)