



**MELBANA ENERGY LIMITED**  
**ACN 066 447 952**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Thursday, 15 November 2018**

Time of Meeting:  
**10.00am (AEDT)**

Place of Meeting  
**Chartered Accountants Australia and New Zealand**  
**Level 18**  
**600 Bourke Street**  
**Melbourne Victoria 3000**

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay*

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of shareholders of Melbana Energy Limited (the "Company") will be held at the offices of Chartered Accountants Australia and New Zealand, Level 18, 600 Bourke Street, Melbourne, VIC, 3000 at 10.00am (AEDT) on Thursday 15 November 2018.

### **AGENDA**

The Explanatory Statement and proxy form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

#### **ORDINARY BUSINESS**

##### **Receipt and consideration of Accounts & Reports**

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2018.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

##### **Resolution 1: Adoption of Remuneration Report**

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

*"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2018 be adopted."*

##### **Resolution 2: Re-election of Mr Andrew Purcell as a Director of the Company**

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

*"That Mr Andrew Purcell, who retires by rotation pursuant to the Constitution of the Company and, being eligible, offers himself for re-election as a Director of the Company."*

##### **Resolution 3: Election of Mr Peter Stickland as a Director of the Company**

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

*"That Mr Peter Stickland, having been appointed as a Non-Executive Director during the year, vacates office in accordance with the Constitution of the Company and, being eligible, offers himself for election as a Director of the Company."*

##### **Resolution 4: Ratification of Prior Issue of Shares and Options**

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

*"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 27 September 2018 of 188,817,582 fully paid ordinary shares at an issue price of \$0.018 (1.8 cents) per share under a placement and 62,939,202 options exercisable at \$0.03 (3.0 cents) per option pursuant to the terms of the placement as set out in the Explanatory Statement accompanying this Notice."*

**Resolution 5: Approval of Issue of Shares and Options to Mr Andrew Purcell (or his nominee)**

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

*“That pursuant to and in accordance with Listing Rule 10.11 and all other purposes, approval be given to allot and issue 5,626,863 fully paid ordinary shares and grant up to 1,875,621 options (being a right of Mr Andrew Purcell (or his nominee) to acquire up to 1,875,621 fully paid ordinary shares in the Company at \$0.03 (3.0 cents) per share, pursuant to the terms of the share placement announced to the ASX on 21 September 2018 as described in the Explanatory Statement accompanying this Notice of Meeting.)”*

**SPECIAL BUSINESS**

**Resolution 6: Approval of 10% Additional Placement Capacity**

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

*“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the capital at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

**Resolution 7: Re-insertion of Proportional Takeover Provision in the Constitution**

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

*“That the proportional takeover provisions in rule 6 of the Company’s constitution be re-inserted for a further period of three years commencing from the date of the 2018 Annual General Meeting.”*

By the order of the Board



**Melanie Leydin**  
**Company Secretary**

Dated: 14 October 2018

## Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
  - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
  - b. Each shareholder has a right to appoint one or two proxies.
  - c. A proxy need not be a shareholder of the Company.
  - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
  - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
  - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
  - h. To be effective, proxy forms must be received by the Company's share registry (Link Market Services) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10.00am (AEDT) on Tuesday, 13 November 2018. Any proxy received after that time will not be valid for the scheduled meeting.

## 4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## 5. Voting Exclusion Statement:

### Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote:

- (a) in accordance with a direction on the proxy form; or
- (b) by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

### Resolution 2

There are no voting exclusions on this Resolution.

### Resolution 3

There are no voting exclusions on this Resolution.

### Resolution 4

The Company will disregard any votes cast in favour on Resolution 4 by any person who participated in the issue and any associate of those persons.

However, the Company need not disregard a vote if it is cast:

- by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 5**

The Company will disregard any votes cast in favour on this Resolution by Mr Andrew Purcell or his nominee, and any associates of those persons.

**Resolution 6**

The Company will disregard any votes cast in favour on Resolution 6 by any person who is expected to participate in the proposed issue or any person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities, and any associate of such person.

**Resolution 7**

There are no voting exclusions on this Resolution.

**6. Enquiries**

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

# EXPLANATORY MEMORANDUM

## **Receipt and consideration of Accounts & Reports**

A copy of the Annual Report for the financial year ending 30 June 2018 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditor's report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the Annual Report at the Company's website: [www.melbana.com](http://www.melbana.com) or via the Company's announcement platform on ASX. Except as set out in Resolution 1, no resolution is required on these reports.

## **Resolution 1: Adoption of Remuneration Report**

Section 250R(2) of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2018 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report represented less than twenty-five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

## ***Directors Recommendation***

The Directors encourages all eligible Shareholders to cast their votes in favour of Resolution 1 (Remuneration Report).

## ***Voting Exclusions***

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. The Chairman will vote undirected proxies in favour of Resolution 1.

## **Resolution 2: Re-election of Mr Andrew Purcell as a Director of the Company**

The Constitution of the Company requires that at every Annual General Meeting, one-third or the next highest number nearest one-third of the Directors (excluding the Managing Director), shall retire from office and provides that such Directors are eligible for re-election at the meeting.

Mr Purcell was appointed as a Non-Executive Director on 30 July 2015 and Chairman on 25 November 2015. He is also Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Mr Purcell founded Lawndale Group (formerly Teknix Capital) in Hong Kong over 10 years ago, a company specialising in the development and management of projects in emerging markets across the heavy engineering, petrochemical, resources and infrastructure sectors. Prior to this, Mr Purcell spent 12 years working in investment banking across the region for Macquarie Bank then Credit Suisse. Mr Purcell also has significant experience as a public company director, both in Australia and across Asia.

Mr Purcell is a Non-Executive Director of AJ Lucas Group Limited (ASX: AJL).

### ***Directors Recommendation***

The Board (with Mr Purcell abstaining), recommends that shareholders vote in favour of the re-election of Mr Purcell. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Purcell's re-election.

### ***Voting Exclusions***

There are no voting exclusions on this resolution.

## **Resolution 3: Election of Mr Peter Stickland as a Director of the Company**

Mr Peter Stickland was appointed as Managing Director on 30 January 2015 and resigned from that position on 12 January 2018. Mr Stickland continues as a Non-Executive Director and is now eligible for election as a Non-Executive Director. Pursuant to the Listing Rules, a director appointed to fill a casual vacancy must not hold office past the next annual general meeting of the entity, without re-election.

### ***Directors Recommendation***

The Board (with Mr Stickland abstaining), recommends that shareholders vote in favour of the election of Mr Stickland. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Stickland's election.

### ***Voting Exclusions***

There are no voting exclusions on this resolution.

## **Resolution 4: Ratification of prior issue of shares and options**

The Company is seeking Shareholder approval to ratify and confirm the allotment and issue on 27 September 2018 of 188,817,582 fully paid ordinary shares at an issue price of \$0.018 (1.8 cents) per share under a placement and 62,939,202 options exercisable at \$0.03 (3.0 cents) per option pursuant to the terms of the placement as part of the Company's capital raising announced on 21 September 2018.

ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of fully paid ordinary Shares in the Company that were issued are 188,817,582 and 62,939,202 options;
- (b) the Shares were issued at a price of \$0.018 each;

- (c) the Shares allotted and issued rank equally with the existing Shares on issue;
- (d) the Options are immediately exercisable, have an exercise price of \$0.03 per option, entitle the holder to receive one share on exercise of option and expire 27 March 2020.
- (e) the full terms of the Options are detailed in Appendix B of this Explanatory Statement.
- (f) the Shares were allotted and issued to qualified institutional and sophisticated investors who subscribed under the placement subject to shareholder approval who were identified by Patersons Securities Limited as underwriters; and
- (g) the funds raised will be used primarily to continue preparations for Block 9 drilling and advance the Company's technical and geological evaluation of the Santa Cruz Incremental Oil Recovery opportunity.

### ***Directors Recommendation***

The Board unanimously recommends that the Shareholders vote in favour of Resolution 4.

### ***Voting Exclusions***

The Company will disregard any votes cast in favour on Resolution 4 by any person who participated in the issue and any associate of those persons.

However the Company need not disregard a vote if it is cast:

- by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 5: Approval of Issue of Shares and Options to Mr Andrew Purcell (or his nominee)**

#### ***Background***

On 21 September 2018 the company announced a share placement to raise up to \$3.5 million (before costs). Melbana's Chairman Andrew Purcell agreed to participate in the placement, contributing approximately \$101,000. Accordingly the Company proposes to allot and issue 5,626,863 fully paid ordinary shares and grant a total of 1,875,621 Options exercisable at \$0.03 (3.0 cents) to Mr Andrew Purcell (or his nominee) pursuant to the terms of the Placement as announced 21 September 2018.

#### ***Terms of Options***

One option is being issued for every three shares issued under the Placement announced 21 September 2018. The exercise price of the options is \$0.03 (3.0 cents) expiring 18 months from grant.

#### ***ASX Listing Rule 10.11***

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including Options) to a related party of the Company.

If Resolution 5 is passed, Options will be granted to Mr Andrew Purcell (or his nominee), who is a related party of the Company. Accordingly, approval for the grant of these Options is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to Mr Andrew Purcell (or his nominee) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, Shareholders should note that the grant of options and subsequent conversion into fully paid ordinary Shares to Mr Andrew Purcell (or his nominee) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the related party is Mr Andrew Purcell, and he is a related party by virtue of being a Director of the Company;
- (b) the total number of fully paid ordinary shares to be granted by the Company is 5,626,863 with an issue price of \$0.018 each;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue
- (d) the maximum number of Options to be granted by the Company is 1,875,621 Options;
- (e) the Shares and Options will be granted not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the grant will occur on one date;
- (f) the Options will be unquoted;
- (g) the Options will be granted for nil cash consideration accordingly no funds will be raised from the grant of the Options. However, cash will be payable at the time when the Options are exercised with the proceeds being raised to be used for working capital purposes or continued exploration . and
- (h) the full terms of the Options are detailed in Appendix B of this Explanatory Statement.

### **Chapter 2E of the Corporations Act**

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

- the giving of the financial benefit falls within one of the exceptions to the provisions; or
- prior Shareholder approval is obtained to the giving of the financial benefit.

A “related party” for the purposes of the Corporations Act is defined widely and includes a director of the public company.

A “financial benefit” for the purposes of the Corporations Act also has a very wide meaning. It includes the public company paying money or issuing securities to a related party.

Mr Andrew Purcell is a related party of the Company due to the fact that he is a Director of the Company. The issue of Options to Mr Andrew Purcell constitutes a “financial benefit” as described in the Corporations Act. Accordingly, the proposed issue of Options pursuant to Resolution 5 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of Directors that the proposed issue of Options pursuant to Resolution 5 fall within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by the Director. Accordingly, the Directors are not seeking shareholder approval under section 208 of the Corporations Act, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

### **Board Recommendation**

The Board (other than Mr Purcell) recommend that the Shareholders vote in favour of Resolution 5.

### ***Voting Exclusions***

The Company will disregard any votes cast in favour on Resolution 5 by Mr Andrew Purcell and his nominee, and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 6: Approval of 10%Additional Placement Capacity**

## **Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The effect of Resolution 6 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 6, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

### **Description of Listing Rule 7.1A**

#### *(a) Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

#### *(b) Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Fully Paid Ordinary Shares, Unlisted Options and Performance Rights.

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

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

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

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

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

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

- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

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

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

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

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

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

(f) *10% Placement Period*

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

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

### **Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 28 September 2018 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.009 50% decrease in Current Price	\$0.018 Current Price	\$0.036 100% increase in Current Price
<b>Current Variable A</b> 1,869,879,052 Shares	<b>10% Voting Dilution</b>	186,987,905 Shares	186,987,905 Shares	186,987,905 Shares
	<b>Funds raised</b>	\$1,682,891	\$3,365,782	\$6,731,565
<b>50% increase in current Variable A</b> 2,804,818,578 Shares	<b>10% Voting Dilution</b>	280,481,858 Shares	280,481,858 Shares	280,481,858 Shares
	<b>Funds raised</b>	\$2,524,337	\$5,048,673	\$10,097,347
<b>100% increase in current Variable A</b> 3,739,758,104 Shares	<b>10% Voting Dilution</b>	373,975,810 Shares	373,975,810 Shares	373,975,810 Shares
	<b>Funds raised</b>	\$3,365,782	\$6,731,565	\$13,463,129

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.

- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - The Current Share Price is **\$0.018** (1.8 cents), being the closing price of the Shares on ASX on 28 September 2018.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition) and continued expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

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

Further, if the Company is successful in acquiring new investments, it is possible that the allottees under the 10% Placement Facility may be the vendors of the new investments.

- (f) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

### Equity Issues over the Last 12 Months – Listing Rule 7.3A.6

For the purposes of Listing Rule 7.3A.6(a), the Company advises as follows:

Number of equity securities on issue at commencement of 12 month period	1,710,078,535
Equity securities issued in the prior 12 month period*	524,664,265
Percentage of share issues represent of total number of equity securities on issue at commencement of 12 month period	30.68%

\* For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Appendix 1. Included in this Appendix is a summary of the amount of funds raised as a result of the capital raisings during the previous 12 month period.

### ***Directors Recommendations***

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### ***Voting Exclusions***

The Company will disregard any votes cast in favour on Resolution 6 by any person who is expected to participate in the proposed issue or any person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

### **Resolution 7: Renewal of Proportional Takeover Bid provision in the Constitution**

Rule 6 of the Company's Constitution contains provisions dealing with shareholder approval requirements if there was to be any proportional takeover bids for the Company's securities (Proportional Bid Provisions).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all shareholders of that class, only part of the securities each holds.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the shareholders. The Board believes it is appropriate that the Proportional Bid Provisions of the Company's Constitution (Rule 80) be renewed.

In seeking shareholder approval for the renewal of the Proportional Bid Provisions, the Corporations Act requires the below information to be provided to shareholders.

### ***Effect of provisions proposed to be renewed***

Rule 6 of the Constitution provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by shareholders at a general meeting of the Company (Approving Resolution). The person making the offer for the securities (Offeror) (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than 50% of shareholders who are entitled to vote at that meeting.

### ***Reason for the resolution***

Rule 6 of the Constitution is required to be renewed as more than 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Rule 6 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables shareholders to approve a renewal of Proportional Bid Provisions.

The Directors believe that shareholders should continue to have the choice of considering whether to accept a bid for what might become control of the Company without shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Rule 80 needs to be renewed. If Rule 6 is renewed and any proportional takeover bid (if any) is subsequently approved by shareholders, each shareholder will still have the right to make a separate decision whether that shareholder wishes to accept the (proportional takeover) bid for their own securities.

### ***Awareness of current acquisition proposals***

As at the date of these Explanatory Notes, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

### ***Advantages and disadvantages of the Proportional Bid Provisions since last renewed***

As there have been no takeover bids made for any of the shares in the Company since the last renewal of the Proportional Bid Provisions, there has been no application of Rule 6. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Clause 80.

***Potential advantages and disadvantages of the proposed resolution for both directors and shareholders***

An advantage to the directors of renewing the Proportional Bid Provisions is that the Board will be able to assess shareholders acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Rule 6 provides shareholders with the choice of considering whether to accept a bid for what might become control of the Company without shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Rule 80 is not renewed, shareholders will not have this opportunity.

On the other hand, it may be argued that the renewal of Rule 6 may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids being made and reduce the freedom for shareholders to sell some of their securities.

***Voting Exclusions***

There are no voting exclusions on this resolution.

***Board Recommendation***

Balancing the above advantages and disadvantages, the Board is of the view that the advantages of renewing the Proportional Bid Provisions outweigh any disadvantages and unanimously recommend the renewal. Accordingly, shareholder approval is sought pursuant to this Resolution 7.

The Chairman in his capacity as proxy holder intends to vote undirected proxies in favour of approving this Resolution 7.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

**10% Placement Facility** has the meaning as defined in the Explanatory Statement for Resolution 6;

**10% Placement Period** has the meaning as defined in the Explanatory Statement for Resolution 6;

**Annual Report** means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2018;

**ASX** means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

**ASX Settlement Operating Rules** means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHESS approved securities;

**Auditor’s Report** means the auditor’s report on the Financial Report;

**AEDT** means Australian Eastern Daylight Standard Time.

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

**Chairman** means the person appointed to chair the Meeting of the Company convened by the Notice;

**CHESS** has the meaning in Section 2 of the ASX Settlement Operating Rules;

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Melbana Energy Limited ACN 066 447 952;

**Constitution** means the constitution of the Company as at the date of the Meeting;

**Convertible Security** means a security of the Company which is convertible into shares;

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

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

**Directors Report** means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

**Equity Security** has the same meaning as in the Listing Rules;

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice;

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

**Listing Rules** means the Listing Rules of the ASX;

**Meeting** has the meaning given in the introductory paragraph of the Notice;

**Notice** means this Notice of Meeting including the Explanatory Statement;

**Proxy Form** means the proxy form attached to the Notice;

**Remuneration Report** means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2018 and which is set out in the 2018 Annual Report.

**Resolution** means a resolution referred to in the Notice;

**Section** means a section of the Explanatory Memorandum;

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

**Shareholder** means shareholder of the Company;

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

**VWAP** means volume weighted average price.

## Appendix A

### Resolution 6 - Approval of 10% Placement Facility

#### CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
21 Dec 2017	150,000,000	FPO	Note 1	Shares issued to institutional and sophisticated investors as approved at the General Meeting 9 August 2018	Institutional and sophisticated investors placed by Patersons Limited	\$0.014	N/A	\$2,100,000	Working capital purposes
13 Aug 2018	3,141,226	FPO	Note 2	Exercise of options	Shareholders	\$0.02	N/A	\$62,824.52	Working capital purposes
21 Aug 2018	4,761,215	FPO	Note 3	Exercise of options	Shareholders	\$0.02	N/A	\$95,224.30	Working capital purposes
27 Aug 2018	1,247,988	FPO	Note 4	Exercise of options	Shareholders	\$0.02	N/A	\$24,959.76	Working capital purposes
5 Sep 2018	827,228	FPO	Note 5	Exercise of options	Shareholders	\$0.02	N/A	\$16,544.56	Working capital purposes
27 Sep 2018	188,817,582	FPO	Note 6	Shares issued to institutional and sophisticated investors under a Placement	Institutional and sophisticated investors placed by Patersons Corporate Finance	\$0.018	N/A	\$3,398,716.48	Working capital purposes
<b>Total</b>								<b>\$5,698,269.62</b>	

#### NON-CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Deemed Value	Use of Consideration
6 Dec 2017	20,833,333	FPO	FPO	Issue of shares pursuant to commercial settlement to Petro Australia Limited as approved at the General Meeting held 9 August 2018.	Petro Australia	\$0.014	N/A	\$291,667	N/A
11 May 2018	6,763,158	PR	Note 7	The Exercisable Performance Rights have been issued to MAY senior staff members under the Melbana Long Term Incentive Plan in lieu of cash remuneration which would otherwise be payable.	MAY Staff	\$0.01	N/A	\$67,632	N/A
6 Jul 2018	5,333,333	FPO	FPO	Exercise of performance rights to P Stickland as approved by shareholders at 2015 Annual General Meeting	Director	\$0.014	N/A	\$74,666	N/A
13 Aug 2018	80,000,000	UO	Note 8	Options issued to Mr Andrew Purcell (or his personal nominee) as compensation for providing a personal guarantee over the Loan Agreement with Trans Asia Private Capital Limited	Director	\$0.022	N/A	\$1,760,000	N/A
27 Sep 2018	62,939,202	UO	Note 9	Free attaching unlisted options issued to institutional and sophisticated investors under a Placement	Shareholders	\$0.03	N/A	\$1,888,176	N/A

#### Glossary

FPO	Fully Paid Ordinary Shares
PR	Performance Rights
UO	Unlisted Options

**Notes**

- Note 1 The Company has spent approximately \$500,000 of the amount raised on 21 December 2017, with approximately \$1.3 million net of raising costs remaining. The remaining funds will be used primarily for the Company's Cuba and New Zealand projects and working capital.*
- Note 2 The consideration of \$62,824.52 received is yet to be spent for the purposes of working capital*
- Note 3 The consideration of \$95,224.30 received is yet to be spent for the purposes of working capital*
- Note 4 The consideration of \$24,959.76 received is yet to be spent for the purposes of working capital*
- Note 5 The consideration of \$16,544.56 received is yet to be spent for the purposes of working capital*
- Note 6 The Company raised \$2,454,628.57 under a placement and the funds are yet to be spent. The funds will be used primarily to continue preparations for Block 9 drilling and advance the Company's technical and geological evaluation of the Santa Cruz Incremental Oil Recovery opportunity and for working capital.*
- Note 7 The Exercisable Performance Rights will vest and become exercisable for MAY senior staff members after 12 months continuous service ending 31 April 2019*
- Note 8 Unlisted Options exercisable at \$0.022 (2.2 cents) each, expiring 12 months from vesting date (11 August 2019)*
- Note 9 Unlisted Options exercisable at \$0.03 (3 cents) each, expiring 27 March 2020*

**APPENDIX B**  
**TERMS AND CONDITIONS OF OPTIONS**

The terms and conditions of the options to be ratified pursuant to Resolution 4 and to be issued pursuant to Resolution 5 are as follows:

**1. Entitlement**

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

**2. Exercise Price and Expiry Date**

The Options have an exercise price of \$0.03 (3.0 cents) per option with an Expiry Date of 27 March 2020, being 18 months from grant date.

**3. Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date.

**4. Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

**5. Shares issued on exercise**

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

**6. Quotation of Shares on exercise**

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

**7. Timing of issue of Shares**

After an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

**8. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

**9. Adjustment for bonus issues of Shares**

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

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

**10. Adjustment for entitlement issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

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

N+1

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

**11. Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

**12. Options not quoted**

The Company will not apply to ASX for quotation of the Options.

**13. Options transferable**

The Options are transferable.

**14. Lodgement Instructions**

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

## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Melbana Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## PROXY FORM

I/We being a member(s) of Melbana Energy Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) on Thursday, 15 November 2018 at the offices of Chartered Accountants Australia and New Zealand, Level 18, Bourke Place, 600 Bourke Street, Melbourne Victoria, 3000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

STEP 1

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Issue of Shares and Options to Mr Andrew Purcell (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Andrew Purcell as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of 10% additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr Peter Stickland as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Re-insertion of proportional takeover provision in the constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Prior Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* 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.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

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

### SIGNING INSTRUCTIONS

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

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

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

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

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEDT) on Tuesday, 13 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Melbana Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**