
AZONTO PETROLEUM LTD

ACN 117 227 086

NOTICE OF GENERAL MEETING

TIME: 10:00 WST

DATE: 17 August 2015

PLACE: Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth,
WA 6000

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9211 5000.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00 WST on 17th August 2015 at:

Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth, WA 6000

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00 (WST) on 15 August 2015.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

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

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Evercore Partners International LLP (**Evercore**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser exclusively for the Company and no one else in connection with the disposal of the Company's main undertaking and/or other matters referred to in this document and will not regard any other person as its client in relation to the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evercore, nor for providing advice in relation to the disposal or any matter or arrangement referred to in this document.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

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

“That, for the purposes of ASX Listing Rule 11.2, AIM Rule 15 and for all other purposes, approval is given for the disposal by the Company of its main undertaking, being its interest in the share capital of Vioco Petroleum Limited and wellhead drilling equipment in Côte d’Ivoire on the terms and conditions set out in the Explanatory Statement (the “Disposal”).”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

2. RESOLUTION 2 – ADOPTION OF INVESTING POLICY

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

“That, subject to the passing of Resolution 1, the Investing Policy (as set out in the Explanatory Statement) be and is hereby approved and the Directors be and are hereby authorised to take all such steps as they may consider necessary or desirable to implement the same.”

3. RESOLUTION 3 – ISSUE OF SHARES IN LIEU OF FEES – ANDREW BARTLETT

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

“That, subject to the passing of Resolution 1 and completion of the Vioco Disposal, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue \$57,146 worth of Shares to Andrew Bartlett (or his nominee) (being 120% of deferred director fees owed to him to 29 May 2015, the date he resigned) on the terms and conditions set out in the Explanatory Statement.”

Important Note: If Shareholders do not approve Resolution 3, the Company intends to pay Andrew Bartlett his deferred director fees to 29 May 2015, totalling \$47,622, if and when sale proceeds are received from the Vioco Disposal.

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

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

4. RESOLUTION 4 – ISSUE OF SHARES IN LIEU OF FEES – ANDREW SINCLAIR

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

“That, subject to the passing of Resolution 1 and completion of the Vioco Disposal, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue \$58,500 worth of Shares to Andrew Sinclair (or his nominee) (being 120% of deferred director fees owed to him to 30 June 2015) on the terms and conditions set out in the Explanatory Statement.”

Important Note: If Shareholders do not approve Resolution 4, the Company intends to pay Andrew Sinclair his deferred director fees to 30 June 2015, totalling \$48,750, if and when sale proceeds are received from the Vioco Disposal.

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

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

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

5. RESOLUTION 5 – ISSUE OF SHARES IN LIEU OF FEES – NEIL HACKETT

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

“That, subject to the passing of Resolution 1 and completion of the Vioco Disposal, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue \$45,000 worth of Shares to Neil Hackett (or his nominee) (being 120% of deferred director fees owed to him to 30 June 2015) on the terms and conditions set out in the Explanatory Statement.”

Important Note: If Shareholders do not approve Resolution 5, the Company intends to pay Neil Hackett his deferred director fees to 30 June 2015, totalling \$37,500, if and when sale proceeds are received from the Vioco Disposal.

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

Voting Prohibition Statement:

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

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

6. RESOLUTION 6 – ISSUE OF SHARES IN LIEU OF SALARY – GREGORY STOUPNITZKY

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

“That, subject to the passing of Resolution 1 and completion of the Vioco Disposal, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue £24,000 worth of Shares to Gregory Stoupnitzky (or his nominee) (being 120% of deferred salary owed to him to 30 June 2015) on the terms and conditions set out in the Explanatory Statement.”

Important Note: If Shareholders do not approve Resolution 6, the Company intends to pay Gregory Stoupnitzky 120% of his deferred salary and director fees to 30 June 2015, totalling £24,000, if and when sale proceeds are received from the Vioco Disposal.

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

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

7. RESOLUTION 7 – ISSUE OF SHARES IN LIEU OF SALARY – GERT-JAN SMULDERS

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

“That, subject to the passing of Resolution 1 and completion of the Vioco Disposal, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue £10,500 worth of Shares to Gert-Jan Smulders (or his nominee) (being 120% of deferred salary owed to him to 30 June 2015) on the terms and conditions set out in the Explanatory Statement.”

Important Note: If Shareholders do not approve Resolution 7, the Company intends to pay Gert-Jan Smulders 120% of his deferred salary to 30 June 2015, totalling £10,500, if and when sale proceeds are received from the Vioco Disposal.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

8. RESOLUTION 8 – ISSUE OF SHARES IN LIEU OF SALARY – JEFF DURKIN

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

“That, subject to the passing of Resolution 1 and completion of the Vioco Disposal, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue £10,500 worth of Shares to Jeff Durkin (or his nominee) (being 120% of deferred salary owed to him to 30 June 2015) on the terms and conditions set out in the Explanatory Statement.”

Important Note: If Shareholders do not approve Resolution 8, the Company intends to pay Jeff Durkin 120% of his deferred salary to 30 June 2015, totalling £10,500, if and when sale proceeds are received from the Vioco Disposal.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

9. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO GREGORY STOUPNITZKY

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

“That, subject to the passing of Resolution 1 and completion of the Vioco Disposal, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 10,412,088 Performance Rights to Gregory Stoupnitzky (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

10. RESOLUTION 10 – RE-ELECTION OF DIRECTOR – GLENN WHIDDON

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Glenn Whiddon, a Director who was appointed as an additional Director on 2 June 2015, retires, and being eligible and having consented to act, is elected as a Director.”

11. RESOLUTION 11 - SECTION 195 APPROVAL

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

“That, subject to the passing of Resolutions 3 to 9, for the purposes of Section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to complete the transactions as contemplated in Resolutions 3 to 9 in this Notice of Meeting.”

DATED: 17 JULY 2015

BY ORDER OF THE BOARD

**NEIL HACKETT
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – DISPOSAL OF INTEREST IN THE SHARE CAPITAL OF VIOCO PETROLEUM LIMITED AND WELLHEAD DRILLING EQUIPMENT IN CÔTE D'IVOIRE

1.1 Background

On 8 July 2015, the Company announced to ASX that the Company's subsidiary, Azonto Petroleum Holdings Limited (the **Vendor**), had entered into a sale and purchase agreement (the **Agreement**) for the sale of the Vendor's shareholding in Vioco Petroleum Limited (**Vioco**) and wellhead drilling equipment in Côte d'Ivoire to Vitol E&P Ltd (the **Purchaser**) (the sale of the shares in Vioco being the **Vioco Disposal** and, together with the sale of the drilling equipment, the **Disposal**).

The Vendor holds 35% of the shares in Vioco, which holds an 87% working interest in, and is operator of, the CI-202 Block in Côte d'Ivoire, within which is located the Gazelle project. The Purchaser owns the remaining 65% of the shares in Vioco. A summary of the key terms of the Agreement are set out in Section 1.2 below.

The Company's interest in CI-202 Block is its main undertaking.

ASX Listing Rule 11.2 provides that, where a company proposes to make a significant change to the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders.

The Disposal will constitute a fundamental change of business of the Company under Rule 15 of the AIM Rules and will therefore require the approval of the Shareholders.

Resolution 1 seeks Shareholder approval for the Disposal.

1.2 Summary of Agreement

The key terms of the Agreement are as follows:

- (a) **(Sale and Purchase)**: The Vendor agrees to sell to the Purchaser its holding of 35% of the shares in Vioco and wellhead drilling equipment in Côte d'Ivoire owned by the Vendor.
- (b) **(Consideration for sale of shares in Vioco)**: In consideration for the sale of the shares in Vioco, the Purchaser will pay to the Vendor:
 - (i) US\$4,000,000 less:
 - (A) the aggregate amount of the pre-existing net liabilities of Vioco for the period prior to 7 November 2013 when the Purchaser acquired its existing 65% shareholding in Vioco (**Pre-existing Liabilities**) and 35% of a claim made against Vioco by the Cote d'Ivoire Ministry of Finance in relation to withholding tax with respect to the period 2011 to 2013 (**WHT Claim**) as agreed in writing by the parties, if such aggregate amount is less than four hundred thousand United States Dollars (US\$400,000); or

- (B) four hundred thousand United States Dollars (US\$400,000) if the aggregate amount of the Pre-existing Liabilities and 35% of the WHT Claim as agreed by the parties in writing, acting reasonably, exceeds this amount, or if the parties fail to agree the Pre-existing Liabilities and/or the WHT Claim; and
- (ii) upon the occurrence of a hydrocarbon discovery (as defined below), US\$2,000,000, payable within 10 business days of a Hydrocarbon Discovery.

Net liabilities for the purpose of determining the consideration as described above will be calculated by deducting specified liabilities (excluding the Petroci JV Administration Claim) from assets of Vioco which relate to the CI-202 Block.

A hydrocarbon discovery means a discovery of hydrocarbons in the CI-202 Block by Vioco as a result of the exploration well drilled in the initial exploration period, as required by Article 4.2 of the Petroleum Production Sharing Contract relating to Block CI-202 (**PSC**), for which Vioco has submitted a notice to the Cote d'Ivoire Government pursuant to Article 11.1 of the PSC and in relation to which either:

- (i) the Purchaser has confirmed such discovery as being potentially commercial in writing to the Vendor, or
 - (ii) Vioco has made an application for an exclusive appraisal authorisation from the Cote d'Ivoire Government pursuant to Article 11.2 of the PSC, or
 - (iii) Vioco has elected, pursuant to Article 11.8 of the PSC, not to make an application for an exclusive appraisal authorisation from the Cote d'Ivoire Government as aforesaid.
- (c) **(Consideration for sale of wellhead drilling equipment):** In consideration for the sale of the wellhead drilling equipment, the Purchaser will pay to the Vendor US\$1,100,000 less the value ascribed to any wellhead drilling equipment which is removed or damaged prior to completion.
- (d) **(Conditions precedent to sale of shares in Vioco):** The sale of shares in Vioco is subject to satisfaction of certain conditions precedent prior to 21 August 2015, including:
- (i) the Company obtaining shareholder approval for the Disposal as required under the listing rules of ASX and AIM;
 - (ii) the Purchaser confirming in writing that it is reasonably satisfied that the PSC has not been revoked and that it is unlikely that it will be revoked (and such remaining the case up to completion of the Vioco Disposal);
 - (iii) the Purchaser confirming in writing to the Vendor (but without prejudice to the Purchaser's or the Vioco's rights against any person other than the Vendor) that it is satisfied that the aggregate amount of the Pre-existing Liabilities and 35% of the WHT Claim does not exceed four hundred thousand United States Dollars (US\$400,000);

- (iv) the Purchaser being satisfied with the terms agreed in principle between Petroci and the Vendor (on behalf of Vioco) in respect of the settlement of the Petroci JV Administration Claim and the Petroci P3 Well Audit Claim and the execution by Vioco of a formal legal agreement incorporating such terms;
 - (v) the Purchaser being satisfied on reasonable grounds that the WHT Claim does not exceed five hundred and seventy one thousand United States Dollars (US\$571,000);
 - (vi) the Purchaser being satisfied on reasonable grounds that the Vendor has settled directly the claim from Vantage Drilling Company against Vioco in respect of the outstanding Sapphire rig payment without further recourse against Vioco, the Vendor or the Purchaser; and
 - (vii) no material breach of any warranty or term of the Agreement by the Vendor.
- (e) **(Conditions precedent to sale of wellhead drilling equipment):** The sale of the wellhead drilling equipment is subject to satisfaction of certain conditions precedent prior to 7 November 2015, including:
- (i) completion of the sale of shares in Vioco;
 - (ii) Vioco having made a commitment, on or before 7 October 2015 (or such later date as agreed in accordance with the PSC), to drill a new exploration well pursuant to the PSC; and
 - (iii) no material breach of any wellhead equipment warranty or a term of the Agreement by the Vendor.
- (f) **(Completion of sale of shares in Vioco):** Completion of the sale of shares in Vioco will occur not more than five business days after satisfaction of the conditions precedent, at which the Vendor will deliver to the Purchaser certain items including share transfers in respect of its shares in Vioco, deeds of termination in respect of various joint venture agreements including the shareholders' agreement relating to Vioco, parent guarantee and the original sale and purchase agreement between the Vendor and the Purchaser all dated 7 November 2013 (as amended), and the resolutions of directors and shareholders of the Vendor to approve the transaction, and the Purchaser will pay the consideration price to the Vendor.
- (g) **(Completion of sale of wellhead drilling equipment):** Completion of the sale of wellhead drilling equipment will occur not more than five business days after satisfaction of the conditions precedent, at which the Purchaser will take delivery of the wellhead drilling equipment at Vioco's yards at Abidjan, Côte d'Ivoire, and the Purchaser will pay the consideration price to the Vendor.
- (h) **(Other terms):** The Agreement contains other terms considered standard for an agreement of this nature, including warranties as to title to the assets to be sold, satisfactory quality of the wellhead drilling equipment and the solvency of Vioco.
- (i) **(Governing law):** The Agreement is governed by the laws of England.

1.3 Indicative timetable

Subject to the requirements of the listing rules of ASX and AIM, the Company anticipates completion of the Disposal will occur in accordance with the following timetable:

Event	Date
ASX announcement of Disposal	8 July 2015
General Meeting to approve Disposal	17 August 2015
Completion of sale of shares in Vioco	Anticipated 21 August 2015
Completion of sale of wellhead drilling equipment	Anticipated 15 October 2015

1.4 Financial effect of the Disposal on the Company

The impact of the Disposal on the Company's balance sheet is set out in the pro forma balance sheet contained in Schedule 1.

There will be no impact on the capital structure of the Company.

1.5 Reasons for the Disposal

The Directors believe that following an assessment of the advantages and disadvantages disclosed below the Disposal is in the best interests of the Company.

Advantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) the Disposal will allow the Company to realise value for its interest in Block CI-202 following a challenging period of cost overruns, delays to approvals and financing arrangements and the wider context of an oil and gas market which has experienced significant deterioration over the past year;
- (b) the Disposal will allow the Company to exit its ongoing expenditure obligations under the PSC, which would otherwise require the Company to spend substantial funds on exploration drilling over the next 18 months. These obligations, which would need to be committed to from October 2015, constitute expenditure which the Company currently does not have the funds to meet and which the Board feels there is a very high risk the Company will not be able to obtain before October 2015; and
- (c) the Disposal will enable the Company to consider alternative asset acquisitions that the Directors believe will add value to Shareholders.

Disadvantages

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) the Company will not be able to participate in or derive any future benefit or profits from Block CI-202, if any, should any asset within Block CI-202 be developed to production other than the potential contingent payments referred to in sections 1.2(b)(ii) and 1.2(c) of this Explanatory Statement;
- (b) the Disposal involves the Company selling its principal asset which comprises substantially all of the Company's value. This may not be consistent with the investment objectives of all Shareholders; and
- (c) there is a risk that the Company may not be able to locate and complete the acquisition of other suitable investment opportunities within a reasonable time.

1.6 Future activities and direction of the Company upon completion of the Disposal

The Company's assets following completion of the Disposal will comprise cash of approximately AUS\$8.0 million and receivables of approximately AUS\$1.6 million. Current liabilities will be approximately AUS\$1.85 million, resulting in a net asset position of approximately AUS\$8.1 million as per the pro-forma balance sheet for 31 May 2015 referred to in paragraph 1.4 of this Explanatory Statement.

After completion of the Disposal, the directors will consider other potential investment opportunities that have potential to generate shareholder return. The investment opportunities may not be within the resources sector.

The Company is highly likely, as a condition of any future investment, to be required by the ASX to obtain shareholder approval for the investment.

In this regard, ASX Guidance Note 12, which provides guidance on ASX's policy in relation to companies that dispose of their main undertaking, as will be the case with the Company, provides (at note 112) that the ASX will generally exercise its discretion to require a company to obtain shareholder approval for the acquisition of a new business following a disposal of main undertaking.

The ASX may also exercise its discretion to require the company to re-comply with ASX listing requirements.

ASX Guidance Note 12 also provides, at Section 4.7, that the ASX will generally allow a company to remain as a cash box for up to 6 months after disposing of its main undertaking to give it time to identify, and make an announcement of its intention to acquire, another business, failing which ASX usually suspends the company until such time as an announcement is made.

Given the above, the Company's expectation is that it will, within 6 months of the Disposal, identify and enter into an agreement to acquire a new business and have to obtain shareholder approval to complete the acquisition.

1.7 Director interests and recommendations

The Directors (other than Gregory Stoupnitzky) do not have any material interest in the outcome of the Resolution other than as a result of their interest arising solely in the capacity as security holders.

The Board at its meeting dated March 3rd 2015 approved the payment to Gregory Stoupnitzky of a cash bonus of up to £125,000 on completion of the Vioco Disposal as reasonable remuneration for his extraordinary efforts and contribution to the Company including his contribution towards achievement of the Disposal. Gregory Stoupnitzky as such has a material personal interest in the outcome of the Resolution.

As at the date of this Notice, the Directors have a relevant interest in the securities of the Company as set out in the following table:

Director	Shares	Performance rights ⁽¹⁾	Options
Gregory Stoupnitzky	2,333,333	16,253,000	-
Neil Hackett	706,667	6,501,179	-
Andrew Sinclair	1,963,333	6,501,179	-
Glenn Whiddon	28,167,568 ⁽²⁾	-	5,000,600 ⁽³⁾

Notes:

1. The Performance Rights are convertible into Shares subject to the fulfilment of certain performance conditions. Details of the conditions attaching to the Performance Rights are set out in the Remuneration Report enclosed in the 2014 Annual Report of the Company announced to ASX on 29 April 2015.
2. Mr Whiddon holds 28,167,568 Shares directly in his own name. The entity 6466 Investments Pty Ltd, which is controlled by Ms Jane Whiddon, the spouse of Mr Whiddon, holds 56,645,382 Shares. Mr Whiddon has no relevant interest in the shares held by 6466 Investments Pty Ltd.
3. Options exercisable at \$0.25 each on or before 21 July 2015.

The Board (other than Gregory Stoupnitzky who has a material personal interest in Resolution 1) has approved the proposal to put Resolution 1 to Shareholders.

Each of the Directors intends to vote all of their Shares, which represent a total of 2.86% of the current total shares outstanding, in favour of Resolution 1.

Over the last few months, the Company and the Board have engaged in an intense and accelerated effort to secure a strategic solution that would result either in:

- (a) securing additional funds to ensure the further development of the Company's interests in CI-202 Block; or
- (b) a potential sale or merger of the Company or a sale of the Company's assets.

Through this exercise, it has become clear to the Board that, due to the challenging conditions in the oil and gas sector currently, including low and volatile oil prices and weak equity market sentiment on the sector, but also due to the continued delays and uncertainty with regards to the sanctioning of the Gazelle Project, there is a high risk that the Company would not be able to secure further funds or agree one or more alternative transactions, before its existing cash resources run out.

Specifically, Vioco has requested the Cote d'Ivoire Government's support to potentially combine Gazelle and Hippo North into an integrated project which could require the Company to spend substantial funds on exploration drilling over the next 18 months at Hippo North, before an integrated Hippo North and Gazelle Project is potentially sanctioned. Furthermore, the Company would have to commit to such Hippo North exploration expenditure by October 2015.

In the event Shareholder approval for the Disposal is not obtained and completion of the Disposal is unable to occur, there is a high risk that the Company will not be able to meet its near to medium term commitments in respect of its interest in Vioco, the PSC and CI-202 Block, which would in such circumstances lead to the loss of the Company's interests in the PSC and CI-202 Block.

If Shareholder approval in relation to the Disposal is not obtained and in the absence of alternatives, the Board could be forced to seek Shareholder approval, for the Company to be wound-up and any existing cash remaining in the Company after all its liabilities have been met to be distributed to the Shareholders. The Board further notes that under such a scenario, funds available for return to Shareholders will be substantially less than the funds available to the Company post completion of the Disposal and its associated costs.

Therefore, based on the information available, including the financial advice that the Company has received from Evercore solely in relation to the Disposal, all of the Directors consider that the proposed Disposal is in the best interests of the Company and recommend that Shareholders vote in favour of all of the Resolutions. In providing its financial advice to the Company, Evercore has taken into account the commercial assessments of the Board.

2. RESOLUTION 2 - ADOPTION OF INVESTING POLICY

As set out in Section 1.6 above, after completion of the Disposal, the Directors will consider other potential investment opportunities that have potential to generate shareholder return. The investment opportunities may or may not be within the resources sector.

The Directors may consider it appropriate that the Company takes an equity interest in a proposed investment which may range from a minority position to 100 percent ownership. Proposed investments may be made in quoted or unquoted securities in companies or partnerships or assets at any stage of development.

The Board believes that the collective experience of the Directors together with their network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities.

3. RESOLUTIONS 3-6 – ISSUE OF SHARES TO RELATED PARTIES IN LIEU OF SALARY/FEEES

3.1 Background

Given the financial position of the Company, Andrew Bartlett, Andrew Sinclair, Neil Hackett and Gregory Stoupnitzky, who are (or were in the last 6 months, in the case of Andrew Bartlett) Directors of the Company (the **Related Parties**), agreed to defer their respective entitlements to salary and director fees as follows:

- (a) in respect of Andrew Bartlett, Andrew Sinclair and Neil Hackett, from 1 January 2015 until the earlier of resignation or 30th June 2015. Andrew Bartlett resigned as a non executive director of the Company on 29 May 2015; and
- (b) in respect of Gregory Stoupnitzky, from 18 January 2015 until 30th June 2015,

(each such period being the **Deferral Period**).

Andrew Sinclair, Neil Hackett and Glenn Whiddon, the current Non-Executive Directors of the Company, have resolved to reduce their Director's fees to the amount of AUD\$3,000 per month, commencing 1 July 2015.

The Company has agreed, subject to Shareholder approval, and completion of the Vioco Disposal, to issue Shares to Andrew Bartlett, Andrew Sinclair and Neil Hackett in lieu of their entitlement to salary and director fees for the Deferral Period as follows:

- (a) the issue price of Shares issued will be equal to the 30 day VWAP for Shares up to completion of the Vioco Disposal (**Issue Price**); and
- (b) the number of Shares to be issued to a Related Party will be equal to 120% of the salary and director fees which were deferred by the Related Party during the Deferral Period, divided by the Issue Price.

In the event Shareholder approval is not obtained within 60 days of completion of the Vioco Disposal, the Company will pay Andrew Bartlett, Andrew Sinclair and Neil Hackett, subject to completion of the Vioco Disposal, a cash sum equal to only 100% of their respective deferred director fee amount to 30 June 2015 (being \$47,622 for Andrew Bartlett; \$48,750 for Andrew Sinclair and \$37,500 for Neil Hackett).

In the event Shareholder approval is not obtained within 60 days of completion of the Disposal, the Company will pay to Gregory Stoupnitzky, subject to completion of the Vioco Disposal, a cash sum equal to 120% of his deferred salary amount to 30 June 2015.

Resolutions 3-6 seek Shareholder approval for the issue of Shares (the **Related Party Shares**) to the Related Parties (or their respective nominees) in lieu of their entitlement to salary and director fees for the Deferral Period.

As the Issue Price is based on the 30 day VWAP of Shares, the Issue Price will not be known at the time of the Meeting. Therefore, set out below are worked examples of the number of Related Party Shares that may be issued to the Related Parties based on issue prices of \$0.004, \$0.005 and \$0.006 (assuming no further Shares are issued or Options exercised).

Related Party	Assumed Issue Price	Deferred Salary/fees (£) ¹	Deferred Salary/fees (AUD\$) ¹	Number of Shares	Dilution effect on existing Shareholders ²
Andrew Bartlett	\$0.004	N/A	\$57,146	14,286,538	1.22%
	\$0.005	N/A	\$57,146	11,429,230	0.98%
	\$0.006	N/A	\$57,146	9,524,358	0.81%
Andrew Sinclair	\$0.004	N/A	\$58,500	14,625,005	1.25%
	\$0.005	N/A	\$58,500	11,700,004	1.00%
	\$0.006	N/A	\$58,500	9,750,003	0.83%
Neil Hackett	\$0.004	N/A	\$45,000	11,250,000	0.96%
	\$0.005	N/A	\$45,000	9,000,000	0.77%
	\$0.006	N/A	\$45,000	7,500,000	0.64%
Gregory Stoupnitzky	\$0.004	£24,000	\$49,281	12,320,329	1.05%
	\$0.005	£24,000	\$49,281	9,856,263	0.84%
	\$0.006	£24,000	\$49,281	8,213,552	0.70%

Note:

1. Amounts payable in GBP have been converted to AUD using an AUD:GBP exchange rate of 0.487. All amounts include a 20% uplift.
2. Assumes that no other Shares are issued under this Notice of Meeting.

The Company has obtained a waiver of ASX Listing Rule 10.13.5 to enable the Related Party Shares to have an issue price based on the above formula rather than stating an exact issue price in this Notice.

3.2 Chapter 2E of the Corporations Act

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

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

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

The grant of Related Party Shares constitutes giving a financial benefit and each of Andrew Bartlett, Andrew Sinclair, Neil Hackett and Gregory Stoupnitzky is a related party of the Company by virtue of being a Director (or, in the case of Andrew Bartlett, a Director within the last 6 months).

The Directors (other than each of the Related Parties in respect only of the Resolution which relates to the issue of Related Party Shares to himself given his material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Shares because the agreement to issue the Related Party Shares in lieu of each Related Party's entitlement to salary during the Deferral Period is considered to be reasonable remuneration in the circumstances and was negotiated on an arm's length basis, which each interested Director abstaining from participation in the vote which related to that Director's issue of Related Party Shares in lieu of his salary entitlement.

Accordingly, the exception to approval under Chapter 2E provided by section 211 of the Corporations Act applies to the proposed issue of the Related Party Shares.

3.3 ASX Listing Rule 10.11

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

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

3.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 3-6:

- (a) the Related Party Shares will be issued to Andrew Bartlett, Andrew Sinclair, Neil Hackett and Gregory Stoupnitzky (or their respective nominees) who are related parties of the Company by virtue of being Directors (or, in the case of Andrew Bartlett, a Director within the last 6 months);
- (b) the issue of the Related Party Shares is subject to and conditional upon the passing of Resolution 1 and the completion of the Vioco Disposal;
- (c) the maximum number of Related Party Shares to be issued is:
 - (i) \$57,146 worth of Related Party Shares in the case of Andrew Bartlett;
 - (ii) \$58,500 worth of Related Party Shares in the case of Andrew Sinclair;
 - (iii) \$45,000 worth of Related Party Shares in the case of Neil Hackett;
 - (iv) £24,000 worth of Related Party Shares in the case of Gregory Stoupnitzky (converted into AUD using the GBP:AUD exchange rate as at the date the Shares are issued);

- (d) the issue price of the Related Party Shares will be equal to the 30 day VWAP of Shares to the completion date of the Vioco Disposal;
- (e) the Related Party Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (f) the Related Party Shares will be issued in lieu of each Related Party's entitlement to receive salary and fees during the Deferral Period. Accordingly, no funds will be raised; and
- (g) the Related Party Shares issued to the Related Parties will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Shares to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4. RESOLUTIONS 7-8 – ISSUE OF SHARES TO SENIOR MANAGEMENT IN LIEU OF SALARY

4.1 General

Given the financial position of the Company, certain senior managers of the Company (**Senior Managers**) agreed to defer their respective entitlement to salary for the period from 1 April 2015 until the 30th June 2015.

The Company has agreed, subject to Shareholder approval and completion of the Vioco Disposal, to issue Shares to the Senior Managers in lieu of their entitlement to salary in the Deferral Period as follows:

- (a) the issue price of Shares issued will be equal to the 30 day VWAP for Shares up to completion of the Vioco Disposal, subject to a floor equal to 80% of the 5 day VWAP for Shares up to the issue date of the Shares (**Issue Price**); and
- (b) the number of Shares to be issued to a Senior Manager will be equal to 120% of the salary which was deferred by the Senior Manager during the Deferral Period, divided by the Issue Price.

In the event Shareholder approval is not obtained within 60 days of completion of the Vioco Disposal, the Company will pay to the Senior Managers, subject to completion of the Vioco Disposal, a cash sum equal to 120% of their respective deferred salary amount.

Resolutions 7-8 seek Shareholder approval for the issue of Shares (the **Senior Manager Shares**) to the Senior Managers (or their respective nominees) in lieu of their entitlement to salary for the Deferral Period.

As the Issue Price is based on the 30 day VWAP of Shares, the Issue Price will not be known at the time of the Meeting. Therefore, set out below are worked examples of the number of Senior Manager Shares that may be issued to the Senior Managers based on issue prices of \$0.004, \$0.005 and \$0.006 (assuming no further Shares are issued or Options exercised).

Senior Manager	Assumed Issue Price	Deferred Salary ¹ (£)	Deferred Salary ¹ (AUD\$)	Number of Shares	Dilution effect on existing Shareholders ²
Jeff Durkin	\$0.004	£10,500	\$21,561	5,390,144	0.46%
	\$0.005	£10,500	\$21,561	4,312,115	0.37%
	\$0.006	£10,500	\$21,561	3,593,429	0.31%
Gert-Jan Smulders	\$0.004	£10,500	\$21,561	5,390,144	0.46%
	\$0.005	£10,500	\$21,561	4,312,115	0.37%
	\$0.006	£10,500	\$21,561	3,593,429	0.31%

Note:

1. Amounts payable in GBP have been converted to AUD using an AUD:GBP exchange rate of 0.487 and includes a 20% uplift.
2. Assumes that no other Shares are issued under this Notice of Meeting.

Shareholder approval for the issue of the Senior Management Shares is sought under ASX Listing Rule 7.1.

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

The effect of Resolutions 7-8 will be to allow the Company to issue the Senior Manager Shares during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolutions 7-8:

- (a) the Senior Manager Shares will be issued to Gert-Jan Smulders and Jeff Durkin (or their respective nominees);
- (b) the issue of the Senior Manager Shares is subject to and conditional upon the passing of Resolution 1 and the completion of the Vioco Disposal;
- (c) the entitlement to salary in the Deferral Period and the number of Senior Manager Shares to be issued to each Senior Manager is:
 - (i) £10,500 worth of Senior Manager Shares in the case of Gert-Jan Smulders (converted into AUD using the GBP:AUD exchange rate as at the date the Shares are issued);
 - (ii) £10,500 worth of Senior Manager Shares in the case of Jeff Durkin (converted into AUD using the GBP:AUD exchange rate as at the date the Shares are issued);

- (d) the issue price of the Senior Manager Shares will be equal to the 30 day VWAP of Shares to the completion date of the Vioco Disposal, subject to a floor equal to 80% of the 5 day VWAP for Shares up to the issue date of the Shares;
- (e) the Senior Manager Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Senior Manager Shares will occur on the same date;
- (f) the Senior Manager Shares will be issued in lieu of each Senior Manager's entitlement to receive salary during the Deferral Period. Accordingly, no funds will be raised; and
- (g) the Senior Manager Shares issued to the Senior Managers will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

5. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR

5.1 General

The Company has agreed, subject to obtaining Shareholder approval and completion of the Vioco Disposal, to grant a total of 10,412,088 Performance Rights (**Related Party Performance Rights**) to Gregory Stoupnitzky under the Performance Rights Plan on the terms and conditions set out below.

The Performance Rights will be issued to Gregory Stoupnitzky upon the completion of the Vioco Disposal. The terms of the Performance Rights will be equivalent in all respects to the Performance Rights issued by the Company following Shareholder approval at the 2013 annual general meeting of the Company.

The purpose of the grant of Related Party Performance Rights to Gregory Stoupnitzky is to reward the performance of Gregory Stoupnitzky.

5.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out under Section 3.2 above.

The Directors (other than Gregory Stoupnitzky, who has a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Performance Rights because the agreement to grant the Related Party Performance Rights, reached as part of the remuneration package for Gregory Stoupnitzky, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

5.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained..

If Resolution 9 is passed, Related Party Performance Rights will be issued to Gregory Stoupnitzky, a Director of the Company. Therefore, the Company requires Shareholder approval to issue the Related Party Performance Rights to Gregory Stoupnitzky.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights as approval is being obtained under ASX Listing Rule 10.14 and Exception 9(b) of ASX Listing Rule 7.2. The issue of Related Party Performance Rights to Gregory Stoupnitzky will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

5.4 Summary of the material terms of the Related Party Performance Rights

It is proposed that the Company issue to Gregory Stoupnitzky two different tranches of Related Party Performance Rights, Tranches 1 (**Tranche 1 Performance Rights**) and 2 (**Tranche 2 Performance Rights**), as set out in the table in Section 5.5 below, for nil cash consideration. One third of the Related Party Performance Rights will be Tranche 1 Performance Rights with the remaining two thirds being Tranche 2 Performance Rights.

Each Related Party Performance Right will vest and be exercisable into one Share subject to the satisfaction of certain performance criteria (**Performance Milestones**).

The Performance Rights will be issued to Gregory Stoupnitzky upon the completion of the Vioco Disposal. If the Vioco Disposal does not occur in accordance with the terms of the Agreement, no Performance Rights will be issued to Gregory Stoupnitzky.

In the event that the Performance Milestones are not met, the Related Party Performance Rights will not vest and, as a result, no new Shares will be issued, provided that unvested Related Party Performance Rights may nonetheless vest in certain circumstances, including a change in control of the Company, as provided for by the Performance Rights Plan. There is nil consideration payable upon the vesting or exercise of a Related Party Performance Right.

As started above, the terms of the Performance Rights are equivalent in all respects to the Performance Rights issued following Shareholder approval at the 2013 annual general meeting of the Company.

The Tranche 1 Performance Rights will vest on the achievement of two strategic milestones on or before 18 December 2017:

- (a) all government and partner approvals, offtake, supply and service contracts, financings and other necessary conditions for the Gazelle field development project to proceed having been obtained and agreed and the Rialto Energy Cote d'Ivoire Ltd having taken the Final Investment Decision to proceed with the project; and
- (b) the first delivery of gas from the Gazelle field to the Cote d'Ivoire state electricity company (or other agreed purchaser) having been made under stabilised flow rate conditions (**Tranche 1 Vesting Conditions**).

In the event not all of the Tranche 1 Vesting Conditions are satisfied on or before 18 December 2017, the Board may resolve that a proportion of the Tranche 1 Performance Rights vest based on the degree to progress towards satisfaction of the Tranche 1 Vesting Conditions has been achieved.

The Tranche 2 Performance Rights will vest on:

- (a) achievement of share price targets (to be calculated based on the VWAP over the 10 trading days prior to the date of issue) on or before 18 December 2017 (**Share Price Hurdles**); and
- (b) the Board being satisfied, on or before 18 December 2017, with the overall financial, strategic and HSE performance of the Company over that four year period (**Final Performance Hurdle**).

The Share Price Hurdles are as follows:

- (a) 25% of the Tranche 2 Performance Rights will vest (on satisfaction of the Final Performance Hurdle) if the Company's Share price reaches \$0.05 per Share on or before 18 December 2017;
- (b) a further 25% of the Tranche 2 Performance Rights will vest (on satisfaction of the Final Performance Hurdle) if the Company's Share price reaches \$0.07 per Share on or before 18 December 2017. Achievement of this milestone will result in 50% of the Tranche 2 Performance Rights vesting on satisfaction of the Final Performance Hurdle; and
- (c) the remaining 50% of the Tranche 2 Performance Rights will vest (on satisfaction of the Final Performance Hurdle) if the Company's Share price reaches \$0.09 per Share on or before 18 December 2017. Achievement of this milestone will result in 100% of the Tranche 2 Performance Rights vesting on satisfaction of the Final Performance Hurdle.

5.5 Information required by the ASX Listing Rules

The following information is provided to satisfy the requirements of ASX Listing Rule 10.15:

- (a) Gregory Stoupnitzky is a related party by virtue of being a Director;
- (b) the maximum number of Performance Rights to be granted to Gregory Stoupnitzky is set out in the table below:

Director	Performance Rights		
	Tranche 1	Tranche 2	Total
Gregory Stoupnitzky	3,470,696	6,941,392	10,412,088

- (c) the Performance Rights will be granted to Gregory Stoupnitzky for nil cash consideration. On achievement of the applicable vesting conditions set out in Section 5.4 above in respect of a Performance Right, the Performance Right will vest and the holder will be entitled to exercise and be issued one Share for nil issue price. Accordingly, no loans will be made in relation to, and no funds will be raised from, the grant of Performance Rights or the issue of Shares on exercise of vested Performance Rights;

- (d) the following persons referred to in ASX Listing Rule 10.14 have been granted a total of 78,811,730 Performance Rights under the Performance Rights Plan since it was last approved by Shareholders on 22 November 2013. All grants were for nil cash consideration as the Performance Rights were issued as part of the remuneration of the Company's Directors and employees;
- (i) Gregory Stoupnitzky: 16,253,000 Performance Rights, of which none have been converted into Shares;
 - (ii) Andrew Rose: 16,253,000 Performance Rights, of which none have been converted into Shares;
 - (iii) Rob Shepherd: 21,670,596 Performance Rights, of which none have been converted into Shares;
 - (iv) Andrew Bartlett: 11,632,776 Performance Rights, of which none have been converted into Shares;
 - (v) Neil Hackett: 6,501,179 Performance Rights, of which none have been converted into Shares; and
 - (vi) Andrew Sinclair: 6,501,179 Performance Rights, of which none have been converted into Shares;
- (e) as at the date of this Notice of Meeting, all of the directors of the Company are entitled to participate in the Performance Rights Plan;
- (f) any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the Performance Rights Plan and who were not named in the Notice will not participate in the Plans until approval is obtained under ASX Listing Rule 10.14;
- (g) no loan has or will be provided to Gregory Stoupnitzky in relation to the grant of the Performance Rights;
- (h) the Performance Rights will vest and become exercisable on achievement of the vesting conditions set out in Section 5.4 above. The Shares to be issued upon the vesting and exercise of the Performance Rights shall rank *pari passu* with existing Shares; and
- (i) the Performance Rights will be granted to Gregory Stoupnitzky subject to completion of the Vioco Disposal, the approval of which is the subject of Resolution 1. They will be granted on completion of the Disposal, which is anticipated to occur on 21 August 2015, and in any event a date no later than 12 months after the date of the Meeting. Shares will be issued on exercise of a vested Performance Right.

6. RESOLUTION 10 – RE-ELECTION OF DIRECTOR – GLENN WHIDDON

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Glenn Whiddon, having been appointed with effect from 2 June 2015 will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders. Additional information in respect of Mr Whiddon is set out in the Company's announcement to ASX dated 3 June 2015.

7. RESOLUTION 11 - SECTION 195 APPROVAL

Approval of Resolutions 3 to 9 may result in the Directors having a "material personal interest" in the matters referred to in those resolutions. In the absence of this Resolution 11, the Directors may not be able to form a quorum at any meetings necessary to carry out the transactions contemplated by Resolutions 3 to 9.

Accordingly, Shareholder approval is being sought to allow the Directors to form a quorum to implement the transactions contemplated by Resolutions 3 to 9 of this Notice.

GLOSSARY

\$ means Australian dollars.

AIM means the Alternative Investment Market operated by London Stock Exchange plc.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

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

Company means Azonto Petroleum Ltd (ACN 117 227 086).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

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

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share subject to satisfaction of certain performance conditions.

Petroci means Petroci Société Nationale d'Opérations Pétrolières de Côte d'Ivoire, a company incorporated under the laws of Côte d'Ivoire.

Petroci JV Administration Claim means the claim by Petroci arising from its audit of the CI-202 Block Accounts for the calendar years 2012 and 2013, but excluding the Petroci P3 Well Audit Claim, that Vioco provided it with insufficient documentation to satisfy its audit requirements.

Petroci P3 Well Audit Claim means the claim by Petroci, arising from its audit of the CI-202 Block Accounts for the calendar years 2012 and 2013, with respect to possible cash call overpayments to Vioco in connection with Petroci's change of working interest in the CI-202 Block.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

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

SCHEDULE 1 – PROFORMA BALANCE SHEET

Unaudited Proforma Balance Sheet As at 31 May 2015

All figures are AUD	\$'000	\$'000	\$'000
	<i>31 May 2015</i>	<i>Disposal</i>	<i>Post Disposal</i>
Assets			
<i>Current assets</i>			
Cash & equivalents	3,965	4,060	8,026
Receivables	1,555	-	1,555
Other current assets	85	-	85
Total Current Assets	<u>5,605</u>	<u>4,060</u>	<u>9,665</u>
<i>Non-current assets</i>			
Investment in associated company	36,082	(36,082)	-
Property, plant & equipment	285	-	285
Total non-current assets	<u>36,367</u>	<u>(36,082)</u>	<u>285</u>
Total assets	<u>41,972</u>	<u>(32,021)</u>	<u>9,951</u>
Liabilities			
<i>Current liabilities</i>			
Trade & other payables	1,793	-	1,793
Provisions	60	-	60
Total current liabilities	<u>1,853</u>	<u>-</u>	<u>1,853</u>
Total liabilities	<u>1,853</u>	<u>-</u>	<u>1,853</u>
Net assets	<u>40,119</u>	<u>(32,021)</u>	<u>8,097</u>
Equity			
<i>Parent interest</i>			
Issued capital	242,775	-	242,775
Employee benefits reserve	13,815	-	13,815
Foreign currency translation reserve	8,807	(7,060)	1,748
Equity reserve	(2,428)	-	(2,428)
Retained earnings	(222,851)	(24,962)	(247,813)
Total equity	<u>40,119</u>	<u>(32,021)</u>	<u>8,097</u>

Notes:

The consideration is assumed to comprise USD \$4 million cash (less up to a maximum of USD \$0.4 million in net liabilities for Vioco) plus USD \$1.1 million cash consideration for the wellhead drilling equipment. Transaction costs comprise advisors and legal fees (USD \$0.9m) and success bonuses (aggregate total of USD \$0.5m) allocated between Gregory Stoupnitzky, as Chief Executive Office and Jay Smulders and Jeff Durkin as senior managers of the Company. The cash consideration does not include US\$2 million which is payable upon the occurrence of a hydrocarbon discovery.

The disposal adjustments reflect the receipt of the cash consideration less transaction cost, the de-recognition of the carrying value of the Company's investment in Vioco (AUD \$36.1m), the recycling of Vioco's foreign currency transaction reserve (AUD \$7.1m) and a resulting loss on disposal within Accumulated losses (AUD \$24 million). No value has been subscribed to the possible hydrocarbon discovery payment of \$2 million. The exchange rate for AUD/USD is at 31 May 2015 of AUD \$1 = USD \$0.7637.



ABN 17 117 227 086

000001 000 APY
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

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Proxy Form

For your vote to be effective it must be received by 10:00am (WST) Saturday, 15 August 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose...

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy...

A proxy need not be a securityholder of the Company.

Signing Instructions

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ->



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Azonto Petroleum Ltd hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Azonto Petroleum Ltd to be held at Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth, Western Australia on Monday, 17 August 2015 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 - 9 (except where I/we have indicated a different voting intention below) even though Resolutions 3 - 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 3 - 9 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Disposal of Main Undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of Investing Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares in lieu of Fees – Andrew Bartlett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares in lieu of Fees – Andrew Sinclair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares in lieu of Fees – Neil Hackett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares in lieu of Salary – Gregory Stoupnitzky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of shares in lieu of Salary – Gert-Jan Smulders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of shares in lieu of Salary – Jeff Durkin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
Resolution 9	Issue of Performance Rights to Gregory Stoupnitzky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Re-election of Director - Glenn Whiddon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

APY

999999A

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