

METGASCO

NOTICE OF ANNUAL GENERAL MEETING

to be held at 11am on
30 November 2015 at
Christie Corporate
Level 4, 100 Walker Street
North Sydney NSW 2060

Shareholders who have elected not to receive a printed copy of the Company's 2015 Annual Report may obtain a copy from the Company's website www.metgasco.com.au under "Investor Centre".

**Registered Office:
Metgasco Ltd
ACN 088 196 383
Level 11, 2 Elizabeth Plaza
North Sydney NSW 2060**

Notice is hereby given that the Annual General Meeting ("the Meeting") of Metgasco Limited ("the Company") will be held at 11 am on 30 November 2015 at Christie Corporate, Level 4, 100 Walker Street, North Sydney NSW 2060.

ORDINARY BUSINESS**Consideration of Financial Report**

To consider the Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2015.

Neither the Corporations Act 2001 nor the Company's Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given the opportunity to ask questions or make comments on the reports and statements at the meeting.

Resolution 1 Adoption of Remuneration Report

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

"That the Remuneration Report required by section 300A of the Corporations Act 2001, as contained in the Directors' Report of the Company for the year ended 30 June 2015, be adopted."

The explanatory notes provide details to support the resolution.

Resolution 2 Re-election of Mr Gregory Short as a Director

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

"That Mr Gregory Short, being a Director of the Company, retires by rotation in accordance with the Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

The explanatory notes provide details to support the resolution.

Resolution 3 Election of Mr Grant Dunham

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

"That Mr Grant Dunham having been proposed by Mr Warren Buntine and seconded by Mr Trevor Saward offers himself for election as a Director of the Company."

The explanatory notes provide details to support the resolution.

SPECIAL BUSINESS**Resolution 4 Cancellation of Forfeited Shares**

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

"To reduce the Company's share capital by cancellation of 1,524,877 shares currently on issue to current employees which have lapsed under the Company's Employee and Officers' Equity Plan."

BY ORDER OF THE BOARD



Company Secretary

VOTING EXCLUSIONS

In accordance with the Corporations Act 2001 the Company makes the following statement:

The Company will disregard any votes cast on:

Resolution 1 – Adoption of Remuneration Report

By:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a closely related party of such a member.

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

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

EXPLANATORY NOTES

These Explanatory Notes have been prepared for the shareholders of Metgasco Limited to provide information about the items of business to be considered at the Annual General Meeting of shareholders to be held on 30 November 2015.

If appropriate, and if time permits, the Chairman will discuss significant issues raised by shareholders prior to the meeting and will invite questions and comments from shareholders on these key issues and any other matters relevant to the business that shareholders would like to raise at the meeting.

In addition, a reasonable opportunity will be given to members present at the meeting to ask the Company's auditor, Grant Thornton, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor. If you would like to submit a written question to Grant Thornton before the Meeting on any of the foregoing matters, please send your question to the Company Secretary, Sean Hooper, at sean.hooper@metgasco.com.au before 20 November 2015.

If you have a more general issue or question that you would like discussed at the meeting, please write to the Company Secretary, Sean Hooper, at the above address.

How will the Chairman vote as proxy if the Shareholder has not directed the Chairman to vote?

The Chairman intends to vote all proxies in favour of resolutions 1, 2 and 4 and against resolution 3. If a Shareholder appoints the Chairman of the Annual General Meeting as proxy and does not direct the Chairman how to vote on a resolution then, if that Shareholder is entitled to vote on that resolution, the Chairman will vote in the manner described above.

Resolution 1 - Adoption of the Remuneration Report

Consistent with section 250R of the Corporations Act 2001, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2015.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which includes senior management) of the Company. The Remuneration Report can be located in the Company's Annual Report on pages 13 to 19. The annual report is available online at www.metgasco.com.au under "Investor Centre".

The resolution is advisory only and does not bind the Company or its directors. However, the Board will consider the outcome of the vote and comments made by shareholders at the meeting on the remuneration report when reviewing the Company's remuneration policies.

Voting consequences

Under the Corporations Act 2001 (Cth), if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings (**AGM**), shareholders at the second AGM will be required to vote on a resolution proposing the calling of another general meeting of shareholders at which all Directors of the Company (excluding the Managing Director) who were in office at the time of approval of the Director's Report for the most recent financial year must stand for re-election (**Spill Resolution**). If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a Shareholder meeting (**Spill Meeting**) within 90 days of the passing of the Spill Resolution.

All of the Directors of the Company who were in office when the Directors' Report as included in the Company's annual report for the year of the Spill Resolution was approved (other than the Managing Director of the Company), will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

Previous voting results

At the Company's 2014 Annual General Meeting approximately 4% of the votes cast were against the adoption of the Remuneration Report for the financial year to 30 June 2014. As such, there will be no Spill Resolution as consequence of the Resolution 1 outcome this year.

Remuneration of the Company's senior management has been frozen since July 2012 in response to adverse market conditions. No equity was granted as remuneration to directors for the reporting period ending 30 June 2015 or subsequent to the end of the financial year.

The Company encourages all shareholders to vote on Resolution 1 (Adoption of Remuneration Report).

Resolution 2 – Re-election of Mr Gregory Short as a Director

Pursuant to the Company's constitution and the ASX Listing Rules, Mr Short will retire by rotation and seeks re-election.

Mr Short was appointed to the Board as a Director in August 2013.

Geologist by training, over 30 years of major company oil and gas exploration, development and production experience in both Australia and internationally. Skilled technician, manager and director. Nearly 10 years' experience as a director of Australian listed small cap oil and gas companies. Currently director of Metgasco and Po Valley Energy.

The Board supports the re-election of Mr Short.

Resolution 3 – Election of Mr Grant Dunham as a Director

Pursuant to the Company's constitution, Mr Dunham was proposed by a nominated representative of a corporate member being Mr Warren Buntine of Myoora Pty Limited and seconded by a nominated representative of a corporate member being Mr Trevor Saward of T&H Saward Superannuation Fund.

Mr Dunham has provided his biography as follows:

Grant Dunham has over 25 years' experience in the Australian Energy Sector, maintaining a high degree of safety standard requirements, and meeting relevant Industry Standards for major utilities.

Mr Dunham has previously owned and operated large contracting firms in the Energy and High Voltage Industry.

He has held several Board positions previously, including a 5 year term with (TCCI) Tasmanian Chamber of Commerce and Industry, with Committee roles relating to Risk and Audit matters.

Mr Dunham is experienced in high level negotiations with State and Federal Politicians, and not only brings experience but freshness to a small team.

His strengths in commercial negotiations, project management, and sound understanding of governance practices will support the board and position Metgasco to reach its potential.

The Board does not support the election of Mr Grant Dunham and recommends you vote AGAINST this resolution.

The Board of Metgasco currently comprises two non-executive directors and one executive director. The Board reviewed the need for an additional director following the resignation of Mr Berry earlier this year and determined that the Board had the mix of necessary skills and experience to address the challenges facing Metgasco in the current environment. The skills of the current Board are set out in Principle 2 of the Corporate Governance Statement which can be found on our website under "Company".

Metgasco's challenges include the ongoing exploration for gas in the Northern Rivers in accordance with Metgasco's licence obligations, pursuit of damages from the State Government for its unlawful suspension of approval of the Rosella well, and evaluation of a limited range of diversification opportunities. These challenges must be addressed by Metgasco with a prudent approach to the use of its existing funds.

The Board has met with Mr Dunham and, following this, further considered the benefits of an additional director and the skills that Mr Dunham offers.

While the Board acknowledges and welcomes the interest of Mr Dunham in joining the Board, the Board remains of the view that, given the skill mix and experience of the current directors, the current number of directors is appropriate for its present challenges and that the cost of another director is not currently justified. The company's immediate needs will continue to be addressed through the continued use of legal, commercial and public relations advisors to supplement Metgasco's small core management team.

The Board also notes that Mr Dunham does not have listed company or petroleum industry experience, nor any experience relating to negotiations with the NSW government.

Special Resolution 4– Cancellation of Forfeited Shares

1,524,877 shares previously issued to employees under the Company's Employee and Officers Equity Plan have been forfeited in accordance with the terms of the plan.

In order to give effect to the forfeiture, these shares must be cancelled by an ordinary resolution of shareholders under Section 258(D) of the Corporations Act 2001.

The cancellation will have the following impact on the Company's capital:

Current Issued Capital – 444,004,548
Issued Capital following cancellation – 442,479,671

The Board supports the approval of this resolution.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on the member's behalf. If the member is entitled to cast two or more votes at the meeting, the member may appoint not more than two proxies to attend and vote on the member's behalf.
2. If a member appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the member's votes. In the absence of such a specification, each proxy will be entitled to exercise half the votes.
3. A proxy need not be a member of the Company.
4. To appoint a proxy (or two proxies), a proxy form must be signed by the member or the member's attorney duly authorised in writing. If the member is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or officer duly authorised.
5. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the meeting. Proxy forms and authorities may be sent to the Company by post, personal delivery or fax:

Computershare Investor Services Pty Limited

Street address: Level 4, 60 Carrington Street, Sydney NSW 2000

Mailing address: GPO Box 242, Melbourne VIC 3001

Fax: (within Australia) 1800 783 447

(outside Australia) +61 3 9473 2555

Web: www.investorvote.com.au and follow the instructions provided.

Provided that members who forward their proxy forms by fax are required to make available the original executed form of the proxy for production, if called upon to do so at the Meeting.

For custodians – who are subscribers of Intermediary Online, please submit your votes electronically via www.intermediaryonline.com

6. A corporate shareholder entitled to attend and vote at the Meeting may appoint a body corporate representative to attend and vote for the shareholder. Also, as noted previously, a body corporate may be appointed as a proxy.

Metgasco Limited will accept the original appointment, a certified copy of the appointment or a certificate from the company giving notice of the appointment as satisfactory evidence of the appointment.

You can lodge your body corporate representative appointment document before the AGM or present the document at the registration desk at the meeting.

7. For the purposes of the Annual General Meeting, persons on the register of members as at 7.00pm on 28 November 2015 will be treated as members. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

