

Notice of Annual General Meeting 2016

Sundance Energy Australia Limited

ABN 76 112 202 883

Date: Friday, 27 May 2016
Time: 10:00 am (Adelaide time)
Venue: Minter Ellison Boardroom
Level 10, 25 Grenfell Street
Adelaide, South Australia





Dear Shareholder,

Notice is hereby given that the Annual General Meeting of the shareholders of Sundance Energy Australia Limited (Company) will be held at the Minter Ellison Boardroom, Level 10, 25 Grenfell Street, Adelaide, South Australia on 27 May 2016, at 10:00 am (Adelaide time) for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

The Explanatory Memorandum that accompanies and forms a part of this Notice of Annual General Meeting describes the Ordinary and Special Business to be considered.

ORDINARY BUSINESS:

A) Financial Statements and Reports

'To receive and consider the financial statements of the Company for the year ended 31 December 2015, and related Directors' Report, Directors' Declaration and Auditor's Report.'

B) To consider, and if thought fit, to pass, with or without modification, the following Ordinary Resolutions:

Ordinary Resolution 1: Adoption of Remuneration Report

'That the Remuneration Report for the year ended 31 December 2015, as set out in the Annual Report for that period, be adopted.'

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

In accordance with the Corporations Act, a vote must not be cast on this resolution in any capacity (and will be taken not to have been cast if cast contrary to this restriction) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report, and any closely related party of such a member.

However, the member or any closely related party of such a member may vote if:

- a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution, or by a person who is the chair of the meeting at which the resolution is voted on and the appointment does not specify the way the proxy is to vote on the resolution and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel; and
- b) it is not cast on behalf of the member or any closely related party of such a member.

See note on 'Voting Entitlements' below.

Ordinary Resolution 2: Re-election of Damien Ashley Hannes as a Director

'That Damien Ashley Hannes, a Director retiring by rotation in accordance with ASX Limited (ASX) Listing Rule 14.4 and clause 59.1 of the Constitution of the Company, being eligible, is re-elected as a Director of the Company.'

Ordinary Resolution 3: Re-election of Neville Wayne Martin as a Director

'That Neville Wayne Martin, a Director retiring by rotation in accordance with ASX Limited (ASX) Listing Rule 14.4 and clause 59.1 of the Constitution of the Company, being eligible, is re-elected as a Director of the Company.'



SPECIAL BUSINESS:

Ordinary Resolution 4: Approval to Issue Restricted Share Units to Managing Director

'That for the purposes of the Corporations Act 2001 and ASX Listing Rule 10.14 and all other purposes, approval is given for the issue of a maximum of 4,342,331 Restricted Share Units (in relation to the 31 December 2015 Financial Year - 2015 ATSR RSUs and the issue of any shares upon the subsequent vesting of those units), under the Company's Long Term Incentive Plan and the issue of 770,950 fully vested Restricted Share Units (in relation to the 31 December 2014 Financial Year - 2014 STI RSUs and the issue of any shares upon the vesting of those units) to Eric McCrady, Managing Director of the Company, being:

- *4,342,331 Absolute Total Shareholder Return restricted share units each carrying a right to receive a maximum of 1.33 ordinary fully paid shares in the Company subject to the terms of issue, (with the final number of shares received based on performance, assessed on absolute shareholder return); and*
- *770,950 fully vested 2014 STI restricted share units each carrying a right to receive 1 ordinary fully paid share in the Company subject to the terms of issue.*

any such issue to take place within one month of the date of this resolution, and otherwise on the terms and conditions summarised in the accompanying Explanatory Memorandum, and that in addition the terms and conditions on which Restricted Share Units have previously been issued to Eric McCrady be revised to be consistent with the current terms and conditions in limited circumstances, as summarised in the accompanying Explanatory Memorandum.'

Voting Exclusion Statement

In accordance with the ASX Listing Rules and the *Corporations Act*, the Company will disregard any votes cast on this ordinary resolution by any director or associate of any director and any votes cast as a proxy by any member of the Company's key management personnel and any closely related party of any member of the Company's key management personnel (each of whom will be a '**Prohibited Person**'). However, the Company will not disregard a vote if:

- a) it is cast by a Prohibited Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by a Prohibited Person who is 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.

Further, in accordance with the *Corporations Act*, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the key management personnel, and any closely related party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly authorises the person who is the chair of the meeting to exercise the proxy. However, the member or any closely related party of such a member may vote, if the vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution or by a person who is the chair of the meeting at which the resolution is voted on, and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Finally, for the purposes of Part 2D.2 of the *Corporations Act*, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) in any capacity by or on behalf of the Managing Director or an associate of the Managing Director. However, the Managing Director or an associate of the Managing Director may vote, if the vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution, and it is not cast on behalf of the Managing Director or an associate of the Managing Director.

See note on 'Voting Entitlements' below.



Ordinary Resolution 5: Ratification of prior issue of shares

'That for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders ratify the allotment and issue of 6,000,000 fully paid ordinary shares to New Standard Energy Limited (ACN 119 323 385) on the terms and conditions set out in the accompanying Explanatory Memorandum (a total of 1,500,000 of these shares are held in escrow pending resolution of various closing conditions).'

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of such person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Ordinary Resolution 6: Appointment of Auditor

*'That Deloitte Touche Tohmatsu (**Deloitte**) being qualified and having consented to act as auditor of the Company, be appointed as auditor of the Company with such appointment to take effect from the time at which the resignation of Ernst & Young as auditor takes effect, and that the Directors be authorised to agree the remuneration of Deloitte.'*

OTHER BUSINESS:

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

Explanatory notes for Agenda Items A and B appear on the following pages.

You may review the Company's Annual Report for the year ended 31 December 2015 at the Sundance Energy website.

http://www.sundanceenergy.net/SEA_Annual_Report_31_December_2015

The Annual Report has not been sent to Shareholders unless the member has specifically requested a printed copy.

By order of the Board

*Damien Connor
Company Secretary*

15 April 2016



VOTING ENTITLEMENTS

The Board has determined that, in accordance with the Company's Constitution and the Corporations Regulations 2001 (Cth), the members entitled to attend and vote at the Annual General Meeting shall be those persons who are recorded in the register of members at 7.00pm Sydney time on Wednesday 25 May 2016.

PROXIES

Appointment of a proxy

A shareholder who is entitled to attend and vote at the Annual General Meeting may appoint up to two proxies to attend and vote on behalf of that shareholder. A proxy form is included with this Notice of Annual General Meeting.

If a shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.

A proxy need not be a shareholder of the Company. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.

To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney or authorised officer, the authority under which the proxy form is signed (or a certified copy of the authority) **by no later than 10:00 am (Adelaide time) on Wednesday 25 May 2016** (being 48 hours before the commencement of the meeting) to:

- the Company's registered office at Ground Floor, 28 Greenhill Road WAYVILLE SA 5034 (facsimile number (08) 8132 0766);
- the Company's share registrar, Computershare Investor Services Pty Limited, as listed below; or
- **Custodian Voting** – for Intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Online:	Mail:	Fax:
Enter the control number, SRN/HIN and postcode shown on the first page of the proxy form at: www.investorvote.com.au	Sundance Energy Australia Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001, Australia	Sundance Energy Australia Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +613 9473 2555

If you require an additional proxy form, please contact Computershare Investor Services Pty Limited.

Appointment of company representative

A body corporate may elect to appoint a representative, rather than appoint a proxy, in accordance with the *Corporations Act*. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

Voting by proxies

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit. If a proxy abstains from voting and the directions on the proxy require that person to vote, the votes not exercised by the proxy will be given to the Chair to vote in accordance with the directions on the proxy form.

Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.

If the Chair or a member of the key management personnel or one of their closely related parties is appointed as a proxy, they are not permitted to vote undirected proxies on various matters, including some remuneration matters and related party matters, subject to limited exceptions.

Please read the directions on the proxy form carefully, especially if you intend to appoint the Chair of the meeting or a member of the key management personnel as your proxy.



Annual General Meeting – Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the Annual General Meeting (AGM) of shareholders to be held on:

Date: Friday, 27 May 2016
Time: 10:00 am (Adelaide time)
Venue: Minter Ellison Boardroom
Level 10, 25 Grenfell Street
Adelaide, South Australia

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting, and is a brief explanation of the Ordinary and Special Business in the Notice of Annual General Meeting, and why the Company is seeking this shareholder approval.

Agenda Item A

Financial Statements and Reports

The *Corporations Act* requires the Financial Report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and Auditor's Report to be laid before the AGM. There is no requirement either in the *Corporations Act* or the Company's Constitution for shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports.

While no resolution is required in relation to this item, the auditor of the Company or their representative will be available to receive questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the Auditor's Report;
- c) the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

A shareholder of the Company who is entitled to cast a vote at the AGM may submit a written question to the auditor if:

- a) the question is relevant to:
 - i) the content of the Auditor's Report to be considered at the AGM; or
 - ii) the conduct of the audit of the annual financial report to be considered at the AGM; and
- b) the shareholder gives the question to the Company no later than the fifth business day before the day on which the AGM is held.

Agenda Item B

Ordinary Resolution 1: Adoption of Remuneration Report

In accordance with section 250R of the *Corporations Act*, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 31 December 2015.

The remuneration report is a distinct section of the Directors' Report that deals with the remuneration of directors and other key management personnel of the Company and is contained in the Company's Annual Report for the year ended 31 December 2015, which is also available on the Company's website at www.sundanceenergy.com.au.

The Remuneration Report sets out the Company's remuneration arrangements for its directors, officers and senior management.

Shareholders are asked to keep in mind that the Company's operations are all in the US, and the Company's management team and technical and administrative staff are all based in the US. Even with the current challenges the oil and gas industry faced in 2015, and continues to face in 2016, the US employment market for oil and gas personnel continues to be very competitive, and it is necessary for the Company to offer comparable remuneration in order to attract and retain suitably qualified US executives and technical staff.

Shareholders are also asked to keep in mind that for the year ending 31 December 2015, the Directors resolved that the Managing Director and the senior executives of the Company would not be paid a short term incentive payment, in recognition of the low commodity price environment, and assist in preserving the Company's liquidity.

In addition, the Managing Director and executives of the Company agreed to take a 10% cut in base salary, commencing in January 2016. The Directors resolved that the same percentage reduction was to be applied to the Non-Executive Directors' fees, also commencing in January 2016. The salary and fee reductions will be in effect for an indefinite period of time.

Section 300A of the *Corporations Act* requires the directors to include a Remuneration Report in their report for the financial year. Section 250R(2) of the *Corporations Act* requires the Remuneration Report be put to the vote at the Company's AGM. Shareholders should note that the vote will be advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.



Annual General Meeting – Explanatory Memorandum

In relation to the non-binding shareholder vote, if 25% or more of the votes that are cast are against the adoption of the Remuneration Report at an AGM and comments are made on the Remuneration Report, the company's subsequent Remuneration Report is required to include an explanation of the board's proposed action or why no action has been taken.

Where 25% or more of the votes that are cast are against the adoption of the Remuneration Report at a company's second AGM, then if shareholders at that second AGM pass an ordinary resolution to hold a further meeting ("Spill Resolution"), the directors who approved the directors' report, other than the managing director, must resign or cease to hold office and may be reappointed to the vacated positions.

At the 2015 AGM, the Company's Remuneration Report for the financial year ended 31 December 2014 received 96.6% of votes cast for the Remuneration Report.

Shareholders attending the AGM will be given a reasonable opportunity to discuss the Remuneration Report.

If you elect to appoint a member of the key management personnel (other than the Chair) or a closely related party of such a person as a proxy, then you must direct the proxy how they are to vote. Undirected proxies granted to these persons will not be included in any vote on Resolution 1. If you elect to appoint the Chair as your proxy, you do not need to direct the Chair how you wish the Chair to exercise your vote on this resolution. However please carefully read the proxy form enclosed with this Notice of Meeting before completing it.

In completing the proxy form, if you appoint the Chair as your proxy and do not direct the Chair how to vote and provide the relevant authorisation to the Chair, this will allow the Chair to exercise their discretion in exercising your proxy, even though this resolution is connected directly or indirectly with the remuneration of the key management personnel, which includes the Chair.

If your proxy is not a member of the key management personnel or one of their closely related parties and is not the Chair, you do not need to direct your proxy how to vote.

Directors' Recommendation

The Directors, while noting that each Director has a personal interest in their own remuneration from the Company, recommend that Shareholders vote **IN FAVOUR** of adopting the Remuneration Report.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 1, subject to compliance with the voting restrictions discussed above.

Ordinary Resolution 2:

Re-Election of Damien Ashley Hannes as a Director

In accordance with clause 59.1 of the Constitution, at every Annual General Meeting one third of the Directors for the time being must retire from office and are eligible for re-election.

ASX Listing Rule 14.4 provides that a director (excluding the Managing Director) must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is longer. However, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next AGM of the entity.

Damien Ashley Hannes retires by rotation and offers himself for re-election pursuant to ASX Listing Rule 14.4 and the Company's Constitution. His qualifications and experience are set out below.

Damien A Hannes

BBs

(Director since August 2009)

Damien has been a Director since August 2009. Damien is the chairman of our Audit and Risk Management Committee and a member of our Remuneration and Nomination Committee. Mr. Hannes has over 25 years of finance, operations, sales and management experience. He has most recently served over 15 years as a managing director and a member of the operating committee, among other senior management positions, for Credit Suisse's listed derivatives business in equities, commodities and fixed income in its Asia and Pacific region. From 1986 to 1993, Damien was a director for Fay Richwhite Australia, a New Zealand merchant bank. Prior to his tenure with Fay Richwhite, Damien was the director of operations and chief financial officer of Donaldson, Lufkin and Jenrette Futures Ltd, a U.S. investment bank. He has successfully raised capital and developed and managed mining, commodities trading and manufacturing businesses in the global market. He holds a Bachelor of Business degree from the NSW University of Technology in Australia and subsequently completed the Institute of Chartered Accounts Professional Year before being seconded into the commercial sector.

The Board considers Damien Ashley Hannes to be an independent director.

Director's Recommendation

The Directors (other than Director Hannes, who makes no recommendation) recommend that shareholders vote **IN FAVOUR** of Resolution 2.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 2.



Annual General Meeting – Explanatory Memorandum

Ordinary Resolution 3:

Re-Election of Neville Wayne Martin as a Director

An additional director must retire from office, and is eligible for re-election, pursuant to ASX Listing Rule 14.4 and the Company's Constitution (as discussed above).

Neville Wayne Martin retires by rotation and offers himself for re-election pursuant to ASX Listing Rule 14.4 and the Company's Constitution. His qualifications and experience are set out below.

Neville W Martin

LL.B

(Director since January 2012)

Neville has been a Director since January 2012. Prior to his election, he was an alternate director on our board of directors. Neville is a member of our Audit and Risk Management Committee, and has over 40 years of experience as a lawyer specializing in corporate law and mining, oil and gas law. He is currently a consultant to the Australian law firm, Minter Ellison. He has served as a director on the boards of several Australian companies listed on the Australian Securities Exchange, including Stuart Petroleum Ltd from 1999 to 2002, Austin Exploration Ltd. from 2005 to 2008 and Adelaide Energy Ltd from 2005 to 2011. Neville is the former state president of the Australian Resource and Energy Law Association. Neville holds a Bachelor of Law degree from Adelaide University.

The Board considers Neville Wayne Martin to be an independent director.

Director's Recommendation

The Directors (other than Director Martin, who makes no recommendation) recommend that shareholders vote **IN FAVOUR** of Resolution 3.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 3.

Ordinary Resolution 4:

Approval to Issue Restricted Share Units to Managing Director

After the end of 2015, the Remuneration and Nominations Committee carried out a review of the previously agreed 2015 incentive compensation plan in recognition of the prevailing business environment. As a consequence, and in order to further align management with shareholder interests, the Committee recommended a number of changes which were subsequently agreed by the Board. In summary, for executives these changes eliminated time based Restricted Share Units (RSUs) and relative shareholder return RSUs, and replaced them with all Long Term Incentives (LTI) based on the performance of the Company. The performance is measured in two parts; absolute total shareholder return performance (paid, if any, in RSUs), and a minimum share price preferred return of 25% (paid, if any, in deferred cash as explained below). The latter allows executives to participate in a portion of any future share price appreciation while limiting dilution. Additionally, no short term incentive (STI) was paid for 2015.

As a consequence, the Company proposes to issue to Eric McCrady, Managing Director of the Company 4,342,331 absolute total shareholder return (ATSR) Restricted Share Units with each ATSR RSU carrying the right to receive up to 1.33 ordinary fully paid shares. **The final number of shares (if any) granted on conversion is dependent on meeting certain performance conditions as detailed later in this Explanatory Memorandum.**

During 2015, the Board approved an STI incentive award for Mr. McCrady in the amount of \$300,000 to be paid out by the grant of 770,950 fully vested Restricted Share Units. Since equity grants to Mr. McCrady require shareholder approval and it was past the deadline to submit a resolution for inclusion in the 2015 AGM Notice, it was agreed that the resolution soliciting approval of this grant would be included in the 2016 AGM Notice. If shareholder approval is not obtained at the 2016 AGM, the award will be settled in cash.

The Board seeks shareholder approval under ASX Listing Rule 10.14 for the issue of Restricted Share Units and/or shares to the Managing Director, under the Long Term Incentive Plan which forms part of the Company's overarching Executive Incentive Remuneration Plan discussed below, or any successor or amended plan (**the LTI Plan**). Shareholder approval is also sought for the purposes of the Corporations Act, to the extent that the issue of Restricted Share Units and/or shares in some circumstances might be considered to be a retirement benefit for the purposes of Part 2D.2 of the Corporations Act. The Restricted Share Units have been designed to assist the Company to attract and retain key members of management and officers, since those units will generally be forfeited if the holder leaves the service of the Company before the units vest (refer to further details below). Under the ASX Listing Rules, the Company may not issue securities (including shares, options over



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unissued shares and other convertible securities) to Directors and various other parties without shareholder approval. For these reasons, shareholder approval is sought for the proposed issue of Restricted Share Units and shares to the Managing Director, under the LTI Plan.

Eric McCrady – Managing Director

Eric McCrady joined the Company in June 2010 as Chief Financial Officer and has been Managing Director of the Company since November 2011. Eric has responsibility for building the Company's operating capability and implementing the Company's approved growth strategy, which includes the exploration and development program and opportunities relating to asset acquisitions and divestments. Eric has extensive corporate, financial, and oil and gas industry experience.

Summary of the Company's Executive Incentive Remuneration Plan (Plan).

There are two elements in the 2015 Plan, base salary and long term incentives (**LTI**). All of the LTI is performance related and therefore 'at risk'. Short term Incentives (**STI**) were originally included in the Plan but none was granted in 2015*.

The objectives of the Plan are to:

- reward the Managing Director, executives, and employees of, and consultants to, the Company and its subsidiaries, for achieving the Company's financial and operational performance targets established by the Board;
- align the interests of executives and other recipients, and shareholders; and
- attract and retain high quality executives and other potential recipients.

* STI is assessed annually against a number of metrics which are agreed by the Remuneration and Nominations Committee and approved by the Board, and if any STI is earned it is normally paid to the executive in cash. However, the STI earned in 2014 was paid out by granting the equivalent number of fully vested Restricted Share Units instead of cash, to reflect the low commodity price environment and to preserve liquidity.

No STI was earned in the year ending 31 December 2015.

Under the LTI Plan established under the overarching Plan, the Board may offer Restricted Share Units to the Managing Director, executives and employees of the Company and its subsidiaries. The Restricted Share Units carry the right to receive ordinary fully paid shares in the Company, subject to the terms of issue, and on the terms summarised in this Explanatory Memorandum.

Background

In the case of pre-2014 executive performance, the Company only granted time based vesting (**TBV**) Restricted Share Units, with vesting based on continued service to the Company over a three-year period. This

was consistent at the time with standard remuneration practice in the US for executives in the oil and gas sector.

The 'at risk' relative total shareholder return (**RTSR**) Restricted Share Units were subsequently introduced in addition to the TBV RSUs, and granted in 2015 based on the achievement of performance targets over a three-year period.

The Company has now adopted long term incentives based entirely on company performance, with the LTI award value being 50% allocated to Absolute Total Shareholder Return (**ATSR**) and 50% allocated as deferred cash based on meeting or exceeding agreed share price appreciation targets. The **ATSR** Restricted Share Units will be granted in 2016 and will vest based on the achievement of performance targets over a three-year period.

The deferred cash will be assessed at the end of 2017 and at the end of 2018 against a minimum share price preferred return of 25%, and will be paid, if any, in 2018 and 2019 with none paid in 2016 or 2017. Further details are provided in the remuneration section of the Company's annual report.

Remuneration Committee

The Remuneration Committee reviewed the market standard of remuneration for the position of the managing director of a publicly listed company with all operations in the US, and of a size comparable to the Company. This was a follow up to the detailed review which the Remuneration Committee carried out in 2014. For this review, the Remuneration Committee again employed the services of an independent US-based remuneration consultant (**Remuneration Consultant**), to advise it on best practice remuneration policies in the environment in which the Company operates in the US.

While current practices have proved to vary in the current low commodity business environment, the findings confirmed that providing equity-based remuneration, with vesting restrictions tied to performance, is prevalent among mid-sized public oil and gas companies in the US, as a means to link the managing director's and executives' interests with those of shareholders, and to deliver competitive remuneration to promote the recruitment and retention of critical talent.

Based on these inputs and its own assessment of the current business conditions, the Remuneration Committee considers it appropriate to issue the Restricted Share Units as described in this Explanatory Memorandum to the Managing Director. These Restricted Share Units are subject to vesting conditions, including the holder still being employed by the Company, or providing services to the Company, at the relevant vesting date, as well as performance conditions where applicable (see below for more details). *All of the Restricted Share Units will be performance based and subject to stricter performance conditions and vesting terms than in the past.*



Annual General Meeting – Explanatory Memorandum

Ordinary Resolution 4:

Approval to Issue Restricted Share Units to Managing Director *Continued*

Resolution 4 seeks shareholder approval for the allotment and issue of these Restricted Share Units for the purpose of ASX Listing Rule 10.14 and the Corporations Act. ASX Listing Rule 10.14 provides that a company must not issue or agree to issue securities under any employee incentive scheme to a related party, including a director, without first obtaining the approval of shareholders. ASX Listing Rule 10.14 provides that the following information must be provided to shareholders:

- the Restricted Share Units are proposed to be issued to Eric McCrady at no cost to him under the LTI Plan, and on the terms summarised in this Explanatory Memorandum;
- the total number of Restricted Share Units to be issued under the resolution is 5,113,281;
- the Restricted Share Units will be issued as soon as practicable after this meeting and in any event no later than 1 month after the date of this meeting;
- the Restricted Share Units will be held and exercised in accordance with the terms and conditions as summarised below;
- the Restricted Share Units will vest as described below, subject to various conditions. Each share issued pursuant to the vesting of the Restricted Share Units will rank *pari passu* with all existing ordinary fully paid shares of the Company; and
- no funds will be raised by the issue of the Restricted Share Units, and no loans will be made in relation to the Restricted Share Units.

See below for a summary of the terms of the LTI Plan and the Restricted Share Units.

In accordance with Listing Rule 14.11.1, the Managing Director (since he is eligible to participate in this employee incentive scheme in relation to the Company) and his associates are excluded from voting on this resolution. The voting exclusion statement (required under ASX Listing Rule 10.15) is contained in the Notice of Meeting.

The Remuneration Committee believes that the grant of the Restricted Share Units is appropriate and reasonable in all the circumstances, as part of the remuneration of the Managing Director, and the Board agrees. Therefore, the Company considers that the grant of the Restricted Share Units comes within one of the exceptions to Chapter 2E of the Corporations Act 2001, and shareholder approval is not required for that purpose.

Executive Officer Long Term Incentive Assessment and Calculations

Overall design

The restricted share units granted for 2015 will be subject to the following vesting conditions.

The total LTI value calculated in dollar terms is the base salary of the executive multiplied by the relevant LTI target

percentage. For the Managing Director his base salary for 2015 was US\$370,000 and the target percentage is 325%.

The total LTI value is then apportioned as follows:

- 50% of the total dollar amount will in the form of Absolute Total Shareholder Return Restricted Share Units (ATSR RSUs). The number of ATSR RSUs granted was calculated by dividing the dollar amount by the volume weighted average price (VWAP) for the last twenty days of 2015 (the measurement period). Vesting of the ATSR RSUs will be based on appreciation of the Company's share price over a three-year period. At the end of the three-year period, the performance of the Company's share price will be assessed against the ATSR measurement chart (see later).
- The other 50% of the total dollar amount will be paid out, if any, as follows:

The base deferred cash target awards are paid only after achieving the following share performance targets:

- Tranche 1- A 20 day volume weighted average (20-day VWAP) of A\$0.297 per share for the last 20-day period in the year ending 31 December 2017. This equates to a 25% preferred return over a two-year period. Payment, if any, will be made in early 2018.
- Tranche 2- A 20 day volume weighted average (20-day VWAP) of A\$0.371 per share for the last 20-day period in the year ending 31 December 2018. This equates to a 25% preferred return over a three-year period. Payment, if any, will be made in early 2019.

If the 20-day VWAP exceeds target prices of \$A0.297 for 2017 and \$A0.371 for 2018 an increased payment will be awarded based on outperformance of the base compensation target. The maximum payout of 300% of the base award will be achieved if the 20 day VWAP in the years ending 31 December 2017 and 2018 is a minimum of \$A0.891 and \$A1.113 respectively.

Note: Shareholder approval is only being sought for the grant of the RSUs to the Managing Director.

Terms of ATSR Restricted Share Units

Vesting - ATSR Restricted Share Units

Under the terms of issue of the ATSR Restricted Share Units, the ATSR Restricted Share Units will usually vest on the 3rd anniversary of the Commencement Date (1 January in the year of grant), provided the holder is still employed by the Company, or providing services to the Company, at the relevant vesting date. This is subject to limited exceptions. If not vested, each ATSR Restricted Share Unit will be forfeited at the date of termination, subject to the terms of the LTI Plan.

When the ATSR Restricted Share Units vest, the holder will be issued fully paid ordinary shares in the Company, based on the Absolute TSR Performance Factor (provided the threshold of a multiple of at least 1.26 is first satisfied). The number of shares issued may range between 50% and 133% of the ATSR Restricted Share Units, depending on absolute TSR. Refer to the example following.



Annual General Meeting – Explanatory Memorandum

Vesting - ATSR Performance Factor

The Absolute TSR Performance Factor will be determined as follows:

Absolute TSR Goal Categories	Absolute TSR Goal	Absolute TSR Performance Factor*	Shares issued on vesting of 100,000 ATSR Restricted Share Units*
Maximum	1.95x (equivalent to a 25% preferred return over the 3-year period)	133%	133,000
Target	1.52x (equivalent to a 15% preferred return over the 3-year period)	100%	100,000
Threshold	1.26x (equivalent to an 8% preferred return over the 3-year period)	50%	50,000
Below threshold	Below 1.26x (equivalent to an 8% preferred return over the 3-year period)	0%	0

* The Absolute TSR Performance Factor is dependent on the applicable Absolute TSR Goal being achieved – there is no adjustment for increments.

[Example: If the actual performance expressed as a multiple is 1.65x, the Absolute TSR Performance Factor is 100%, since only the Target Absolute TSR Goal has been achieved]

The maximum Absolute TSR Performance Factor is 133%, and where the Absolute TSR Goal is below 1.26x (the threshold), the Absolute TSR Performance Factor is 0% and the ATSR RSUs will not vest and will be forfeited.

The number of ATSR Restricted Share Units held by the executive is then multiplied by that Absolute TSR Performance Factor, to calculate the number of shares to be issued to the executive on vesting.

In summary the holder of ATSR Restricted Share Units will receive:

- a maximum of 1.33 ordinary fully paid shares for each unit, if the maximum Absolute TSR Goal is achieved;
- a minimum of 0.5 ordinary fully paid share for each unit, if the threshold Absolute TSR Goal is achieved; and

- nothing if the threshold Absolute TSR Goal is not achieved (in which case the ATSR Restricted Share Units will be forfeited), (as described above).

The plan for 2015 provides for a total vesting potential of 133% compared with 150% for 2014 (which was 100% in the case of time based RSUs and up to two times on the RTSR RSUs). In other words, LTI recipients have the opportunity to earn up to 133% of their granted LTI award based on continued service and share performance.

Vesting of the Restricted Share Units – Example

The table below shows how the vesting terms will operate*.

Example – timetable for vesting of 300,000 Restricted Share Units

Year	Outcome
0	Long term incentive (LTI) performance standards (metrics) and awards under the Plan are determined by the Remuneration and Nominations Committee, and approved by the Board.
1	RSUs granted All RSUs are unvested at time of grant. Commencement Date is defined as 1 January in the year of grant and is the date used to 'start the clock'. 100% of LTI RSUs awarded as ATSR RSUs
2	1st anniversary of Commencement Date No vesting
3	2nd anniversary of Commencement Date No vesting
4	3rd anniversary of Commencement Date The ATSR RSUs will 'convert' into shares once the threshold has been reached at a ratio of between 50-133% depending on absolute TSR, as long as the Company's actual Absolute TSR is at least a multiple of 1.26 (equivalent to an 8% preferred return) at the conclusion of the 3 year performance period.

* The term 'convert' is used for convenience, however technically the RSUs carry a right to receive shares, subject to the LTI Plan, and are not converted into shares.



Annual General Meeting – Explanatory Memorandum

Ordinary Resolution 4: Approval to Issue Restricted Share Units to Managing Director *Continued*

Summary – ATSR Restricted Share Units

The number of shares that can be earned base on absolute TSR performance ranges from 0% to 133% of the number of ATSR and RTSR Restricted Share Units awarded.

The value of the ATSR Restricted Share Units will depend on the Company's performance over the relevant 3 year period, and in the ordinary course the holder will not receive any benefit unless the relevant performance threshold is achieved (as described below).

General terms of all LTI Restricted Share Units

Vesting – General – LTI Restricted Share Units

In summary, if the holder ceases employment with the Company before the vesting of their Restricted Share Units (whether ATSR, RTSR or TBV Restricted Share Units), those units will be forfeited, unless a relevant exception applies. In limited cases, including where the holder dies, becomes disabled or is made redundant, the Board may, acting in good faith, deem some or all unvested Restricted Share Units to be vested.

A holder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless the Restricted Share Units have vested before the record date for determining entitlements to the new issue of securities, and the holder participates as a result of holding shares.

The holder does not pay anything for the shares. The conditions of the Restricted Share Units do not restrict the holder from transferring any of the shares acquired on vesting of the units, or using them as security for a loan, or dealing with them in any other way. The value of any benefit received by the holder will depend on the Company's share price when any shares are acquired on vesting of the units, and cannot be ascertained at the date of this Explanatory Memorandum. The share price at the time will depend on a number of factors, including the Company's performance, general economic conditions, and the specific conditions which apply to the industry in which the Company operates.

Term

The terms of Restricted Share Units are intended to be for up to 3 years, subject to the relevant vesting date, Commencement Date and the terms of grant.

Change in Control

While offers under a takeover bid remain open for acceptance, or on the occurrence of a Change in Control event (as defined in the LTI Plan), the Board must give written notice to the holder of the accelerating vesting of all unvested Restricted Share Units (on a one share for one unit basis), unless in its absolute discretion the

Board determines that the holder will receive at least comparable consideration from the acquirer for their unvested Restricted Share Units consequent on the bid or Change of Control proceeding, in which case the unvested Restricted Share Units will be forfeited.

The steps taken by the Board will be subject to the LTI Plan, any applicable laws and the ASX Listing Rules. Note that, subject to obtaining shareholder approval, these new arrangements will also apply to all Restricted Share Units granted to the Managing Director before 1 January 2016, and modify the original terms on which they were issued (so the Board will no longer have discretion to cancel those Restricted Share Units, in return for a cash payment equal to the then market value of the Restricted Share Units).

Loans

No loans will be made by the Company under the LTI Plan.

Ordinary Shares Issued

Shares acquired by a participant on vesting of the Restricted Share Units will be ordinary fully paid shares in the Company, and the Company will apply for listing of those shares.

Claw Back Conditions

In limited cases under the LTI Plan the Board may, at its absolute discretion, claw back and cancel without compensation Restricted Share Units granted under the LTI Plan. For example, the Board may do so where there is evidence of fraud by an employee, resulting in a material adverse change to the Company's financial statements, or where there is a material adverse change in the circumstances of the Company.

Capital Reconstruction participants will have their entitlements in respect of Restricted Share Units adjusted to take account of capital reconstructions and bonus issues, to comply with the ASX Listing Rules or ensure that participants are not unfairly disadvantaged and do not receive a benefit that shareholders do not receive.



Annual General Meeting – Explanatory Memorandum

Updating the terms of issue of previous Restricted Share Units

In the case of TBV Restricted Share Units and RTSR Restricted Share Units previously granted to the Managing Director, the original terms on which they were issued will be updated where appropriate, to be consistent with the arrangements applying in the event of a Change in Control, as set out above. This is important for consistency and administrative convenience, since it will enable the Company to align the terms of issue of the Managing Director's Restricted Share Units in these limited circumstances, and provide certainty. The proposed change has been approved by the Board, and is permitted under the LTI Plan.

For the avoidance of doubt, this proposed change to the terms of issue is limited to the Change in Control arrangements. In all other respects any such Restricted Share Units will continue to be subject to the original vesting terms on which they were issued, including the original performance hurdles and the maximum number of shares which may be granted.

Other holders of LTI Restricted Share Units

Note that the terms described above apply to the LTI Restricted Share Units previously granted or to be issued to the Managing Director, after obtaining shareholder

approval. The Board may, in its absolute discretion and subject to the terms of the LT Plan, grant LTI Restricted Share Units to other executives and other eligible recipients on modified terms, where shareholder approval is not required for the grant. In substance however the terms applicable to LTI Restricted Share Units are not anticipated to vary significantly.

Important information for ASX purposes

Disclosure of previous grants

This is the fifth time shareholders have been asked to approve grants of Restricted Share Units. The fourth time was at the Company's 2015 Annual General Meeting held on 28 May 2015 (2015 AGM).

In accordance with ASX Listing Rule 10.15, the Company is required to inform shareholders of the number of Restricted Share Units and/or shares granted to directors (and their associates) under the LTI Plan since the date of the approval most recently given by shareholders, together with details of those persons who have received Restricted Share Units and/or shares under the LTI Plan since the last approval. The table below sets out the required information.

Details of those persons who have received Restricted Share Units and/ or shares under the LTI Plan since the Company's 2015 Annual General Meeting are as follows:

Details of the relevant persons who have received RSUs and/ or shares under the LTI Plan since the Company's 2015 Annual General Meeting	Number of RSUs granted and shares issued to the relevant persons under the LTI Plan since the Company's 2015 Annual General Meeting
Eric McCrady Managing Director of the Company	<p>RSUs granted</p> <p>1,545,113 - 2014 TBV RSUs (in relation to the 2014 financial year and approved at the 2015 AGM). 515,038 of these RSUs have vested and been satisfied by the issue of shares.*</p> <p>1,545,113 - 2014 RTSR RSUs (in relation to the 2014 financial year and approved at the 2015 AGM). None of these RSUs have vested and as such no shares have been issued.</p> <p>Shares issued</p> <p>515,038 shares issued in respect of vested 2014 TBV RSUs.</p> <p>167,997 shares issued in respect of vested 2013 RSUs.</p> <p>93,562 shares issued in respect of vested SY2012 RSUs.</p> <p>100,446 shares issued in respect of vested 2012 RSUs.</p>

* or are expected to be satisfied by the grant of shares in the near future, at which time the Company will make a new issue announcement giving details of the shares issued.

Participation

The LTI Plan provides that in the case of any grant to a non-executive of the Company and its subsidiaries, only TBV Restricted Share Units will be granted, with ATSR and RTSR Restricted Share Units only to be granted to executives. Currently none of the Non-Executive Directors participate in the LTI Plan and there is no intention that they participate in future.

Voting exclusion

In accordance with Listing Rule 14.11.1, each of the Directors (since they are each eligible to participate in this employee incentive scheme in relation to the Company), and any of their associates, are excluded from voting on this resolution. The voting exclusion statement is contained in the Notice of Meeting. In practice, only the Managing Director participates in this employee incentive scheme, and as noted above there is no intention that any of the Non-Executive Directors participate in future.



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Please note, in accordance with sections 250BD(1) and (2) of the Corporations Act the Chairman will not vote any undirected proxies in relation to this resolution, unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions. Please note that if the Chairman of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form you expressly authorise the Chairman to exercise your proxy on this resolution (and any other applicable resolutions) even though the resolution is connected directly or indirectly with the remuneration of a member of key management personnel for the Company, which includes the Chairman.

If you appoint the Chairman as your proxy, you can direct the Chairman to vote for or against or abstain from voting on Resolution 4 by marking the appropriate box on the proxy form.

Directors' Recommendation

The Directors (other than the Managing Director, who makes no recommendation) recommend that shareholders vote **IN FAVOUR** of Resolution 4 for the grant of Restricted Share Units to the Managing Director.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 4, where permitted to do so under the Listing Rules and the *Corporations Act*.

Ordinary Resolution 5: Ratification of prior issue of shares

ASX Listing Rule 7.1 requires the Company to obtain shareholder approval if it issues, or agrees to issue, securities in the capital of the Company in any 12-month period that when aggregated total more than 15% in number of the existing ordinary shares in the capital of the Company (15% Rule).

ASX Listing Rule 7.4 allows a company in a general meeting to subsequently approve an issue of securities for the purposes of Listing Rule 7.1. If approval is granted, the issue of securities is treated as having been made with approval.

Resolution 5 seeks ratification of the allotment and issue by the Company of 6,000,000 ordinary fully paid shares to New Standard Energy Limited (ACN 119 323 385). The shares were issued within the Company's existing capacity under ASX Listing Rule 7.1. Refer to the Company's Appendix 3B lodged with the ASX on 10 August 2015.

If such approval is given, the Company will be entitled under ASX Listing Rule 7.1 to issue up to 15% of the ordinary issued securities of the Company, if required, in the next 12 months without shareholder approval.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

Number of securities issued	6,000,000 Shares, including 1,500,000 shares held in escrow pending resolution of various closing conditions.
Issue price/Consideration	Acquisition of: - 100% of the issued shares in New Standard Energy PEL570 Pty Limited; and - 100% of the issued shares in New Standard Energy Texas LLC; and - Colorado County assets There was no issue price, but consideration given was US\$15 million cash plus 6 million ordinary shares with an issued capital value of A\$2,850,000 based on the 7 August 2015 share closing price of A\$0.475.
Person(s) securities issued to	Shares issued to New Standard Energy Limited as consideration for the acquisition of shares in New Standard Energy PEL570 Pty Limited and New Standard Energy Texas LLC as well as Prospect Leases, Producing Wells and Colorado County Leases in the United States of America, as announced to ASX on 10 August 2015.
Terms of securities issued	Shares issued are fully paid ordinary shares in the capital of the Company and are issued on the same terms and conditions as existing Shares.
Use of funds	No funds were received under the share issue.
Voting exclusion	A voting exclusion statement forms part of this notice.

Directors' Recommendation

The Directors recommend that shareholders vote **IN FAVOUR** of Resolution 5.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 5.



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Ordinary Resolution 6: Appointment of Auditor

The Corporations Act requires shareholders in general meeting to approve the appointment of a new auditor of the Company.

Following a review of major accounting firms with the capabilities of undertaking the Company's audit, with particular reference to the Company's operations in the United States, the Board recommends the appointment of Deloitte Touche Tohmatsu (**Deloitte**) as auditor.

Subject to shareholder approval at the Annual General Meeting, the appointment of Deloitte will be effective for the financial year ending 31 December 2016.

Arrangements are in place between the Company, the current auditor Ernst & Young and Deloitte to enable a smooth transition between audit firms.

Deloitte has consented to act as auditor of the Company and Ernst & Young has tendered its resignation as auditor to the Company, subject to obtaining the necessary consent as discussed below. Ernst & Young has advised the Company that it will apply to the Australian Securities and Investments Commission ('ASIC') for consent to resign effective 27 May 2016, the date of the Annual General Meeting. It is anticipated that Ernst & Young's resignation will take effect from the later of that date and the day on which ASIC gives its consent, and Deloitte will then commence as auditor of the Company. Ernst & Young's resignation is subject to it obtaining the necessary consent from ASIC. The Company's expectation is that ASIC's consent will be obtained before the date of the Annual General Meeting.

In accordance with subsection 328B(1) of the Corporations Act 2001, notice in writing nominating Deloitte as auditor has been given to the Company

by a shareholder. A copy of this notice is provided to shareholders with the Notice of Meeting.

Ernst & Young has been the auditor of the Company for a number of years, and the Directors would like to thank Ernst & Young publicly for its work over that period.

Directors' Recommendation

The Directors recommend that shareholders vote **IN FAVOUR** of Resolution 6.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 6.

The Board of Directors

c/- The Company Secretary
Sundance Energy Australia Limited
Ground Floor, 28 Greenhill Road
Wayville SA 5034

Dear Directors

Notice of Nomination of Auditor

Pursuant to subsection 328B(1) of the Corporations Act 2001, I, Michael Hannell, a member of Sundance Energy Australia Limited ('**Company**'), nominate Deloitte for appointment as auditor of the Company at its next Annual General Meeting to be held on Friday 27 May 2016 or any adjournment thereof.

Yours sincerely

Michael Hannell

Dated: 11 April 2016.

Definitions

The following definitions are used in this Explanatory Memorandum:

'**ATSR**' means absolute total shareholder return

'**Absolute TSR Goal**' means absolute total shareholder return calculated under the LTI Plan and placed into the relevant category under the LTI Plan.

'**ATSR Restricted Share Units**' means the absolute total shareholder return Restricted Share Units.

'**Approving Resolution**' means a resolution passed in accordance with clause 25 (that is, the new clause proposed to be inserted into the Company's constitution subject to shareholder approval, as set out in this Explanatory Memorandum).

'**Approving Resolution Deadline**' in relation to a proportional takeover bid means the day that is the 14th day before the last day of the bid period.

'**Commencement Date**' means 1 January in the year the Restricted Share Units are granted (unless modified, where a person becomes an employee or otherwise eligible to receive Restricted Share Units during the Company's financial year), as defined in the LTI Plan.

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

'**Grant Date**' means the date the RSUs are granted by the Company.

'**LTI**' means long term incentive.

'**LTI Plan**' means the Long Term Incentive Plan which forms part of the Company's overarching Executive Incentive Remuneration Plan, or any successor or amended plan.

'**Plan**' means the Company's Executive Incentive Remuneration Plan or any successor or amended plan.

'**Remuneration Consultant**' means the Company's independent US-based remuneration consultant.

'**RSU**' means the Restricted Share Units granted under the LTI Plan.

'**RTSR Restricted Share Units**' means the relative total shareholder return Restricted Share Units.

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

'**STI**' means short term incentive.

'**TBV Restricted Share Units**' means the time based vesting Restricted Share Units.


'**TSR**' means total shareholder return calculated under the LTI Plan.


This is a summary only. Refer to the full terms of the LTI Plan, and the terms and conditions of the Restricted Share Units, for more details.



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For all enquiries call:
(within Australia) 1300 556 161
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Proxy Form

 <p>Vote and view the annual report online</p> <ul style="list-style-type: none"> • Go to www.investorvote.com.au or scan the QR Code with your mobile device. • Follow the instructions on the secure website to vote. 	
<p>Your access information that you will need to vote:</p> <p>Control Number:</p> <p>SRN/HIN:</p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 10:00am (Adelaide time) Wednesday 25 May 2016**

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 (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

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. The sum of the votes cast must not exceed your voting entitlement or 100%.

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, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

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. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

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.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Sundance Energy Australia Limited 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 Annual General Meeting of Sundance Energy Australia Limited to be held at the Minter Ellison Boardroom, Level 10, 25 Grenfell Street, Adelaide, South Australia on Friday 27 May 2016 at 10:00am (Adelaide time) 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 **Items 1 & 4** (except where I/we have indicated a different voting intention below) even though **Items 1 & 4** 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 **Items 1 & 4** 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
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Damien Ashley Hannes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Neville Wayne Martin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Issue Restricted Share Units to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Appointment of Auditor	<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 / /