



# **Pancontinental Oil & Gas NL**

ABN 95 003 029 543

## **Notice of General Meeting and Explanatory Statement Proxy Form**

For a General Meeting of Shareholders of the Company to be held at the Holiday Inn City Centre,  
788 Hay Street, Perth, Western Australia on 9 January 2012 at 9.30am.

## Notice of Meeting

Notice is hereby given that the General Meeting of Shareholders will be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia on 9 January 2012 at 9.30am.

### AGENDA

#### BY ORDINARY RESOLUTION

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

##### **Resolution 1 – Subsequent approval of the prior issue of first tranche of the Placement Shares**

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve the allotment and issue of 99,100,000 Shares each at an issue price of 7.5 cents each per Share predominately to sophisticated and professional investor clients of Hartleys Limited on the terms and conditions in the Explanatory Memorandum accompanying this Notice.”

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associate of that person or those persons. However, the Company need not disregard a vote if 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 it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

##### **Resolution 2 - Approval to issue the second tranche of the Placement Shares**

"That, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 100,900,000 Shares each at an issue price of 7.5 cents each per Share predominately to sophisticated and professional investor clients of Hartleys Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

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 person associated with those persons. However, the Company need not disregard a vote if 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 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.

Dated at Perth this 6th day of December 2011  
By Order of the Board

V Petrovic  
Company Secretary

## NOTES

These notes form part of the Notice of General Meeting. The Notice of General Meeting should be read in conjunction with the accompanying Explanatory Statement.

Defined words and phrases used in this Notice of General Meeting are defined in section 2 of the accompanying Explanatory Statement.

### Voting Entitlements

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that Shares held as at 5.00pm (WST) on 7 January 2012 will be taken, for the purposes of the annual general meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### Proxies

A proxy form is attached to the end of the Explanatory Statement.

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

- each member has a right to appoint a proxy;
- the proxy need not be himself or herself be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

By mail and by hand during office hours.	288 Stirling Street, Perth, Western Australia 6000	By Facsimile:	+ 61 8 9227 3211
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Each member entitled to vote at the annual general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile). If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

### Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

# Pancontinental Oil & Gas NL

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## Explanatory Statement to Shareholders to Accompany Notice of General Meeting

This Explanatory Statement has been prepared for the information of Shareholders in Pancontinental Oil & Gas NL in connection with the Resolutions to be put to Shareholders at the General Meeting of the Company to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia, on 9 January 2012 at 9.30am (WST).

Defined words and phrases used in this Explanatory Statement are defined in section 2 of this Explanatory Statement.

### Section 1: The Resolutions

#### **Resolution 1. Subsequent approval of the prior issue of first tranche of the Placement Shares**

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without Shareholder approval. Generally, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without Shareholder approval. The issue of the 99,100,000 Shares ((Tranche 1 Shares) referred to in Resolution 1 was within this 15% threshold. This placement was the subject of the Company's announcement (Announcement) to ASX on 1 December 2011.

Listing Rule 7.4 provides that an issue by a company of equity securities made without Shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval if the issue did not breach ASX Listing Rule 7.1 when made if Shareholders subsequently approve it.

This Resolution seeks shareholder approval under ASX Listing Rule 7.4 to approve the prior issue of the Tranche 1 Shares made without approval under ASX Listing Rule 7.1. Shareholder approval will provide the Company with the maximum flexibility to issue further securities (if necessary) under Listing Rule 7.1 without Shareholder approval. The requirement to obtain Shareholder approval for a future issue, at the time of a proposed issue, could limit the Company's ability to take advantage of future opportunities that may arise.

The effect of approval of this Resolution will be that the issue of the Tranche 1 Shares referred to in Resolution 1 will not be counted towards reducing the number of securities which the Company can issue in the future without Shareholder approval under the limit imposed by ASX Listing 7.1. The result is that the limit under Listing Rule 7.1 will be "refreshed" to the extent of the approval.

If this Resolution is not approved by Shareholders, it may limit the ability of the Company to issue securities without Shareholder approval until the Company's 15% capacity is replenished in accordance with ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

- a) The total number of securities issued by the Company is 99,100,000 Shares;
- b) The Shares were issued prior to the general meeting to sophisticated and professional investors at an issue price of 7.5 cents each per Share.
- c) The Shares rank equally with the existing shares on issue;
- d) \$7,432,500.00, before costs, was raised by the issue; and
- e) The funds raised will be used to fund further exploration expenditure on the Company's existing exploration projects in Kenya, Namibia and Australia and provide general working capital to meet corporate and other administrative costs.

A voting exclusion statement is included in this Notice for Resolution 1.

# Pancontinental Oil & Gas NL

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## **Resolution 2 Approval to issue the second tranche of the Placement Shares**

Resolution 2 seeks shareholder approval pursuant to Listing Rule 7.1 for the issue of the second tranche of the Placement Shares namely 100,900,000 Shares (Tranche 2 Shares) to sophisticated and professional investors. This proposed issue was also the subject of the Announcement. The passing of Resolution 2 will allow the Directors to issue the Tranche 2 Shares without using up the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Company advises that the sophisticated and professional investors to whom the Tranche 2 Shares are to be issued are not related parties of the Company or of the Directors.

For the purposes of ASX Listing Rule 7.3, information regarding the Tranche 2 Shares issued pursuant to Resolution 2 is provided as follows:

- a) The maximum number of securities the Company is to issue is 100,900,000 Shares.
- b) The Shares will be issued on a date no later than three months after the date of the Meeting, or such longer period of time as ASX may in its discretion allow. It is intended that allotment will occur at the same time.
- c) The Tranche 2 Shares will be issued by the Company at an issue price of 7.5 cents each per Share.
- d) The Tranche 2 Shares rank equally with the existing Shares on issue.
- e) \$7,567,500.00, before costs, will be raised by issuing the Tranche 2 Shares.
- f) The Tranche 2 Shares will be issued to sophisticated and professional investors.
- g) Funds raised will be used to fund further exploration expenditure on the Company's existing exploration projects in Kenya, Namibia and Australia and provide general working capital to meet corporate and other administrative costs.

A voting exclusion statement is included in this Notice for Resolution 2.

# Pancontinental Oil & Gas NL

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## Section 2: Glossary of Defined Terms

The following terms and abbreviations used in this Explanatory Statement and Notice of Meeting have the following meanings:

**ASIC** means Australian Securities and Investments Commission.

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

**Board** means the board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of the ASX.

**Company** means Pancontinental Oil & Gas NL (ABN 95 003 029 543).

**Constitution** means the Company's Constitution.

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

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

**Dollar or \$** means Australian dollars unless otherwise indicated.

**Listing Rules** means the official Listing Rules of the ASX.

**Placement** means the fund raising by way of share placement in two tranches announced on 1 December 2011 by the Company.

**Placement Shares** means the Shares to be issued pursuant to the Placement.

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

**Resolution** means a Resolution contained in this Notice.

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

**Shareholder** means the holder of one or more Shares.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.



## PROXY FORM

I ..... of .....  
being a member of Pancontinental Oil & Gas NL hereby appoint

..... of .....  
or failing him

..... of .....

or failing them, the Chairman of the meeting as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia, on 9 January 2012 at 9.30am WST and at any adjournment thereof.

If no person is named above or if the person named does not attend the meeting or is not a legally effective choice the Chairman of the meeting will be my/our proxy to vote for me/us on my/our behalf at the meeting or any adjournment of the meeting. I/we understand that the Chairman intends to vote undirected proxies in favour of Resolutions 1.

**I/we understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.**

### RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Subsequent approval of the prior issue of the first tranche of the Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to issue the second tranche of the Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy, in respect of a Resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest even if he has an interest in the outcome of the resolutions and that the votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any such undirected proxies in favour of all Resolutions.** If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your vote on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions.

Dated this.....day of.....2011

**If the member is a company, it must sign in accordance with its constitution  
Please sign on the reverse of this form**

# Pancontinental Oil & Gas NL

ABN 95 003 029 543

Proxy forms (and power of attorney, if any, under which the proxy form is signed) must be:  
sent by mail or delivered to 288 Stirling Street ,Perth, Western Australia, 6000 or  
by fax to: +61 8 9227 3211

If the member is a company:

EXECUTED by )  
)  
ACN )  
in accordance with section 127 of the )  
Corporations Law )

.....  
Director/Company Secretary\*

.....  
Director/Sole Director and Sole Company Secretary\*

.....  
Name of Director/Company Secretary\*  
(BLOCK LETTERS)

.....  
Name of Director/Sole Director and Sole Company  
Secretary\* (BLOCK LETTERS)

\*Delete whichever is not applicable

**OR**

.....  
Signature

.....  
(Insert capacity in which duly authorised officer is  
signing for a member which is a company)

**If the member is an individual or joint holders:**

.....  
Signature

.....  
Signature

## Instructions for appointment of proxy

1. A member entitled to attend and vote at the Annual General Meeting convened by the above Notice of Annual General Meeting is entitled to appoint not more than 2 proxies to vote on the member's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise half of the member's voting rights.
3. A proxy need not be a member.
4. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at 288 Stirling Street, Perth, Western Australia, fax number (08) 9227 3211 no later than 48 hours before the time fixed for holding the meeting.
5. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
6. Appointment of a proxy by a member being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.

As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 5.00pm WST on 7 January 2012 will be taken for purposes of the meeting, to be held by the persons who are the registered holders. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxy forms (and power of attorney, if any, under which the proxy form is signed) must be:  
sent by mail or delivered to 288 Stirling Street, Perth, Western Australia, 6000 or by fax to: +61 8 9227 3211