

Pancontinental Oil & Gas NL
NOTICE OF MEETING



Notice of General Meeting
9.30am (AWST), Wednesday, 15 March 2017

The Park Business Centre
45 Ventnor Avenue
West Perth, Western Australia 6005

Pancontinental Oil & Gas NL

ABN 95 003 029 543

Directors

John Edward Leach
Roy Barry Rushworth
Ernest Anthony Myers
Henry David Kennedy
Vesna Petrovic

Non-Executive Chairman
Executive Director & Chief Executive Officer
Executive Finance Director
Non-Executive Director
Executive Director

Registered Office

Level One, 10 Ord Street,
West Perth WA 6005
Telephone: +61 8 6363 7090
Facsimile: +61 8 6363 7099

Company Secretary

Vesna Petrovic

Internet Address & Contact

www.pancon.com.au
info@pancon.com.au

Pancontinental Oil & Gas NL

NOTICE OF MEETING

A General Meeting of Pancontinental Oil & Gas NL (“**Pancontinental**” or the “**Company**”) will be held at
The Park Business Centre,
45 Ventnor Avenue, West Perth, Western Australia 6005
at **9.30am (AWST), Wednesday, 15 March 2017.**

Items of business	Type of resolution	Voting restrictions and further information
ORDINARY BUSINESS		
1. Ratification of Placement carried out under Listing Rule 7.1	Ordinary Resolution	Page 4
2. Approval for Mr Henry David Kennedy to participate in Placement	Ordinary Resolution	Page 5
3. Approval for Mr Roy Barry Rushworth to participate in Placement	Ordinary Resolution	Page 5

Terms used in this Notice and the Explanatory Notes are defined in the glossary on page 6.

Pancontinental Oil & Gas NL

NOTICE OF MEETING

VOTING

Voting Record Date

Shareholders recorded on the Company's register of members at 9.30am (AWST) on Monday, 13 March 2017 will be entitled to vote at the General Meeting.

Becoming a Shareholder

Shareholders who become registered Shareholders after the date of dispatch of this Notice and who wish to vote at the General Meeting by proxy should call +61 8 6363 7090 to request a Proxy Form.

Shareholders who become beneficial shareholders of Shares by acquiring Shares after the date of dispatch of this Notice and who wish to vote at the General Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

How to vote

Shareholders can vote in one of two ways:

- by attending the General Meeting and voting; or
- by appointing a proxy to attend and vote on their behalf.

The voting prohibitions and exclusions for each Item are set out in the Explanatory Notes to this Notice.

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the General Meeting, if possible, so that the Company may check their Shareholding against the Company's share register and note attendances.

PROXY FORMS

Proxy Form

Enclosed with this Notice is a personalised Proxy Form. The Proxy Form allows Shareholders not attending the General Meeting to either lodge their vote directly or appoint a proxy to vote on their behalf.

If you hold Shares in more than one capacity, please be sure to complete the Proxy Form relevant to each holding.

Appointing proxies

Shareholders who are entitled to attend and vote at the General Meeting may appoint a proxy to act generally at the General Meeting on their behalf, and to vote.

To appoint a proxy, the attached Proxy Form should be completed and lodged in accordance with the instructions on that form. A proxy or nominee need not be a Shareholder of the Company.

A Shareholder entitled to attend and cast two or more votes can appoint up to two proxies, and should specify the proportion or number of votes each proxy or nominee is appointed to exercise, failing which each proxy may exercise half the votes.

If no proportion or number is specified, each proxy or nominee may exercise half of the Shareholder's votes. If you wish to appoint two proxies or two nominees, please call +61 8 6363 7090 and request an additional Proxy Form.

Any directed proxies that are not voted on a poll at the General Meeting will automatically default to the Chair, who is required to vote proxies as directed.

A corporate Shareholder or proxy must appoint a person as its corporate representative.

Any undirected proxy given to the Chair by a Shareholder entitled to vote on those Items will be voted by the Chair in favour of those Items in accordance with the express authorisation on the Proxy Form.

The Chair intends to vote all valid undirected proxies for all other Items in favour of those Items, subject to the voting prohibitions and exclusions set out in this Notice.

Power of attorney and corporate representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy must be sent with the Proxy Form.

A body corporate member or proxy may elect to appoint a representative, rather than a proxy. In

such circumstances, written proof of the representative's appointment must be lodged with, or presented to, the Company before the General Meeting.

A body corporate appointed as a proxy must also lodge a Certificate of Appointment of a Corporate Representative.

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 9.30am (AWST) on Monday, 13 March 2017.

How to lodge Proxy Forms

You can lodge your Proxy Forms:

Mail: to the Company at PO Box 1154, West Perth, WA 6872.

Facsimile: to the Company on +61 8 6363 7099.

Further details on how to lodge your Proxy Form can be found on the Proxy Form.

By hand: to the Company at Level 1, 10 Ord Street, West Perth, WA 6005.

ENQUIRIES

Shareholders are invited to contact the Company Secretary by email at info@pancon.com.au or by telephone on +61 8 6363 7090 if they have any queries in respect of the matters set out in these documents.

By order of the Board of Directors

Vesna Petrovic
Company Secretary
9 February 2017

Pancontinental Oil & Gas NL

EXPLANATORY NOTES

BACKGROUND

On 18 January 2017, the Company announced a capital raising of approximately \$1 million (before costs) comprising the issue of up to 333 million fully paid ordinary shares in the Company to sophisticated and professional investors of Harleys Limited and Peel Hunt LLP and to two Directors of the Company (Mr Henry David Kennedy and Mr Roy Barry Rushworth) at 0.3 cents per Share (**Placement**).

The purpose of the Placement was to fund the cash call costs associated with Namibia PEL 37 for the years 2014-2016, further exploration costs in respect of Namibia PEL 37 and for general working capital requirements and other payables.

Details of the Placement are as follows:

Transaction	Shares
Placement under existing ASX Listing Rule 7.1 capacity	256,666,679
Placement to Mr Kennedy (subject to obtaining Shareholder approval)	66,666,666
Placement to Mr Rushworth (subject to obtaining Shareholder approval)	10,000,000
Total proposed Shares to be issued	333,333,345
Total proposed funds to be raised (at 0.3 cents per Share)	\$1,000,000

The Placement comprises two tranches, namely:

- (a) 256,666,679 Shares issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 (**Tranche 1**), which Shareholders are being asked by Item 1 to ratify under ASX Listing Rule 7.4 so that the issue of those Shares does not count towards the Company's 15% placement capacity under ASX Listing Rule 7.1; and

- (b) 66,666,666 Shares to Mr Henry David Kennedy and 10,000,000 Shares to Mr Roy Barry Rushworth and/or their nominees, which Shareholders are being asked by Items 2 and 3 (respectively) to approve for the purposes of ASX Listing Rule 10.11.

ITEM 1 – RATIFICATION OF PLACEMENT CARRIED OUT UNDER LISTING RULE 7.1

Item 1 seeks the approval of Shareholders under Listing Rule 7.4 to ratify the issue of 256,666,679 Shares at an issue price of 0.3 cents per Share to sophisticated and professional investors under the Placement without shareholder approval pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.

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

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval provided the issue did not breach the 15% threshold set by ASX Listing Rule 7.1.

The effect of such ratification is to restore a company's maximum discretionary power to issue further equity securities up to 15% of the issued capital of the Company without requiring prior Shareholder approval.

The Company confirms that the issue and allotment of Shares under Tranche 1 did not breach ASX Listing Rule 7.1. The Company also confirms that the sophisticated and professional investors who participated in Tranche 1 of the Placement are not related parties of the Company.

Specific information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, information regarding Tranche 1 of the Placement which is the subject of Item 1 is provided as follows:

- 256,666,679 Shares were issued;
- the Shares were issued at a price of 0.3 cents per Share;
- the Shares were issued as fully paid ordinary Shares which rank equally with the existing shares on issue;
- the Shares were issued to sophisticated and professional investor clients of Hartleys Limited and Peel Hunt LLP; and
- the funds raised will be used to fund:
 - cash call costs in regard to Namibia PEL 37 for the years 2014-2016;
 - further exploration costs in respect of Namibia PEL 37; and
 - general working capital and other payables.

Voting exclusions for Item 1

The Company will disregard any votes cast on Item 1 by a person (or any associates of such a person) who participated in Tranche 1 of the Placement.

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 Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form as the proxy decides.

Board recommendation

The Board unanimously recommends that Shareholders vote **in favour** of Item 1.

The Chair intends to vote undirected proxies in favour of Item 1.

ITEMS 2 and 3 – APPROVAL FOR DIRECTORS TO PARTICIPATE IN PLACEMENT

Items 2 and 3 seek the approval of Shareholders pursuant to ASX Listing Rule 10.11 to enable Mr Henry David Kennedy and Mr Roy Barry Rushworth (respectively) and/or their nominees to participate in the Placement on the same terms and conditions as the subscribers under Tranche 1 of the Placement.

Shareholder approval is required under ASX Listing Rule 10.11 due to Mr Kennedy and Mr Rushworth holding Director positions in the Company and as such, each are considered a related party of the Company for the purposes of the ASX Listing Rules.

In the absence of an applicable exception, ASX Listing Rule 10.11 restricts the Company's ability to issue equity securities to a related party unless approval is obtained from Shareholders. No exceptions apply in this instance.

If Shareholders approve Items 2 and 3, separate approval will not be required under ASX Listing Rule 7.1 for the issue of Shares to Mr Kennedy (under Item 2) and Mr Rushworth (under Item 3) and/or their nominees under the Placement, as approval is already being obtained under ASX Listing Rule 10.11.

Accordingly, the effect of passing Item 2 and Item 3 will be that the issue of those Shares to each of Mr Henry David Kennedy and Mr Roy Barry Rushworth and/or their nominees will not count toward the Company's 15% placement capacity under Listing Rule 7.1.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company.

The issue of Shares to Directors constitutes the provision of a financial benefit to a related party. Section 229 of the Corporations Act, as an example of a financial benefit, includes the issuing of securities to a related party. The Corporations Act defines "related party" widely, and includes the directors of a company.

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

- (a) the giving of the financial benefit falls within an exception to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

It is the view of the Board that Shareholder approval under Chapter 2E of the Corporations Act is not required for the issue of Shares to Mr Kennedy (under Item 2) or Mr Rushworth (under Item 3) and/or their nominees, as the issue of Shares falls within the exception under section 210 of the Corporations Act.

Section 210 of the Corporations Act provides that shareholder approval is not required for a company to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) are on terms that are less favourable to the related party than would be given if the parties were dealing at arm's length.

In forming this view, the Board noted that the price of the Shares proposed to be issued to Mr Kennedy (under Item 2) and Mr Rushworth (under Item 3) and/or their nominees is the same as the price of the Shares issued under Tranche 1 of the Placement which was set by Hartleys Limited, having regard for current market conditions and demand.

Specific information required by ASX Listing Rule 10.13

ASX Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Shares to Mr Kennedy (under Item 2) and Mr Rushworth (under Item 3) and/or their nominees pursuant to ASX Listing Rule 10.11:

- (a) the Shares will be issued to:
 - a. Mr Kennedy and/or his nominees (under Item 2); and
 - b. Mr Rushworth and/or his nominees (under Item 3).
- (b) the maximum number of Shares to be issued to:
 - a. Mr Kennedy and/or his nominees (under Item 2) will be 66,666,666; and
 - b. Mr Rushworth and/or his nominees (under Item 3) will be 10,000,000.

- (c) the Company will issue the Shares as soon as practicable following receipt of Shareholder approval, and in any event no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Shares will be issued at 0.3 cents per Share, being the same price as the Shares issued to unrelated parties under Tranche 1 of the Placement (which are the subject of Item 1);
- (e) the Shares will be fully paid ordinary Shares and will rank equally with the existing Shares on issue; and
- (f) the funds raised will be used to fund:
 - a. cash call costs in regard to Namibia PEL 37 for the years 2014-2016;
 - b. further exploration costs in respect of Namibia PEL 37; and
 - c. general working capital and other payables.

Voting exclusions

The Company will disregard any votes cast on Item 2 by Mr Kennedy (or any of his associates) and on Item 3 by Mr Rushworth (or any of his associates).

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 Chair 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.

Board recommendation

The Board (other than Mr Kennedy in relation to Item 2 and Mr Rushworth in relation to Item 3) recommends that Shareholders vote **in favour** of Items 2 and 3.

The Chair intends to vote undirected proxies in favour Items 2 and 3.

Pancontinental Oil & Gas NL

GLOSSARY

A\$ or \$	Australian dollars.	Listing Rules	The listing rules of the ASX.
ASX	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.	Notice or Notice of Meeting	The Notice of Meeting and the Explanatory Notes.
AWST	Australian Western Standard Time.	Ordinary Resolution	A resolution that must be passed by at least 50% of the votes cast by Shareholders being in favour of the resolution.
Board	The board of Directors of the Company.	Placement	Has the meaning given to it in the "Background" section on page 4.
Chair	The chair of the General Meeting.	Proxy Form	The proxy form included with this Notice.
Company or Pancontinental Corporations Act	Pancontinental Oil & Gas NL (ABN 95 003 029 543). <i>Corporations Act 2001</i> (Cth).	Share	A fully paid ordinary share in the capital of the Company.
Director	A director of the Company.	Shareholder	Any person holding a Share in the Company's share register.
Explanatory Notes	The Explanatory Notes attached to the Notice of Meeting.	Tranche 1	Has the meaning given to it in the "Background" section on page 4.
General Meeting	General Meeting of Shareholders of the Company to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia 6005 on Wednesday, 15 March 2017 at 9.30am (AWST), or any adjournment thereof.		
Item	Each resolution set out in the Notice of Meeting.		

PROXY FORM

I/We being a member/s of **Pancontinental Oil & Gas NL** and entitled to attend and vote hereby appoint

the Chair of
the General
Meeting
(mark with
an 'X')

OR

If you are not appointing the Chair of the General Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the General Meeting, as my/our proxy at the **General Meeting of Shareholders of Pancontinental Oil & Gas NL ABN 95 003 029 543 to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia 6005 on 15 March 2017 at 9:30am (AWST)** and at any adjournment or postponement of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the General Meeting intends to vote all available proxies in favour of each Item.

ITEM	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1	Ratification of Placement carried out under Listing Rule 7.1	<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>
2	Approval for Mr Henry David Kennedy to participate in Placement	<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>
3	Approval for Mr Roy Barry Rushworth to participate in Placement	<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>

Dated this.....day of.....2017

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

Proxy Forms (and power of attorney, if any, under which the Proxy Form is signed) must be sent by mail to PO Box 1154, West Perth WA 6872 or delivered to Level 1, 10 Ord Street, West Perth, WA 6005 or by fax to +61 8 6363 7099 and must be received no later than 9:30am (AWST) on Monday, 13 March 2017.

If the member is a company:

EXECUTED by)
)
ACN)
in accordance with section 127 of the)
Corporations Act 2001 (Cth))

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. Shareholders who are entitled to attend and vote at the General Meeting may appoint a proxy to act generally at the General Meeting on their behalf, and to vote.
2. A Shareholder entitled to attend and cast two or more votes at the General Meeting convened by the above Notice is entitled to appoint not more than two proxies to vote on the Shareholder’s behalf.
3. Where two proxies are appointed and the appointment does not specify the proportion or number of the Shareholder’s votes, each proxy may exercise half of the Shareholder’s voting rights.
4. A proxy need not be a Shareholder.
5. Proxy Forms (and the power of attorney, if any, under which the Proxy Form is signed) must be received by mail at PO Box 1154, West Perth WA 6872 or delivered to Level 1, 10 Ord Street, West Perth, WA 6005, or by fax to +61 8 6363 7099 no later than 9:30am (AWST) on Monday, 13 March 2017.
6. Appointment of a proxy by a Shareholder being a natural person must be under the hand of the Shareholder or of an attorney appointed in writing by the Shareholder.
7. Appointment of a proxy by a Shareholder 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.
8. 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.
9. 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 9.30am (AWST) on 13 March 2017 will be taken for purposes of the General 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 General Meeting.