

17 April 2014

## Notice of 2014 Annual General Meeting

Petsec Energy Ltd's 2014 Annual General Meeting will be held on Thursday, 22 May 2014 at 11.00 a.m. in the AGL Theatre, Level 2 of The Museum of Sydney, corner of Bridge & Phillip Streets Sydney, NSW.

The Notice of Meeting and Proxy Form for this meeting will be mailed to shareholders on Thursday, 17 April 2014. Pursuant to ASX Listing Rule 3.17, a copy of the Notice of Meeting, including the proxy form, follows this announcement and will also be available on the Petsec Energy website at [www.petsec.com.au](http://www.petsec.com.au).

The 2013 Annual Report will also be mailed to shareholders, who have elected to receive a printed copy of this document, on Thursday, 17 April 2014. The Annual Report will be lodged with the ASX by separate announcement and a copy will be available on the Company's website, [www.petsec.com.au](http://www.petsec.com.au).

For further information:

Paul Gahdmar  
Company Secretary & Group Financial Controller  
Petsec Energy Ltd  
Tel: 612 9247 4605  
Fax: 612 9251 2410

Level 13, Gold Fields House, 1 Alfred Street, Sydney NSW 2000, Australia  
PO Box R204, Royal Exchange NSW 1225, Australia  
Telephone (61 2) 9247 4605 Facsimile (61 2) 9251 2410  
Company information is available on: [petsec.com.au](http://petsec.com.au)

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# PETSEC ENERGY LTD

ACN 000 602 700

## Notice of 2014 Annual General Meeting

Notice is hereby given that the 2014 Annual General Meeting of members of Petsec Energy Ltd (**Company**) will be held at the Museum of Sydney, corner of Bridge and Phillip Streets, Sydney, Australia on Thursday, 22 May 2014 at 11.00 am (Sydney time).

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### Business

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#### Financial and Other Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2013.

Shareholders will be given a reasonable opportunity to ask questions or make comments on the Reports.

#### RESOLUTION 1 – RE-ELECTION OF MR BADEN AS A DIRECTOR

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

***“That Mr Alan Baden, who was appointed as an additional Director since the 2013 Annual General Meeting in accordance with rule 42 of the Constitution, be re-elected as a Director.”***

Information regarding Mr Baden appears in the Explanatory Notes.

#### RESOLUTION 2 – RE-ELECTION OF MR LOBER AS A DIRECTOR

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

***“That Mr Mark Lober, who was appointed as an additional Director since the 2013 Annual General Meeting in accordance with rule 42 of the Constitution, be re-elected as a Director.”***

Information regarding Mr Lober appears in the Explanatory Notes.

#### RESOLUTION 3 – RE-ELECTION OF MR MORTIMER AS A DIRECTOR

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

***“That Mr David Mortimer AO, who retires as a Director by rotation in accordance with rule 43 of the Constitution, be re-elected as a Director.”***

Information regarding Mr Mortimer appears in the Explanatory Notes.

#### RESOLUTION 4 – REMUNERATION REPORT

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

***“That the Remuneration Report for the year ended 31 December 2013 be adopted.”***

Information regarding this resolution appears in the Explanatory Notes.

#### RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

To consider and, if thought fit, pass the following resolution as a special resolution:

***“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution appears in the Explanatory Notes.

## Voting Exclusion Statements

The Company will disregard any votes cast on:

- Resolution 4 by one of the Key Management Personnel or by a closely related party, such as close family members or any controlled companies, of those personnel;
- Resolution 5 by any:
  - person who may participate in the 10% Placement Facility;
  - person who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if this Resolution is passed; and
  - of their respective 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 person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

## Important Information Concerning Proxy Votes on Resolution 4

The Corporations Act restricts the ability of Key Management Personnel and their closely related parties to vote on the advisory resolution to adopt the Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Key Management Personnel. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control. The laws affect Resolution 4.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Key Management Personnel; as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. If you do not do so, you risk your vote not being cast.

Undirected proxies held by relevant Key Management Personnel or their closely related parties will not be voted on Resolution 4. Similarly, undirected proxies held by the Chairperson will not be voted on Resolutions 4 or 5 unless you mark the box indicated on the proxy form. Marking this box will constitute an express authorisation by you directing the Chairperson to vote your proxy in favour of Resolution 4 (unless you have exercised your right to direct the Chairperson otherwise by marking the 'against' column in respect of one or all of the relevant Resolutions). This express authorisation acknowledges that the Chairperson may vote your proxy even if he has an interest in the outcome of Resolution 4 and that votes cast by the Chairperson for those Resolutions, other than an authorised proxy holder, will be disregarded because of that interest.

## Voting at the meeting

1. Under *Corporations Regulation 7.11.37*, the Board has determined that a person's entitlement to vote at the meeting will be the entitlement of that person appearing on the register of members at 7.00pm (EST) on 20 May 2014.
2. On a show of hands you have one vote. On a poll you have one vote per Share you hold in the Company.
3. If Shares are jointly held, only one of the joint holders is entitled to vote.
4. In order to vote, a corporation which is a Shareholder may appoint a person to act as its representative. The appointment must comply with sections 250D and 253B of the Corporations Act. The representative should bring to the meeting duly executed evidence of the appointment.
5. The form of proxy accompanies this Notice of Meeting. A member entitled to attend and vote at the meeting has a right to appoint a proxy (individual or body corporate). Any person appointed as a proxy need not 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 and number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the member's votes. If a member appoints two proxies, neither may vote on a show of hands.
6. To be effective, the form appointing the proxy, together with any authority under which it was executed, or a certified copy of that authority, must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting.

- BY MAIL:** By using the reply paid envelope provided  
Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia
- BY FAX:** + 61 2 9290 9655
- IN PERSON:** Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000  
Australia
- VOTE ONLINE:** [www.boardroomlimited.com.au/vote/petsecagm2014](http://www.boardroomlimited.com.au/vote/petsecagm2014)

By order of the Board  
Dated this 17<sup>th</sup> day of April 2014

**Paul Gahdmar**  
**Company Secretary**

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**EXPLANATORY NOTES**


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These Explanatory Notes form part of this Notice of Meeting and should be read in conjunction with it.

Four of the Resolutions to be voted on are ordinary Resolutions, which require a simple majority of votes cast by Shareholders entitled to vote on the Resolution. Resolution 5 is a special resolution and requires approval of 75% of the votes cast by Shareholders.

**RESOLUTION 1 – RE-ELECTION OF MR BADEN AS A DIRECTOR**

Rule 42 of the Company's Constitution requires that any Director appointed since the last Annual General Meeting shall hold office only until the conclusion of the next Annual General Meeting of the Company and is eligible for re-election at the meeting. In accordance with this rule, Mr Baden will stand for re-election.

**Alan P Baden**

Mr Baden joined the board in 2013 and is a U.S. citizen, resident in Houston, Texas. He is a senior commercial lawyer with the legal firm of Thompson & Knight and has over 30 years' experience in the U.S. oil and gas industry, with a focus on mergers and acquisitions, public and private financings, and U.S. capital market activities, representing major U.S. E&P companies who operate in shale oil and conventional exploration in the Gulf of Mexico. He has been recognised by his peers to be a leading lawyer in oil and gas transactions and in securities and corporate finance.

Mr Baden holds a Juris Doctor Degree from Case Western Reserve University, and a Bachelor of Science (Economics) Degree from the University of Pennsylvania.

Mr Baden is an independent Director.

**The other Directors recommend that Shareholders vote in favour of the re-election of Mr Baden.**

**RESOLUTION 2 – RE-ELECTION OF MR LOBER AS A DIRECTOR**

As for Resolution 1, Rule 42 of the Company's Constitution requires that Mr Lober stand for re-election.

**Mark S Lober**

Mr Lober joined the board in 2013 and is a U.S. citizen, resident in Houston, Texas, who brings a wealth of technical and management expertise gained from his 37 years' experience in the U.S. oil and gas industry, where he was particularly engaged in prospect generation in those areas in which the Company operates for both conventional and unconventional exploration. In the last decade he has been actively involved in shale oil exploration in California, Pennsylvania, Ohio, Texas and Louisiana.

Mr Lober holds a Master of Science (Geophysics) Degree from Boston College and a Bachelor of Science (Geology) Degree from the State of New York at Brockport. Mr Lober is a Certified Professional Petroleum Geologist (AAPG), a member of the American Association of Petroleum Geologists, the Society of Exploration Geophysicists and the European Association of Geoscientists and Engineers.

He has held the positions of senior geophysicist, exploration manager and new ventures manager with Amoco Production Company, Standard Oil Production Company (SOHO), Amerada Hess Corporation, Prime Natural Resources, Inc., Meridian Resource Corporation and Caltex Gas Exploration where he is currently developing new resource play and conventional play opportunities.

Mr Lober is an independent Director.

**The other Directors recommend that Shareholders vote in favour of the re-election of Mr Lober.**

**RESOLUTION 3 – RE-ELECTION OF MR MORTIMER AS A DIRECTOR**

Rule 43 of the Company's Constitution requires that an election of Directors, excluding Directors appointed since the last Annual General Meeting, take place each year. In accordance with this rule, Mr Mortimer will stand for re-election.

**David A Mortimer AO**

Mr Mortimer was appointed to the Board in 1985 and has over 40 years of corporate finance experience. He was a senior executive of TNT Limited Group from 1973, serving as Finance Director and then as Chief Executive Officer until his resignation in October 1997. He is presently Chairman of Opera Australia, Crescent Capital Partners

Limited, Buildcorp Advisory Board, Defence Industry Innovation Board and University of Sydney Senate Investment and Commercialisation Committee. He is a Director of Clayton Utz Foundation, the Grant Samuel Advisory Board and is on the CEDA's Board of Governors.

Mr Mortimer holds a Bachelor of Economics degree (First Class Honours) from the University of Sydney and is a Fellow of the University of Sydney Senate and the Australian Institute of Company Directors. Mr Mortimer's other roles include Governor of the Australia Israel Chamber of Commerce, and President of the Sydney University Football Club.

Mr Mortimer was formerly a non-executive director and more recently Chairman of ASX listed company Leighton Holdings Limited from 1997 until August 2011 and Chairman of Australia Post from 2006 to 2012.

Mr Mortimer is an independent Director.

**The other Directors recommend that Shareholders vote in favour of the re-election of Mr Mortimer.**

#### **RESOLUTION 4 - REMUNERATION REPORT**

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report sets out the Company's policy for the remuneration of Directors and senior executives.

The Corporations Act provides that this vote is advisory only and does not bind the Directors or the Company. Shareholders will be given a reasonable opportunity to ask questions or make comments on the Remuneration Report.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the directors (other than a managing director) who were in office at the date of the approval of the applicable Directors' Report must stand for re-election.

See Important Information Concerning Proxy Votes on Resolution 4. The Chairman, who is one of the Key Management Personnel, will vote all undirected proxies in favour of Resolution 4.

#### **RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

##### **Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities comprising up to 10% of its issued share capital through placements over a 12 month period after an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the date of this Notice and expects to be so at the date of the AGM. The Company seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer below).

The Company may use the 10% Placement Facility to fund exploration, development, working capital, or the acquisition of new exploration leases or other resource assets.

##### **Description of Listing Rule 7.1A**

###### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

###### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of Equity Securities, being Shares and unlisted Options.

**(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:

- (i) (plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4;
- (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 231,161,630 Shares and has a capacity to issue approximately:

- (i) 34,674,245 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 5, 23,116,163 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to (c) above). No equity securities have been issued in the 12 months preceding the date of the meeting.

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**Listing Rule 7.1A**

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### Specific Information required by Listing Rule 7.3A

Under Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price not less than the minimum issue price calculated in accordance with (e) above.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of the issue of listed Options, only if the listed Options are exercised) to the extent Shareholders do not receive any Shares under the issue. There is a risk that:
- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised or asset acquired by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable A has increased, by 50% and 100%. Variable A is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		DILUTION		
		\$0.045 50% decrease in Issue Price	\$0.09 Issue Price	\$0.18 100% decrease in Issue Price
Current Variable A (shares) 231,161,630	10% Voting Dilution	23,116,163 shares	23,116,163 shares	23,116,163 shares
	Funds raised	\$1,040,227	\$2,080,455	\$4,160,909
50% increase in Current Variable A (shares) 346,742,445	10% Voting Dilution	34,674,245 shares	34,674,245 shares	34,674,245 shares
	Funds raised	\$1,560,341	\$3,120,682	\$6,241,364
100% increase in Current Variable A (shares) 462,323,260	10% Voting Dilution	46,232,326 shares	46,232,326 shares	46,232,326 shares
	Funds raised	\$2,080,455	\$4,160,909	\$8,321,819

#### The Table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
- No Options are exercised into Shares before the date of the issue of the Equity Securities;



- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (iv) The table does not show an example of dilution that may be experienced by a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares;
- (vii) The issue price is \$0.09, being the closing price of the Shares on ASX on 24 March 2014.

(c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).

(d) The Company may seek to issue the Equity Securities for the following purposes:

- (i) Non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and development expenditure on the Company's current assets and/or general working capital, consistent with the Company's publicly stated strategy.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders. Related Parties are not eligible to participate in issues made under Listing Rule 7.1A.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Board does not consider that there are any opportunity costs to the Company or benefits foregone in issuing the Rights on the terms proposed, except for the dilution detailed in the table above.
- (f) The Board considers that the issue of Rights on the terms proposed will help to align the interests of the Eligible Participants with those of Shareholders, as the Board seeks to add value for Shareholders.
- (g) A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

#### Recommendation

**The Board believes that the 10% Placement Facility will be beneficial for the Company as it will provide flexibility to issue additional Equity Securities representing up to 10% of the Company's share capital up to 22 May 2015. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 5.**

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**GLOSSARY**

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**\$ or cents** means Australian Dollars or Cents, unless otherwise indicated.

**AGM or Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASX** means ASX Limited, or the Australian Securities Exchange, as the context requires.

**Board** means the current board of directors of the Company.

**Chairman or Chairperson** means the Chairman of the Board.

**Company** means Petsec Energy Ltd ACN 000 602 700

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

**Corporations Act** means the Corporations Act 2001 (Commonwealth)

**Directors** mean the current directors of the Company.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Notes** means the explanatory notes accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning given in the accounting standards. Broadly speaking this includes the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Key Management Personnel for the financial year ended 31 December 2013.

**Listing Rules** means the ASX Listing Rules.

**Notice of Meeting** means this notice of meeting including the Explanatory Notes.

**Option** means an option to acquire a Share.

**Remuneration Report** means the report on remuneration of Key Management Personnel contained within the Directors' Report for the year ended 31 December 2013.

**Resolution** means a resolution set out in the Notice of Meeting.

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

**Shareholder** means the holder of a Share.

**Sydney Time** means the time in Sydney, New South Wales, Australia.

**Petsec** means Petsec Energy Ltd ACN 000 602 700

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am on Tuesday 20 May 2014.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** [www.boardroomlimited.com.au/vote/petsecagm2014](http://www.boardroomlimited.com.au/vote/petsecagm2014)

**STEP 2: Enter your holding/investment type:**

**STEP 3: Enter your Reference Number:**

**STEP 3: Enter your VAC:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

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QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am on Tuesday 20 May 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** [www.boardroomlimited.com.au/vote/petsecagm2014](http://www.boardroomlimited.com.au/vote/petsecagm2014)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Petsec Energy Ltd** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of Petsec Energy Ltd to be held at the **Museum of Sydney, corner of Bridge and Phillip Streets, Sydney, 2000 on Thursday, 22 May 2014 at 11:00am** and at any adjournment 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.

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 resolution 4, 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 in the outcome of resolution 4 and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on resolution 4 and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

**STEP 2 VOTING DIRECTIONS**  
\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Re-Election of Mr Baden as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Mr Lober as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Mr Mortimer as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of additional 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2014