



FALCON
MINERALS LIMITED

ACN 009 256 535

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
Thursday 15th November 2012

Time of Meeting
10.00 AM (WST)

Place of Meeting
Kailis Bros
Board Room, 1st Floor
101 Oxford Street
Leederville WA 6007

The Falcon Minerals Limited 2012 Annual Report may be viewed on the Company's website at

www.falconminerals.com.au

FALCON MINERALS LIMITED

ACN 009 256 535

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2012 Annual General Meeting of shareholders of Falcon Minerals Limited ("**Company**") will be held at Kailis Bros, 1st Floor 101 Oxford Street, Leederville WA on Thursday 15th November 2012 at 10.00 am (WST) for the purpose of transacting the following Business.

ORDINARY BUSINESS

2012 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2012, consisting of the Annual Financial Report, the Directors' Report and Auditor's Report.

Resolution 1 – Re-election of Mr Ray Muskett as a Director

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

"That, Mr Ray Muskett, having retired as a director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election be re-elected a director of the Company."

Pursuant to the Company's Constitution, one-third of the directors of the Company (other than the managing director) must retire at each Annual General Meeting and being eligible may offer themselves for re-election.

Resolution 2 – Remuneration Report

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

"That the Remuneration Report forming part of the Company's 2012 Annual Report be adopted."

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 2 by or on behalf of a Restricted Voter¹. However, the Company need not disregard a 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 proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, the Company will not disregard a vote cast by the Chair of the meeting as a proxy, if the appointment of the Chair expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 2. Shareholders may also choose to direct the Chair to vote against Resolution 2 or to abstain from voting.

A Proxy Form is attached and to be valid must be received by the Company no later than 10.00 am (WST) on 13th November 2012. Proxy forms received later than this time will be invalid.

- ▶ By Post at: PO Box 8319, Subiaco East WA6008
- ▶ By Facsimile: +61 8 9382 4637
- ▶ In Person Unit 19, 100 Hay Street, Subiaco 6008

Capitalised terms used in the Notice and in the Explanatory Memorandum are defined in the glossary at the end of the Explanatory Memorandum.

By order of the Board

Dean Calder
Company Secretary
Date: 17 October 2012

¹ Restricted Voter means Key Management Personnel and the Closely Related Parties as defined in the glossary.

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 10 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1, if the proxy is the Chair of the Meeting 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.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged by 10.00 am (WST) on 13th November 2012. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form in person or by post to:
Suite 19, 100 Hay St Subiaco WA 6008;
 - by faxing a completed proxy form to 08 9382 4637;

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.00 am (WST) on 13th November 2012. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (WST) on 13th November 2012.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the shareholders of Falcon Minerals Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Kailis Bros, Board Room 1st Floor 101 Oxford Street, Leederville WA on 15th November 2012 commencing at 10.00 am (WST).

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider resolutions:

- Re-electing Mr Ray Muskett as a director who retires by rotation in accordance with the Company's constitution.
- Adopting the remuneration report, this resolution is advisory only

Each of these resolutions is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Financial and Other Reports

As required by section 317 of the Corporations Act, the financial statements for the year ended 30 June 2012 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the shareholders will have an opportunity to ask questions about the report and on the business, operations and management of the Company at the annual general meeting.

The Chairman will also provide shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of the accounts; and
- the independence of the auditor in relation to the conduct of the audit.

Resolution 1 – To Re-elect Mr Ray Muskett as a Director

Resolution 1 deals with the re-election of Ray Muskett who was appointed a director on 24 November 2004 and re-elected on 17 November 2010. Mr Muskett retires as required by the Company's Constitution and the Listing Rules and, being eligible, has offered himself for re-election.

Mr Muskett has not held any former public company directorships in the last 3 years.

All the Directors except for Mr Muskett recommend that shareholders vote in favour of Resolution 1.

Resolution 2 - Remuneration Report

As required by section 250R(2) of the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non – binding vote. The Remuneration Report contains:

- information about Board policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and

- remuneration details for each Director and for each of the Company's specified executives.

The Directors' Report (in the Company's Annual Report) contains a report of key management personnel's remuneration. The remuneration report is submitted to shareholders for consideration and adoption. For further information on the Company's remuneration policy, shareholders may refer the Company's Corporate Governance Policy. Copies of the Company's Annual Report and Corporate Governance Policy are all available on its website www.falconminerals.com.au

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2012 AGM, and then again at the 2013 AGM, the Company will be required to put a resolution to the 2013 AGM, to approve calling a general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene a general meeting (**spill meeting**) within 90 days of the 2013 AGM. All of the Directors who were in office when the 2013 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Board unanimously recommends that the shareholders vote in favour of the resolution to adopt the current remuneration report.

Shareholders are advised that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of this Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

Accounting Standards	has the meaning given to that term in the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the meaning given to that term in the Corporations Act.
Company	means Falcon Minerals Limited ACN 009 256 535
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Key Management Personnel	has the meaning given to that term in the Accounting Standards.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Option	means an option over a Share.
Resolution	means a resolution contained in the Notice.
Restricted Voter	means the Key Management Personnel and their Closely Related Parties.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
WST	means Australian Western Standard Time.

FALCON MINERALS LIMITED

ACN 009 256 535

Unit 19, 100 Hay Street, Subiaco, WA 6008

PO Box 8319, Subiaco East, WA 6008

Ph: (08) 9382 1596 Fax: (08) 9382 4637

PROXY FORM

I/We _____

NUMBER OF
SHARES HELD

Of _____

Please fill in
number

being a member of Falcon Minerals Limited ("Falcon") hereby appoint:

_____ or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 15 November 2012 at 10:00am at Kalis Bros, Leederville, WA 6007, and at any adjournment thereof.

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:

		For	Against	Abstain
Resolution 1	Re-election of Mr R Muskett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of Remuneration Report (Non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do not wish to direct your proxy how to vote on the resolutions please place a mark in this box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of these resolution. The votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote in favour of the resolutions.

If no directions are given, my proxy may vote as the proxy thinks fit or may abstain.

Dated: 2012.

***This Proxy is appointed to represent ____% of my voting right, or if 2 proxies are appointed Proxy 1 represents ____% and Proxy 2 represents ____% of my total votes
My total voting right is _____ shares***

If the shareholder is an individual:

Signature: _____

Name: _____

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Director/Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting **that is by 10.00 am (WST) on 13th November 2012** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
 - b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
 - c) if the proxy is the Chair, the proxy must vote on a poll and must vote that way; and
 - d) if the proxy is not the Chair, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.