



## **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at 102 Forrest Street, Cottesloe WA 6011 on Friday 29 November 2019 at 11.30am (WST).**

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*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9320 4700***

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that an annual general meeting of Shareholders of Tamaska Oil and Gas Limited (**Company**) will be held at 102 Forrest Street, Cottesloe, Western Australia on Friday 29 November 2019 at 11.30am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday 27 November 2019 at 11.30am (WST).

Terms and abbreviations used in this Notice, Explanatory Memorandum and Schedules are defined in Section 8.

## **AGENDA**

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### **1. Annual Report**

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### **2. Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass with or without amendment, the following resolution as a non-binding resolution:

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and either:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### 3. Resolution 2 – Re-election of Director – Logan Robertson

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, Mr Logan Robertson, a Director who retires by rotation in accordance with Article 6.3(c) of the Constitution, and being eligible is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### 4. Resolution 3 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

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

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.

However, the Company need not disregard a vote if:

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

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### 5. Resolution 4 –Adoption of New Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, the New Constitution (which includes proportional takeover provisions), in the form of the proposed constitution initialled by the Chairman of the Meeting for the purposes of identification, be approved and adopted, in accordance with section 136(2) of the Corporations Act and for all other purposes, as the Company's constitution in substitution for the Existing Constitution of the Company from the date of this Meeting."*

**BY ORDER OF THE BOARD**

Dated 7 November 2019

**Brett Lawrence**  
Managing Director

**EXPLANATORY MEMORANDUM**

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**1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 102 Forrest Street, Cottesloe, Western Australia on Friday 29 November 2019 at 11.30am (WST).

The Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of the Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

A Proxy Form is located at the end of the Explanatory Memorandum.

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**2. Action to be taken by Shareholders**

Shareholders should read the Notice (including the Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

**2.1 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

**2.2 Voting Prohibition by Proxy Holders**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 1 if:

- (a) the person is either:
  - (i) a member of the Key Management Personnel of the Company; or
  - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the prohibition does not apply if:

- (c) the proxy is the Chairman; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

The Chairman intends to exercise all available proxies in favour of all Resolutions.

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### 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity at the Meeting to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://www.tamaska.com.au>;
- (b) ask questions about, or comment on, the management of the Company;
- (c) ask questions about, or comment on, the Remuneration Report; and
- (d) ask the auditor questions about:
  - (i) the conduct of the audit;
  - (ii) the preparation and content of the Auditor's Report;
  - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Financial Report;

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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### 4. Resolution 1 – Adoption of Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, the Directors take the decision at the Meeting and the outcome of the vote into account when considering the Company's remuneration policy.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

If at least 25% of the votes cast are voted against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put to shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report would go up for re-election.

At the Company's 2018 Annual General Meeting the remuneration report was approved by 100% of shareholders voting.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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## 5. Resolution 2 – Re-election of Director – Logan Robertson

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) provides that a Director who retires under Article 6.3(c) of the Constitution is eligible for re-election.

Article 6.3(e) provides that the Director to retire is the Director who has held their office as Director for the longest period of time since their last election or appointment.

Pursuant to this Article Mr Logan Robertson retires as a Director and, being eligible, seeks re-election.

Logan Robertson – Non-Executive Director (Appointed 11 July 2016)

Mr Robertson holds a Masters of Finance from the University of New South Wales and Bachelor of Commerce from the University of Western Australia and has over 8 years finance and investment experience gaining initially with Argonaut and more recently with Hoperidge Capital, the family investment office of Rod Jones. Hoperidge is one of Tamaska's largest shareholders. Mr Robertson joined Hoperidge in January 2014, and is an analyst focused on investments in the resources, technology & industrial sectors and has expertise investing in, financing and overseeing the management of growth businesses.

Current Directorship and date of appointment:

Acacia Coal Ltd (ASX: AJC) (appointed December 2015).

Other Directorships within the last three years: None

The Board (excluding Mr Logan Robertson) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

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## 6. Resolution 3 – Approval of 10% Placement Capacity

### 6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity 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 capitalization of \$300 million or less. The Company is an eligible entity.

While the Company has no current intention to use the 10% Placement Capacity, the Company is now seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Capacity.

The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is a special resolution and therefore requires approval of at least 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).

The Chairman intends to exercise all available proxies in favour of Resolution 3.

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

### **a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Capacity 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 Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice, the only Equity Securities that are quoted on ASX are fully paid ordinary Shares (TMK).

### **c) Formula for calculating 10% Placement Capacity**

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 shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that become fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A 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.

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 Section 6.2(c) above)

**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 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 Capacity 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),

("10% Placement Period").

**6.3 Listing Rule 7.1A**

The effect of Resolution 3 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.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days 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.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) 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



- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities (in the same class) 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 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 ordinary securities 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:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities 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
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the Issue price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		0.35 cents 50% decrease in Issue Price	0.7 cents Issue Price	1.4 cents 50% increase in Issue Price
<b>Current Variable A</b> 796,306,134	<b>10% voting Dilution</b>	79,630,613 Shares	79,630,613 Shares	79,630,613 Shares
	<b>Funds Raised</b>	\$278,707	\$557,414	\$1,114,828
<b>50% increase in current Variable A</b> 1,194,459,201	<b>10% voting Dilution</b>	119,445,920 Shares	119,445,920 Shares	119,445,920 Shares
	<b>Funds Raised</b>	\$418,061	\$836,121	\$1,672,243
<b>100% increase in current Variable A</b> 1,592,612,268	<b>10% voting Dilution</b>	159,261,227 Shares	159,261,227 Shares	159,261,227 Shares
	<b>Funds Raised</b>	\$557,414	\$1,114,829	\$2,229,657

The table has been prepared on the following assumptions:

- The Current number of shares on issue is 796,306,134.
  - The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
  - No Options (including any listed Options issued under the 10% Placement Capacity) are exercised into Shares before the date of issue of the Equity Securities.
  - 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%.
  - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
  - 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.
  - The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - The issue price is assumed to be \$0.007, being the closing price of the Shares on the ASX on 23 October 2019.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 3 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 the 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 the exploration activities at its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisition) and general working capital.

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

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the recipients 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 issues or other issues 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 advisors (if applicable).

The recipients under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

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

- (f) The Company has previously obtained approval under LR 7.1A in accordance with LR 7.3A.6.
- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 29 November 2018) is 376,306,108 Equity Securities, which represents approximately 70.3% of the total number of Equity Securities on issue (on a post-consolidation basis) at 29 November 2018 (12 months before this Meeting).
  - The Equity Securities issued during the 12 months preceding are:
    - (i) On 31 October 2019 70,000,000 Shares and 70,000,000 Performance Shares were issued to the Parta Energy Shareholders following Shareholder approval on 19 September 2019. The terms of the Performance Shares are set out in the notice of meeting announced on 19 August 2019. These securities were issued for nil cash consideration as they represent the consideration provided by the Company to the Parta Energy shareholders in order to acquire all the shares in Parta Energy. The current value of the Shares issued is 0.7 cents per Share (current market price). The current value of the Performance Shares is 0.2 cents per Performance Share.
    - (ii) On 31 October 2019 the Company issued 221,904,609 Shares pursuant to the non-renounceable Rights Issue announced on 16 September 2019. The Shares were issued at 0.6 cents per Share to raise \$1,331,428 being a discount to the then market price of 0.1 cents and \$1,331,428 remains to be used on the Company's projects and general working capital.
    - (iii) On 1 November 2019 the Company issued 14,401,499 Shares under a placement of shortfall from the non-renounceable Rights Issue announced on 16 September 2019. The Shares were issued at 0.6 cents per Share to raise \$86,409 being a

## **7. Resolution 4 – Adoption of New Constitution**

### **7.1 Background**

This Resolution is a special resolution proposing to replace the Existing Constitution in its entirety.

Section 136 of the Corporations Act allows a company to adopt a new constitution by a special resolution passed at a general meeting of the company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the Resolution.

### **7.2 Reasons for the Resolution**

The Existing Constitution was adopted by the Company in May 2008.

Since this time there have been a number of amendments to the Corporations Act, the Listing Rules and other applicable laws and rules which impact on the Company and for which provision has not adequately been made in the Existing Constitution. Additionally, the ASX is amending Listing Rule 15.12 (restricted securities) from 1 December 2019. The New Constitution includes the terms of the proposed new Listing Rule 15.12. Thereby, the Company intends to seek to adopt the New Constitution to both update for best practice reasons (best practice) and to include the terms of the proposed new Listing Rule 15.12 (ASX modified escrow regime). Each of these reasons are expanded upon below.

#### *Best Practice*

The Company has conducted a review of the Existing Constitution with a view to making it consistent with current law and best market practice. The changes to be introduced affects numerous provisions in the Existing Constitution and therefore it is proposed that the New Constitution be adopted rather than amending the Existing Constitution.

The New Constitution reflects a public company constitution and is drafted in a modern, clear style. It is further appropriate for a company listed on ASX.

The New Constitution updates the definitions used to reflect the current terminology and where possible relies upon terms defined in the Corporations Act, the Listing Rules and ASX Settlement Operating Rules.

The New Constitution further includes provisions on proportional takeover bids. Separate information on the proportional takeover provisions and approval in this regard is set out below.

It is not practicable to list all of the changes to the Existing Constitution in this Explanatory Memorandum and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the New Constitution is available for review by Shareholders at the office of the Company. A copy will be available for inspection at the Meeting. Adoption of the New Constitution will provide consistency between the Company's constitution and the Listing Rules and the Corporations Act.

#### *ASX modified escrow regime*

In accordance with ASX's Public Consultation Paper of 28 November 2018 titled "*Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules*", the ASX proposed a number of changes to the Listing Rules.

One efficiency measure the ASX proposed was to amend the Listing Rules to give effect to a modified escrow regime to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient.

ASX's modified escrow regime is to come into effect from 1 December 2019. A two-tiered escrow regime is to be introduced.

The first tier of escrow will involve ASX requiring certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of an ASX compliant restriction

agreement (Appendix 9A). The expectation is a restriction agreement requirement will be imposed on related parties, promoters, substantial holders, service providers and their associates.

However, for less significant holders, a second tier will apply where ASX will instead allow listed entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to provide a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions. Securities in a class of quoted securities will be made the subject of a holding lock for the duration of the escrow period.

This two-tier escrow regime is to replace the current requirement where all holders of restricted securities must enter into a formal escrow agreement.

In order to provide a constitutional underpinning for ASX's modified escrow regime, the ASX is amending Listing Rule 15.12 (restricted securities) from 1 December 2019.

The new Listing Rule 15.12 requires the constitution of listed entities to reflect the modified escrow regime. This includes the constitution expressly providing for securities to be the subject of a holding lock where they are in a class of quoted securities and further providing that the holder of restricted securities will not be entitled to participate in any return of capital during the escrow period.

Rule 2.11 of the New Constitution reflects the new Listing Rule 15.12 and is in the following terms:

**"2.11      *Restricted Securities***

- (a)      The Company must comply with the Listing Rules in respect of Restricted Securities.*
- (b)      Notwithstanding the generality of Rule 2.11(a):*
  - (i)          a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
  - (ii)        if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those securities;*
  - (iii)       the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
  - (iv)        a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*
  - (v)        if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."*

The new proposed rule provides the constitutional underpinning for ASX's modified escrow regime.

The changes to Listing Rule 15.12 (which are reflected in the above new rule) are proposed to take effect from 1 December 2019 and will apply to restricted securities after that date. Any restricted securities issued before 1 December 2019 must continue to comply with the provisions of Listing Rule 15.12 in force immediately prior to this date.

### **7.3      Adoption of proportional takeover provisions**

A proportional takeover bid is where the bidder offers to buy a proportion only of each shareholder's shares in the Company. This means that control of the Company may pass without members having the chance to sell all their shares to the bidder.

The law regarding takeovers allows companies to amend their constitutions to prohibit the registration of a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders in a general meeting approve the bid.

The New Constitution (as with the Existing Constitution) contains proportional takeover provisions.

Section 648G of the Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt proportional takeover provisions. The Company is seeking member approval to adopt proportional takeover provisions for the statutory period of 3 years after the date of approval. Information in relation to this approval is set out below.

#### *Effect of the proposed provisions*

The effect of the proposed provisions is that where offers have been made under an off market bid in respect of shares included in a class of shares in the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the off market bid is prohibited unless and until a resolution to approve an off market bid is passed by Shareholders.

If a proportional takeover bid is made, the Directors must ensure that Shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote. If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's New Constitution.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for 3 years after the date of approval (for this Resolution, being 3 years from the date of this Meeting). The provisions may be renewed, but only by further Shareholder resolution.

#### *Reasons for proportional takeover provisions*

The Directors consider that proportional takeover approval provisions should be included in the New Constitution. Without the inclusion of such a provision, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder. Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proposed provisions deal with this possibility by providing that if a proportional takeover bid is made for Shares in the Company, Shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

#### *No knowledge of any acquisition proposals*

As at the date on this Notice the Directors are not aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

#### *Potential advantages and disadvantages*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;

- (b) they may assist Shareholders from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders including the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

The Board of Directors considers that the potential advantages for Shareholders of adopting the proportional takeover approval provisions outweigh the potential disadvantages of not adopting the provisions.

#### **7.4 Board recommendation**

The Directors consider that the proposed proportional takeover provisions are in the interests of Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

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## 8. Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

**10% Placement Capacity** has the meaning in Section 6.1.

**10% Placement Period** has the meaning in Section 6.2f).

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the financial year ended 30 June 2019.

**Article** means an article of the Constitution.

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

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls.

**Constitution or Existing Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Entitlements Issue** has the meaning given in Section 7.4(f).

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities (if any).

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**New Constitution** means the constitution proposed to be adopted by Resolution 4.

**Notice** means this notice of meeting.

**Option** means an option which entitles the holder to subscribe for one Share.

**Performance Shares** means a performance share in the Company.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Section** means a section contained in the Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Tamaska and Company** means Tamaska Oil and Gas Limited ACN 127 735 442.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average price.

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

In this Notice, words importing the singular include the plural and vice versa.