



ABN 83 114 061 433

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29 April 2019

ASX Limited

**Electronic lodgement
ASX Code: SGC**

Dispatch of Notice of AGM

Attached is a copy of the Notice of Annual General Meeting, Proxy Form and Explanatory Statement which have today been dispatched to shareholders.

A copy of the Annual Report and Notice of Annual General Meeting will also be available on our website www.sacgasco.com.

On behalf of the Board of Directors



SAGGASCO LIMITED

ABN 83 114 061 433

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY STATEMENT

Date of Meeting

31 May 2019

Time of Meeting

2.00 pm (AWST)

Place of Meeting

**Level 1, 31 Cliff Street
Fremantle, Western Australia**

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

SACGASCO LIMITED

ABN 83 114 061 433

NOTICE OF GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Sacgasco Limited ("**Company**") will be held at 2:00 pm (AWST) on Friday, 31 May 2019, at Level 1, 31 Cliff Street, Fremantle, Western Australia.

In order to determine voting entitlements, the register of Shareholders will be closed at 4:00 pm (AWST) on 29 May 2019.

An Explanatory Statement containing information in relation to each of the Resolutions to be put to the meeting accompanies this Notice.

AGENDA

To consider and, if thought fit, to pass the following Resolutions.

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report for the Company for the financial year ended 31 December 2018 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the auditor's report.

Ordinary Resolution 1: Adoption of the Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report contained within the Company's annual financial report for the financial year ended 31 December 2018."

Note 1: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Note 2: If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") at another meeting to be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must stand for re-election. Less than 25% of shareholders voted against the remuneration report at the 2018 Annual General Meeting.

Voting Prohibition Statement:

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

(collectively, a "**Prohibited Voter**").

However, a Prohibited Voter may cast a vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the Prohibited Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or

- (b) the Prohibited Voter is the Chair and the appointment of the Chair as proxy:
- (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) 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 for the Company, or if the Company is part of a consolidated entity, for the entity.

Ordinary Resolution 2: Re-election of Director – Andrew Childs

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

“That Andrew Childs, a Director, retires by rotation in accordance with clause 14.6 of the Company’s constitution, ASX Listing Rule 14.4 and for all other purposes, and being eligible is re-elected as a Director.”

Ordinary Resolution 3: Re-election of Director – Greg Channon

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

“That Greg Channon, a Director, who having been appointed a Director since the last AGM, retires in accordance with clause 14.5 of the Company’s constitution, ASX Listing Rule 14.4 and for all other purposes, and being eligible is re-elected as a Director.”

Ordinary Resolution 4: Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,102,576 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting ”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any persons who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

Ordinary Resolution 5: Ratification of Prior Issue of Options

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,000,000 options exercisable at \$0.05 on or before 30 December 2019, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any persons who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

Ordinary Resolution 6: Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,177,500 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting ”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any persons who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

Ordinary Resolution 7: Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting ”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any persons who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

Ordinary Resolution 8: Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting ”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of any persons who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

Ordinary Resolution 9: Approval of Issue of Shares to Director under Incentive Share Plan - Mr Gary Jeffery

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to issue Plan Shares to Mr Gary Jeffery or his nominee pursuant to the Company’s Incentive Share Plan, on terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by a Director of the Company (except one who is ineligible to participate in any incentive scheme of the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

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

Ordinary Resolution 10: Approval of Issue of Shares to Director under Incentive Share Plan - Mr Andrew Childs

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to issue Plan Shares to Mr Andrew Childs or his nominee pursuant to the Company’s Incentive Share Plan, on terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by a Director of the Company (except one who is ineligible to participate in any incentive scheme of the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

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

Ordinary Resolution 11: Approval of Issue of Options to Related Party – Gary Jeffery

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

“That, for the purpose of ASX Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act, and for all other purposes, approval is given for the Directors to allot and issue 10,000,000 Director Options to Gary Jeffery (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Gary Jeffery, his nominee or any of their associates (**Resolution 11 Excluded Party**). However, the Company need not disregard a vote if 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, provided the Chair is not a Resolution 11 Excluded Party, 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.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

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

Ordinary Resolution 12: Approval of Issue of Options to Related Party – Andrew Childs

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

“That, for the purpose of ASX Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act, and for all other purposes, approval is given for the Directors to allot and issue 6,000,000 Director Options to Andrew Childs (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Andrew Childs, his nominee or any of their associates (**Resolution 12 Excluded Party**). However, the Company need not disregard a vote if 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, provided the Chair is not a Resolution 12 Excluded Party, 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.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

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

Ordinary Resolution 13: Approval of Issue of Options to Related Party – Greg Channon

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

“That, for the purpose of ASX Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act, and for all other purposes, approval is given for the Directors to allot and issue 3,000,000 Director Options to Greg Channon (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Greg Channon, his nominee or any of their associates (**Resolution 13 Excluded Party**). However, the Company need not disregard a vote if 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, provided the Chair is not a Resolution 13 Excluded Party, 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.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

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

Special Resolution 14: 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, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling 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 set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if 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, 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.

Important note: The proposed recipients of any Equity Securities under the 10% Placement Capacity are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

By Order of the Board

A handwritten signature in black ink, appearing to read 'D M McArthur', written in a cursive style.

D M McARTHUR
Company Secretary

Dated: 8 April 2019

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Annual General Meeting.

The Company’s Directors have determined that all Shares of the Company that are quoted on ASX at 4:00 pm (**AWST**) on 29 May 2019 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member’s votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one- half of the votes.

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

CORPORATE REPRESENTATIVE

A Shareholder that is a corporation may appoint an individual to act as its corporate representative to vote at the Meeting in accordance with section 250D of the Corporations Act. Any corporation wishing to appoint an individual to act as its representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. A ‘Certificate of Appointment of Corporate Representative’ is enclosed if required.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Mr David McArthur on +61 8 9435 3200 if they have any queries in respect of the matters set out in this document.

SACGASCO LIMITED

ABN 83 114 061 433

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting (**Notice**) of the Company.

The Directors of the Company (**Directors**) recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2018, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

A copy of the Company's 2018 Annual Report is available on the Company's ASX platform (**ASX:SGC**) and on the website www.sacgasco.com. Alternatively, a hard copy will be made available upon request.

The Company's auditor, HLB Mann Judd, will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

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

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the meeting date to the Company Secretary.

ORDINARY RESOLUTION 1: Adoption of Remuneration Report

General

The Corporations Act requires that at a listed company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the Directors of the Company who were in office when the Directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the company is approved will be the Directors of the Company.

Previous voting results

At the Company's previous Annual General Meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Proxy restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

(a) ***If you appoint a member of the Key Management Personnel (other than the Chair) as your proxy***

If you elect to appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote***. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

(b) ***If you appoint the Chair as your proxy***

If you elect to appoint the Chair where he/ she is also a member of the Key Management Personnel whose remunerations details are included in the Remuneration Report, or a Closely Related Party of such a member, ***you must direct the Chair how they are to vote***. Undirected proxies granted to these persons will be voted in favour of all Resolutions.

(c) ***If you appoint any other person as your proxy***

You ***do not*** need to direct your proxy how to vote, and you ***do not*** need to tick any further acknowledgement on the Proxy Form. Undirected proxies granted to these persons will be voted at their discretion.

ORDINARY RESOLUTION 2: Re-election of Director – Andrew Childs

ASX Listing Rule 14.4 provides that a Director of an entity must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Clause 14.6 of the Company's Constitution requires that at every Annual General Meeting of the Company one-third of the Directors (rounded up to the nearest whole number) shall retire from office. The Directors to retire are those who have been longest in office since their last election. A Director who retires by rotation under clause 7.3(a) is eligible for re-election.

The Company currently has 2 Directors (excluding the Managing Director) and accordingly 1 must retire. Andrew Childs, the Director longest in office since his last election, retires by rotation and seeks re-election as a Director.

Information about Mr Childs is set out in the Company's 2018 Annual Report.

The Board unanimously supports the re-election of Mr Childs.

ORDINARY RESOLUTION 3: Re-election of Director – Greg Channon

ASX Listing Rule 14.4 provides that a Director elected since the last AGM of the Company must retire and seek re-election at the next AGM of the Company.

Clause 14.4 of the Company's Constitution also requires that any Director appointed since the last AGM retire and seek re-election at the next AGM.

As Mr Channon was appointed to the Board on 3 December 2018, which was after the last AGM, he retires and seeks re-election.

Information about Mr Channon is set out in the Company's 2018 Annual Report.

The Board unanimously supports the re-election of Mr Channon.

ORDINARY RESOLUTION 4: Ratification of Prior Issue of Shares - 10 July 2018 Consulting Fees

On 10 July 2018, the Company placed 1,102,576 fully paid ordinary shares at a deemed issue price of \$0.04 per Share as partial payment for consulting services rendered to the Company (**Consulting Fees**).

The issue was made pursuant to the Company's discretionary placement capacity under ASX Listing Rule 7.1. Resolution 4 of this Notice seeks Shareholder approval to ratify this issue of Shares.

Regulatory Requirements

ASX Listing Rule 7.1 provides that the Company must not issue or agree to issue, subject to specified exceptions, more equity securities during any 12-month period than an amount which, when aggregated with the number of other securities issued within that 12-month period, represents 15% of the number of ordinary shares on issue at the commencement of that 12-month period, unless the issue falls within one of the nominated exceptions, or the prior approval of members of the Company at a general meeting is obtained.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 and 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 and 7.1A.

While the Shares described in this Resolution 4 have been issued within the 15% limit, the Company seeks Shareholder ratification of the issue of these Shares for the purpose of Listing Rule 7.4 so that the Company may retain the flexibility to issue equity securities in the future, up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval, should the need or opportunity arise.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution 4:

- (a) the total number of Shares issued by the Company was 1,102,576;
 - (b) the issue price was \$0.04 per Share;
 - (c) the Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing shares;
 - (d) the Shares were issued to two professional consulting practices, neither of whom were related parties of the Company; and
 - (e) as the Shares were issued as partial payment of consulting fees, there were no funds raised under the issue of Shares.
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ORDINARY RESOLUTION 5: Ratification of Prior Issue of Options - 21 August 2018 Consulting Fees

On 21 August 2018, the Company placed 6,000,000 options exercisable at \$0.05 on or before 30 December 2019 as partial payment for consulting services rendered to the Company (**Consulting Fees**).

The issue was made pursuant to the Company's discretionary placement capacity under ASX Listing Rule 7.1. Resolution 5 of this Notice seeks Shareholder approval to ratify this issue of Options.

A summary of ASX Listing Rule 7.1 and 7.4 is set out in Resolution 4.

While the Options described in this Resolution 5 have been issued within the 15% limit, the Company seeks Shareholder ratification of the issue of these Options for the purpose of Listing Rule 7.4 so that the Company may retain the flexibility to issue equity securities in the future, up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval, should the need or opportunity arise.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution 5:

- (a) the total number of Options issued by the Company was 6,000,000;
- (b) the Options are exercisable at \$0.05 on or before 30 December 2019;
- (c) the Options were issued on the terms and conditions set out in Appendix 2;
- (d) the Options were issued to two professional consultants, neither of whom were related parties of the Company; and
- (e) as the Options were issued as payment of consulting fees, there were no funds raised under the issue of Options.

ORDINARY RESOLUTION 6: Ratification of Prior Issue of Shares - 9 October 2018 Consulting Fees

On 9 October 2018, the Company placed 1,177,500 fully paid ordinary shares at a deemed issue price of \$0.04 per Share as partial payment for consulting services rendered to the Company (**Consulting Fees**).

The issue was made pursuant to the Company's discretionary placement capacity under ASX Listing Rule 7.1. Resolution 6 of this Notice seeks Shareholder approval to ratify this issue of Shares.

A summary of ASX Listing Rule 7.1 and 7.4 is set out in Resolution 4.

While the Shares described in this Resolution 6 have been issued within the 15% limit, the Company seeks Shareholder ratification of the issue of these Shares for the purpose of Listing Rule 7.4 so that the Company may retain the flexibility to issue equity securities in the future, up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval, should the need or opportunity arise.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution 6:

- (a) the total number of Shares issued by the Company was 1,177,500;
- (b) the issue price was \$0.04 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing shares;
- (d) the Shares were issued to two professional consulting practices, neither of whom were related parties of the Company; and

- (e) as the Shares were issued as partial payment of consulting fees, there were no funds raised under the issue of Shares.
-

ORDINARY RESOLUTION 7: Ratification of Prior Issue of Shares - 28 November 2018 Acquisition Option Fee

On 28 November 2018, the Company placed 2,000,000 fully paid ordinary shares at a deemed issue price of \$0.028 per Share as payment to RL Energy Pty Ltd for the exclusive option to acquire 100% of the shares in RL Energy (**Acquisition Option Fee**).

The issue was made pursuant to the Company's discretionary placement capacity under ASX Listing Rule 7.1. Resolution 7 of this Notice seeks Shareholder approval to ratify this issue of Shares.

A summary of ASX Listing Rule 7.1 and 7.4 is set out in Resolution 4.

While the Shares described in this Resolution 7 have been issued within the 15% limit, the Company seeks Shareholder ratification of the issue of these Shares for the purpose of Listing Rule 7.4 so that the Company may retain the flexibility to issue equity securities in the future, up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval, should the need or opportunity arise.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution 7:

- (a) the total number of Shares issued by the Company was 2,000,000;
- (b) the issue price was \$0.028 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing shares;
- (d) the Shares were issued to shareholders of RL Energy Pty Ltd, none of whom were related parties of the Company; and
- (e) as the Shares were issued as partial payment of the exclusive option fee, there were no funds raised under the issue of Shares.

ORDINARY RESOLUTION 8: Ratification of Prior Issue of Shares - 22 January 2019 Working Interests Acquisition Fee

On 22 January 2019, the Company placed 2,000,000 fully paid ordinary shares at a deemed issue price of \$0.025 per Share as payment to Gasfields Limited (**ASX:GFS**) [formerly Raven Energy Limited (**ASX:REL**)] to acquire various working interests in the Alvares, Dempsey and Dempsey Trend Projects in the Sacramento Basin (**Working Interests Acquisition Fee**).

The issue was made pursuant to the Company's discretionary placement capacity under ASX Listing Rule 7.1. Resolution 8 of this Notice seeks Shareholder approval to ratify this issue of Shares.

A summary of ASX Listing Rule 7.1 and 7.4 is set out in Resolution 4.

While the Shares described in this Resolution 8 have been issued within the 15% limit, the Company seeks Shareholder ratification of the issue of these Shares for the purpose of Listing Rule 7.4 so that the Company may retain the flexibility to issue equity securities in the future, up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval, should the need or opportunity arise.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution 8:

- (f) the total number of Shares issued by the Company was 2,000,000;
- (g) the issue price was \$0.025 per Share;
- (h) the Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing shares;
- (i) the Shares were issued to shareholders of Raven Energy Limited, who is not a related party of the Company; and
- (j) as the Shares were issued as payment of the Working Interest Acquisition Fee, there were no funds raised under the issue of Shares.

ORDINARY RESOLUTIONS 9-10: Approval to Issue Shares to a Directors under Incentive Share Plan

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

An exception to ASX Rule 10.11 is set out in ASX Listing Rule 10.12 (exception 4) which provides that ASX Listing Rule 10.11 does not apply to issue made with the approval of Shareholders under ASX Listing Rule 10.14.

ASX Listing Rule 10.14 provides that an entity must only allow a Director or their associates to acquire securities with approval of Shareholders and provided the Notice of Meeting complies with ASX Listing Rules 10.15 or 10.15A.

The Company is able to issue Shares under its existing Share Plan (**Plan Shares**) to eligible participants over a period of 3 years (commencing May 2017) without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. The Listing Rules require, however, that specific approval be obtained for the issue of shares to Directors.

Messrs Jeffery and Childs, Directors of the Company, have agreed, subject to shareholder approval, to receive shares for 50% of their Director's fees. Based on fees payable, each Director would receive shares for the following level of fees per annum:

	<u>Total Fees</u>	<u>Fees satisfied by shares</u>
Gary Jeffery	\$200,000	\$100,000
Andrew Childs	\$40,000	\$20,000

The shares are to be issued to the above related parties on a quarterly basis, with the issue price to be determined based on the mathematical average of the 5 day VWAP at the commencement and the 5 day VWAP at the end of the respective quarter. The Company has however set a minimum cap on the deemed issue price, being not less than \$0.01. Therefore, the maximum number of Plan Shares the related parties could receive in aggregate in the period up to 12 months from the date of this meeting would be no more than 12,000,000 Plan Shares as follows:

Gary Jeffery	\$100,000 @ \$0.01 =	10,000,000 shares
Andrew Childs	\$20,000 @ \$0.01 =	2,000,000 shares

The approval to issue shares to the related parties will be for a period of 12 months from the date of the meeting.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required as the issue of Plan Shares forms part of the reasonable remuneration of the related parties pursuant to section 211 of the Corporations Act.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) The Shares will be granted to:
 - Mr Gary Jeffery (a Director of the Company), or his nominee
 - Mr Andrew Childs (a Director of the Company), or his nominee
- (b) the maximum number of Plan Shares that could be issued in aggregate in the period up to 12 months from the date of this meeting would be no more than 12,000,000 Plan Shares (that is the equivalent of \$120,000 at \$0.01 each);
- (c) 4,641,435 shares have been issued to date under the Incentive Share Plan. The shares were issued to the Directors noted at (a) above (along with former Director Philip Haydn-Slater). The deemed price of each issue during the 12-months following the 2018 AGM are disclosed in Resolution 14(f) and the quantity issued during that period is detailed below:
 - Mr Gary Jeffery - 2,500,000 shares
 - Mr Andrew Childs - 500,000 shares
 - Mr Philip Haydn-Slater (resigned 2 August 2018) - 250,000 shares
- (d) The persons covered under Listing Rule 10.14 entitled to participate in the Plan are Messrs Jeffery and Childs;
- (e) The shares will rank equally with shares currently on issue;
- (e) A voting exclusion statement has been included; and
- (f) There are no loans provided to related parties in relation to the acquisition of Shares under the Share Plan.

The Shares will be issued to Messrs Jeffery and Childs (or their nominees) on a quarterly basis and no later than 12 months after the date of the Annual General Meeting.

ORDINARY RESOLUTIONS 11-13: Approval to Issue Options to Related Party - Directors

The Company has agreed, subject to shareholder approval, to issue a total of 19,000,000 Options (**Director Options**) exercisable at \$0.04 on or before 31 December 2021 to Directors as set out below:

- (a) Gary Jeffery (Managing Director) – 10,000,000 Director Options;
- (b) Andrew Childs (Non-Executive Chairman) – 6,000,000 Director Options; and
- (c) Greg Channon (Non-Executive Director) – 3,000,000 Director Options,

(together, the **Related Parties**) on the terms and conditions set out in Appendix 3.

For a public company to give a financial benefit to a related party, the public company or entity must:

- (a) obtain the approval of the company's members in the manner set out in Section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Director Options constitutes given a financial benefit, and Messrs Jeffery, Childs and Channon are Related Parties of the Company by virtue of being Directors.

In addition, Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party (or a person who has been a related party in the last 6 months), or a person whose relationship with the entity or a Related Party is, in the ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies. It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and Listing Rule 10.12 do not apply in the current circumstances. Accordingly, shareholder approval is sought for the grant of Director Options to the Related Parties.

Section 195 of the Corporations Act

Section 195(1) of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a “material personal interest” are being considered.

If there is not a quorum of Directors who are eligible to vote on a matter because of the operation of Section 195(1) of the Corporations Act, one or more Directors may call a general meeting and the general meeting may deal with the matter.

The voting prohibition in section 195(1) of the Corporations Act does not apply to a proposal to call a general meeting to consider a matter in which one or more Directors have a material personal interest – that is, a Director with a material personal interest may consider and vote on such a proposal.

Gary Jeffery, Andrew Childs and Greg Channon each have a material personal interest in the outcome of Resolutions 11 thru 13 because they will be receiving Director Options.

The Directors have exercised their right under section 195(4) of the Corporations Act to call the Meeting and put the matters the subject of Resolutions 11 thru 13 to Shareholders.

Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to, and in accordance with, the requirements of Sections 217 to 227 of the Corporations Act and Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the Related Parties are Gary Jeffery, Andrew Childs and Greg Channon by virtue of being Directors;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties in aggregate is 19,000,000 Directors Options, being 10,000,000 to Gary Jeffery, 6,000,000 to Andrew Childs and 3,000,000 to Greg Channon;
- (c) the Director Options will be exercisable at \$0.04 per Option on or before 31 December 2021;
- (d) the Director Options will be granted to the Related Parties no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the value of the Director Options is \$171,000 and the pricing methodology is set out in Appendix 4;
- (g) the relevant interest of the Related Parties in securities of the Company is set out below:

Gary Jeffery - 14,331,180 Shares
- 3,000,000 September 2019 Options
- 5,000,000 December 2019 Options

Andrew Childs - 6,006,378 Shares
- 3,000,000 September 2019 Options
- 5,000,000 December 2019 Options

Greg Channon - 2,051,977 Shares

the Related Parties receive the following Director Remuneration for the current financial year as follows:

- (i) Gary Jeffery - \$200,000
- (ii) Andrew Childs - \$40,000
- (iii) Greg Channon - \$30,000

In the previous financial year, the Related Parties received the following from the Company (paid and payable):

- (i) Gary Jeffery - \$208,960
 - (ii) Andrew Childs - \$55,295
 - (iii) Greg Channon - \$3,795
- (h) if the Director Options granted to the Related Parties are exercised, a total of 19,000,000 Shares would be issued. This will increase the number of Shares on issue from 265,280,949 to 284,280,949 (assuming that no other options are exercised and no other Shares issued) with the effect that the shareholding of existing shareholders would be diluted by 6.68%.

The market price for Shares during the term of the director Options would normally determine whether or not the Director Options are exercised. If, at any time, any of the director Options are exercised and the shares are trading on the ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

- (i) the trading history of the Shares on the ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	PRICE	DATE
HIGHEST	7.9 CENTS	9 APRIL 2018
LOWEST	2.2 CENTS	1 APRIL 2019
LATEST	2.5 CENTS	4 APRIL 2019

- (j) the primary purpose of the issue of the Director Options is to provide a market linked incentive to the Related Parties to motivate and reward their performance in their respective roles as Directors;
- (k) the Board acknowledges the grant of Related Party Options to Directors is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations, however the Board considers the grant of Related Party Options to the Directors reasonable in the circumstances for the reason set out in paragraph (l);
- (l) Gary Jeffery declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Options in the Company, should Resolution 11 be passed. However, in respect of Resolutions 12 and 13, Mr Jeffery recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - (i) the grant of Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or opportunities foregone by the Company in granting the Director Options upon the terms proposed;
- (m) Andrew Childs declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Options in the Company, should Resolution 12 be passed. However, in respect of Resolutions 11 and 13, Mr Childs recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (l);
- (n) Greg Channon declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Options in the Company, should Resolution 13 be passed. However, in respect of Resolutions 10 and 11, Mr Channon recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (l);

- (o) in forming the recommendations, each Director considered the experience of each other Related Party, the current market price of shares, the current market practices when determining the number of Director Options to be granted, as well as the exercise prices and expiry dates of those Director Options; and
- (p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolutions.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

SPECIAL RESOLUTION 14: Approval of 10% Placement Capacity - Shares

General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 14, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 14 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 14 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 14 for it to be passed.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$6.63 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (**ASX Code: SGC**)

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times B) - C$$

Where:

- A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4.; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- B is 10%.
- C is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.1A, the information below is provided in relation to this Resolution 14:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 ASX trading days of the date above, the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 14 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table on the following page shows the dilution of existing Shareholders calculated on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

		<u>DILUTION</u>		
Variable “A”		\$0.013 50% decrease in Issue Price	\$0.025 Issue price	\$0.050 100% increase in Issue Price
Current Variable A	10% Voting Dilution			
265,280,949 Shares		26,528,095	26,528,095	26,528,095
	Funds Raised	\$344,865	\$663,202	\$1,326,405
50% Increase in Current Variable A	10% Voting Dilution			
397,921,424 Shares		39,792,142	39,792,142	39,792,142
	Funds Raised	\$517,298	\$994,804	\$1,989,607
100% Increase in Current Variable A	10% Voting Dilution			
530,561,898 Shares		53,056,190	53,056,190	53,056,190
	Funds Raised	\$689,730	\$1,326,405	\$2,652,810

* The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- (a) The current shares on issue are the Shares on issue as at 4 April 2019;
- (b) No options are exercised into Shares before the date of issue of the Equity Securities;
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. That is why the voting dilution is shown in each example as 10%;
- (d) The issue price set out above is the closing price of the Shares on the ASX on 4 April 2019;
- (e) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity;
- (f) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1;
- (g) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances; and
- (h) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company may use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments in which circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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 vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company obtained approval under Listing Rule 7.1A on 31 May 2018. The Company has issued no Equity Securities pursuant to Listing Rule 7.1A in the 12 months preceding the date of the Annual General Meeting.

As the Company has previously sought shareholder approval for the additional placement capacity under Listing Rule 7.1A, the following information is provided in relation to all issues of equity securities in the 12 months prior to the date of the Annual General Meeting, pursuant to the requirements of Listing Rule 7.3A6(a) and 7.3A6(b):

A total of 9,530,076 ordinary shares and 6,000,000 options have been issued representing 5.3% of the equity securities on issue at the commencement of the 12 month period preceding the date of the Annual General Meeting (being 292,750,873 Equity Securities) as detailed in the following table.

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 11/07/2018 Appendix 3B – 11/07/2018	2,040,076	Shares ²	Directors/consultants	No issue price (non-cash consideration) Deemed issue price \$0.04 per Share	Non-cash Consideration: Part payment of Directors' fees for Q2 FY-2018 and part payment of consultants fees. Current value ⁴ = \$51,002
Issue – 21/08/2018 Appendix 3B – 23/08/2018	6,000,000	Options ³	Consultants	No issue price (non-cash consideration)	Non-cash Consideration: Payment of consulting services provided to the Company. Current value ⁵ = \$9,275
Issue – 09/10/2018 Appendix 3B – 09/10/2018	1,990,000	Shares ²	Directors/consultants	No issue price (non-cash consideration) Deemed issue price \$0.04 per Share	Non-cash Consideration: Part payment of Directors' fees for Q3 FY-2018 and part payment of consultants fees. Current value ⁴ = \$49,750
Issue – 28/11/2018 Appendix 3B – 29/11/2018	2,000,000	Shares ²	RL Energy Pty Ltd	No issue price (non-cash consideration) Deemed issue price \$0.028 per Share	Non-cash Consideration: Payment for option fee to acquire assets. Current value ⁴ = \$50,000
Issue – 10/01/2018 Appendix 3B – 10/01/2018	750,000	Shares ²	Directors	No issue price (non-cash consideration) Deemed issue price \$0.04 per Share	Non-cash Consideration: Part payment of Directors' fees for Q4 FY-2018. Current value ⁴ = \$18,750
Issue – 22/01/2018 Appendix 3B – 22/01/2018	2,000,000	Shares ²	Gasfields Limited (ASX:GFS) [formerly Raven Energy Limited (ASX:REL)]	No issue price (non-cash consideration) Deemed issue price \$0.025 per Share	Non-cash Consideration: Payment for acquisition of rights to well interests in Sacramento Basin. Current value ⁴ = \$50,000
Issue – 04/04/2019 Appendix 3B – 04/04/2019	750,000	Shares ²	Directors	No issue price (non-cash consideration) Deemed issue price \$0.04 per Share	Non-cash Consideration: Part payment of Directors' fees for Q1 FY-2019. Current value ⁴ = \$50,000

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: SGC (terms are set out in the Constitution).
3. Unquoted options, exercisable at \$0.05 each, on or before 30 December 2019. Full terms and conditions are set out in Appendix 2.
4. Value of Shares issued to Directors/Consultants has been based upon closing share price as at 4 April 2019.
5. In respect of unquoted options, the value is measured using the Black-Scholes option pricing model. Measurement inputs include share price on the measurement date, exercise price, term of the Option, impact of dilution, expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), expected dividend yield and risk-free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).
Refer Appendix 1.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 14.

GLOSSARY

10% Placement Capacity has the meaning given in Resolution 13 of the Explanatory Statement.

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

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

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 dependent of the member or 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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Sacgasco Limited - **ABN 83 114 061 433**

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Shareholder means a holder of a Share.

AWST means Australian Western Standard Time (Perth, Western Australia).

SACGASCO LIMITED

ABN 83 114 061 433

APPENDIX 1

Valuation of 30 December 2019 Options - Issued on 21 August 2018

The Company has valued the Options using the Black-Scholes option model and based on the assumptions as set out in the table below, with the Options ascribed a value as follows:

Assumptions:

Valuation date:	4 April 2019
Share price:	\$0.025
Exercise price:	\$0.05
Term remaining:	9 months
Volatility:	73.56%
Risk free interest rate:	1.60%
Indicative value per Option:	\$0.0015

SACGASCO LIMITED

ABN 83 114 061 433

APPENDIX 2

30 December 2019 Option Terms

- (a) The Options will be unlisted.
- (b) The options are exercisable at 5 cents each.
- (c) The Options are exercisable at any time on or before 30 December 2019 ("Expiry Date").
- (d) Each Option exercised will entitle the holder to one Share in the capital of the Company.
- (e) The notice attached to the certificate has to be completed when exercising the Options ("Notice of Exercise").
- (f) Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise and payment of the exercise price for each Option being exercised prior to the Expiry Date.
- (g) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares.
- (h) Shares allotted and issued pursuant to the exercise of Options will be allotted and issued not more than 15 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options.
- (i) The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been allotted and registered in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.
- (j) If the Company makes a pro rata bonus issue of Shares to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted and registered in respect of the exercise of Options before the record date for determining entitlements to the bonus issue, then the number of Shares or other securities for which the holder of the Options is entitled to subscribe on exercise of the Options is increased by the number of Shares or other securities that the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.
- (k) If at any time the capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

SACGASCO LIMITED

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APPENDIX 3

31 December 2021 Option Terms

- (a) The Options will be unlisted.
- (b) The options are exercisable at 4 cents each.
- (c) The Options are exercisable at any time on or before 31 December 2021 (“Expiry Date”).
- (d) Each Option exercised will entitle the holder to one Share in the capital of the Company.
- (e) The notice attached to the certificate has to be completed when exercising the Options (“Notice of Exercise”).
- (f) Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise and payment of the exercise price for each Option being exercised prior to the Expiry Date.
- (g) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company’s then existing Shares.
- (h) Shares allotted and issued pursuant to the exercise of Options will be allotted and issued not more than 15 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options.
- (i) The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been allotted and registered in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.
- (j) If the Company makes a pro rata bonus issue of Shares to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted and registered in respect of the exercise of Options before the record date for determining entitlements to the bonus issue, then the number of Shares or other securities for which the holder of the Options is entitled to subscribe on exercise of the Options is increased by the number of Shares or other securities that the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.
- (k) If at any time the capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

SACGASCO LIMITED

ABN 83 114 061 433

APPENDIX 4

Valuation of 31 December 2021 Options – to be issued following Shareholder approval

The Company has valued the Options using the Black-Scholes option model and based on the assumptions as set out in the table below, with the Options ascribed a value as follows:

Assumptions:

Valuation date:	4 April 2019
Share price:	\$0.025
Exercise price:	\$0.04
Term remaining:	33 months
Volatility:	73.56%
Risk free interest rate:	1.60%
Indicative value per Option:	\$0.009

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CERTIFICATE OF APPOINTMENT OF CORPORATE REPRESENTATIVE

Shareholder Details

This is to certify that by a resolution of the directors of:

..... (Company),
Insert name of Shareholder Company

the Company has appointed:

.....,
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at an annual general meeting of the members of Sacgasco Limited to be held on 31 May 2019 commencing at 2.00 pm (AWST) and at any adjournments of that general meeting.

DATED

Please sign here

Executed by the Company)
in accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

- Insert name of appointing Shareholder Company and the name or position of the appointee corporate representative (eg "John Smith" or "each director of the Company").
- Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- Print the name and position (eg director) of each authorised company officer who signs this Certificate on behalf of the Company.
- Insert the date of execution where indicated.
- Prior to the Meeting, send or deliver the Certificate to the registered office of Sacgasco Limited at Level 1, 31 Cliff Street, Fremantle WA or fax the Certificate to the registered office at +61 8 6444 7408

PROXY FORM

SACGASCO LIMITED

ABN 83 114 061 433

ANNUAL GENERAL MEETING

I/We

Address

being a Member of Sacgasco Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy (**Please note:** Leave blank if you have selected the Chair of the Annual General Meeting as your proxy.)

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions or if no directions have been as the proxy sees fit, at the Annual General Meeting to be held at 2.00 pm (AWST) on 31 May 2019 at Level 1, 31 Cliff Street, Fremantle, Western Australia, and at any adjournment of that meeting.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1 - Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2 - Re-election of Director - Andrew Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3 - Re-election of Director - Greg Channon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 4 - Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 5 - Ratification of prior issue of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 6 - Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 7 - Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 8 - Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 9 - Issue of shares - Gary Jeffery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 10 - Issue of shares - Andrew Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 11 - Issue of Director Options – Gary Jeffery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 12 - Issue of Director Options – Andrew Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 13 - Issue of Director Options – Greg Channon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 14 - Approval of 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is ____%.

Signature of Member(s) _____ **Date:** _____

Individual or Member 1	Member 2	Member 3
<input style="width: 250px; height: 20px;" type="text"/>	<input style="width: 250px; height: 20px;" type="text"/>	<input style="width: 250px; height: 20px;" type="text"/>
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____ **Date:** _____

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - In person to Level 1, 31 Cliff Street, Fremantle, Perth, WA;
 - By mail to PO Box 584, Fremantle, WA, 6959;
 - By Facsimile to +61 8 6444 7408;
 - By scan and email to jordan.mcarthur@broadwaymgt.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.