



Sacgasco Limited

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ASX ANNOUNCEMENT

19 June 2020

Notice of Hybrid Annual General Meeting

Attached is a copy of the Notice of Annual General Meeting (**AGM**), Explanatory Statement and Proxy Form which have today been released to Shareholders.

In accordance with subsection 5(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be dispatching physical copies of the Notice of Meeting (**NoM**) unless specifically requested to do so. Instead, a copy of the NoM can be viewed and downloaded online at the following link:

www.sacgasco.com/investor-relations/

Should you wish to receive a physical copy of the NoM, please contact the Company Secretary on companysecretary@sacgasco.com.

A copy of the proxy form is enclosed in the NoM attached to this notice. Proxy votes may be lodged by any of the following methods:

- In person to Level 1, 31 Cliff Street, Fremantle, WA 6160;
- By mail to PO Box 584, Fremantle, WA 6959; or
- By scan and email to the Company Secretary.

Due to the spread of COVID-19, the Directors of Sacgasco Limited advise that the physical location will be open to the general public but encourage shareholders to instead utilise online facilities that are being made available, and to submit proxy forms and any questions in the requisite timeframe ahead of the meeting. Due to the size of the venue, physical limits will be in place for attending the AGM in person, according to the WA State Government COVID Safety Guidelines. As such, if you wish to attend in person, or have a proxy attend in person on your behalf, please register your interest by emailing the Company Secretary. Any shareholders that attend without registering will not be permitted entrance if guideline limits have been reached.

If you wish to attend the AGM via the online facilities being made available, please register your interest by emailing the Company Secretary.

All resolutions included in the meeting will be voted upon by poll. Shareholders who intend to participate and vote via poll at the meeting must contact the Company Secretary via email. After providing notice and following the Proxy cut-off time, the Company Secretary will email you a personalised poll form. The personalised poll form must be completed and emailed to the Company Secretary after the poll has been called and prior to the close of polling. During the meeting, the Chair will notify when and how you are able to complete and return the personalised poll form.

Shareholders who do not wish to vote during the meeting are encouraged to appoint the Chair as proxy ahead of the Meeting. Shareholders can complete the proxy form attached to the NoM to provide specific instructions on how their vote is to be exercised on each resolution. The Chair is legally bound to follow your instructions. Instructions on how to complete the proxy form are set out in the NoM attached.

As the situation is constantly evolving and guidelines from the State Government are temporary, and subject to amendment, the Company will keep Shareholders informed of any amendments to the current format of the AGM via announcement on the ASX.

This announcement was authorised for issue
by David McArthur, Company Secretary of Sacgasco Limited

Gary Jeffery
Managing Director
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Ben Jarvis
Six Degrees Investor Relations
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About Sacgasco Limited (ASX: SGC)

Sacgasco's strategy is to find, acquire and develop undervalued and under-developed opportunities connected to materially under supplied oil and gas markets across the world.

Sacgasco Limited (ASX:SGC) is an Australian-based energy company focused on conventional gas exploration and production in the Sacramento Basin, onshore California. Sacgasco has an extensive portfolio of natural gas producing wells and prospects at both exploration and appraisal stages, including multi-Tcf opportunities.

The Company is targeting gas supply to the local Californian gas market and burgeoning LNG market in North America. Sacgasco is of the view that the size of the prospects in California have the potential to supply both domestic Californian natural gas and export LNG markets, including those in Asia.

www.sacgasco.com

Twitter: @SacGasCo



SAGGASCO LIMITED

ABN 83 114 061 433

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY STATEMENT

PLEASE NOTE

Due to the spread of COVID-19, the Directors of Saggasco Limited advise that the physical location will be open to the general public, but encourage shareholders to instead utilise online facilities that are being made available and to submit proxy forms and any questions in the requisite timeframe ahead of the meeting.

Date of Meeting

21 July 2020

Time of Meeting

10:00 am (AWST)

Place of Meeting

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

SACGASCO LIMITED

ABN 83 114 061 433

NOTICE OF GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Saccgasco Limited ("**Company**") will be held at 10:00 am (AWST) on Tuesday, 21 July 2020, 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 19 July 2020.

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

IMPORTANT NOTICE

Given the current impact of COVID-19, the Directors wish to inform shareholders that a hybrid meeting will be held for the 2020 Annual General Meeting. A quorum of members will be present in person, comprising members of the management team, at the designated meeting location to ensure compliance with requirements of the Corporations Act 2001, the ASX Listing Rules and the constitution of Saccgasco Limited. Limited numbers of shareholders are permitted to attend the meeting in person should they wish, however will be required to follow the social distancing guidelines set out by the Western Australia State Government. If you wish to attend the AGM in person, please register your interest by contacting companysecretary@saccgasco.com.

All shareholders are encouraged to submit their proxy forms, either via post or via e-mail as designated on the proxy form attached to this notice, along with any questions for the Board within the requisite time period detailed in this notice and to view the AGM remotely via the online facility provided.

The Company will be facilitating the AGM in an online capacity, giving shareholders the opportunity to log-in remotely to view the AGM proceedings rather than attend in person. If you wish to view the AGM online, please register your interest by emailing the Company Secretary.

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 2019 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 2019."

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 2019 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 – 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, 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: Ratification of Prior Issue of Shares – Consulting Fees

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 500,000 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 the Resolution by or on behalf of a person who participated in the issue, being Syncopated Pty Ltd, or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Ordinary Resolution 4: Incentive Share Plan

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 7.2 (Exception 13) and for all other purposes, approval is given for the Company to adopt an incentive scheme titled ‘Sacgasco Limited Incentive Share Plan’ and for the issue of securities under that Incentive Share Plan, on terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the person who is to receive the securities in question, being persons eligible to participate in the Incentive Share Plan (consisting of the Directors, full-time and part-time employees or consultants of the Company or any of its subsidiaries) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of that person or those persons (**Resolution 4 Excluded Party**).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written communication to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

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

Ordinary Resolution 5: 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, and subject to shareholders passing Resolution 4, 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 or on behalf of the person who is to receive the securities in question, being Mr Gary Jeffery, and any other person who will obtain a material benefit as a result

of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of that person or those persons. (**Resolution 5 Excluded Party**).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written communication to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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:
 - (iii) a member of the Key Management Personnel; or
 - (iv) 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.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

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

Ordinary Resolution 6: 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, and subject to shareholders passing Resolution 4, 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 or on behalf of the person who is to receive the securities in question, being Mr Andrew Childs, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of that person or those persons. (**Resolution 6 Excluded Party**).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written communication to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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:
 - (v) a member of the Key Management Personnel; or
 - (vi) 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.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

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

Special Resolution 7: 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 Statement:

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 that person (or those persons).

However, this does not apply to a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
- (b) it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

D M McARTHUR
Company Secretary

Dated: 5 June 2020

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 4:00pm (AWST) on 19 July 2020 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. Due to the spread of COVID-19, the Directors of Sacgasco Limited encourage shareholders to utilise online facilities that are being made available for shareholders, and to submit proxy forms and any questions within the requisite timeframe ahead of the meeting. Should shareholders wish to attend the meeting, they are required to register their interest with the Company Secretary via email or telephone.

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. As noted above, shareholders are encouraged to submit their proxy form and view the AGM online rather than attend in person or with a corporate representative attending in person due to COVID-19 social distancing guidelines.

ENQUIRIES

Shareholders are invited to contact the Joint Company Secretary, Mr Jordan 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 2019, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

A copy of the Company's 2019 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 – Greg Channon

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. Greg Channon, the Director longest in office since his last election, retires by rotation and seeks re-election as a Director.

Information about Mr Channon is set out in the Company's 2019 Annual Report.

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

ORDINARY RESOLUTION 3: Ratification of Prior Issue of Shares - 15 October 2019 Consulting Fees

On 15 October 2019, the Company placed 500,000 fully paid ordinary shares at a deemed issue price of \$0.026 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 3 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 3 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.

If Resolution 3 is passed, the Issue will be excluded in calculating Sacgasco's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If Resolution 3 is not passed, the Issue will be included in calculating Sacgasco's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

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 Resolution 3:

- (a) the total number of Shares issued by the Company was 500,000;
 - (b) the issue price was \$0.026 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 a professional consulting practice, Syncopated Pty Ltd, who is not considered a related party of the Company; and
 - (e) as the Shares were issued as a payment of consulting fees, there were no funds raised under the issue of Shares.
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ORDINARY RESOLUTION 4: Approval of Incentive Share Plan

Resolution 4 seeks Shareholders approval for the adoption of the new incentive scheme titled Saccgasco Limited Incentive Share Plan (**Share Plan**) in accordance with ASX Listing Rule 7.2 (*Exception 13*).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (*Exception 13*) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Shares under the Share Plan (Plan Shares) to eligible participants over a period of 3 years 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. If Resolution 4 is passed, Resolutions 5 and 6 are able to be voted upon as they require Resolution 4 being passed.

If Resolution 4 is not passed, the Company will not be able to issue Shares under the Share Plan (Plan Shares) to eligible participants over a period of 3 years 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. If Resolution 4 is not passed, Resolutions 5 and 6 will not be voted upon as they require Resolution 4 being passed.

Shareholders should note that 9,279,470 Plan Shares have previously been issued under the previous Share Plan that was approved on 31 May 2017. The previous Share Plan expires on 31 May 2020. Resolutions 5 and 6 seek Shareholder approval to issue shares to Gary Jeffery and Andrew Childs under the new Share Plan.

The objective of the Share Plan is to attract, motivate and retain key management and consultants and it is considered by the Company that the adoption of the Share Plan and the future issue of Plan Shares will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Plan Shares to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 5 and 6 for the issue of Plan Shares to Messrs Jeffery and Childs.

The maximum number of securities that are proposed to be issued under the incentive share plan across the 3 year period is 72,000,000 fully paid ordinary shares, utilising the metrics detailed in Resolutions 5 and 6 on page 13.

A summary of the key terms and conditions of the Plan is set out below. In addition, a copy of the Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Material terms and conditions of the Share Plan

The key terms of the Share Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme may be Directors, full-time and part-time employees or consultants of the Company or any of its subsidiaries (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Share Plan and has a broad discretion to determine which Participants will be offered Shares under the Share Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Share Plan. The offer:
 - (i) will invite application for the number of Shares specified in the offer;
 - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;
 - (iv) will specify any restriction conditions applying to the Shares;
 - (v) will specify an acceptance period; and
 - (vi) specify any other terms and conditions attaching to the Shares.

- (d) **Issue price:** the issue price of each Plan Share which shall be issued on a calendar quarterly basis will be not less the mathematical average of the volume weighted average price at which Shares were traded on the ASX over the 5 trading days at the commencement and the 5 trading days at the end of respective calendar quarters, subject to shareholder approval if required.
- (e) **Restriction Conditions:** Plan Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Plan Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Share Plan.
- (f) **Loan:** A Participant who is invited to subscribe for Plan Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
- (i) the Loan will be interest free;
 - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Plan Shares;
 - (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;
 - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
 - (v) the Company shall have a lien over the Plan Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Plan Shares in accordance with the terms of the Share Plan;
 - (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
 - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (g) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board, either:
- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares (with any Loan not being treated as cash consideration but any Loan Amount repayments by the Participant being treated as cash consideration); or
 - (ii) arrange to sell the Plan Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of managing the Share Plan.
- (h) **Sale of Shares to repay Loan:**
- (i) A Loan shall become repayable in full where:
 - (A) the Participant (or, where the Participant is an Associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);
 - (B) the Participant suffers an event of insolvency;
 - (C) the Participant breaches any condition of the Loan or the Share Plan; or

- (D) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Plan Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Plan Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance the Share Plan.
- (iii) Where a Loan in relation to Plan Shares becomes repayable and at that time Restriction Conditions in relation to the Plan Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company must sell the Plan Shares and apply the Sale Proceeds in accordance with the Share Plan.
- (i) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Share Plan.
- (j) **Plan limit:** The Company must take reasonable steps to ensure that the number of Plan Shares offered by the Company under the Share Plan when aggregated with:
 - (i) the number of Shares issued during the previous 3 years under the Share Plan (or any other employee share plan extended only to Eligible Employees); and
 - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,
 does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).
- (k) **Restriction on transfer:** Participants may not sell or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid and any restriction conditions in relation to the Plan Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Plan Shares to implement this restriction.
- (l) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Plan Shares.
- (m) **Rights attaching to Shares:** Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Share Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

ORDINARY RESOLUTIONS 5-6: 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 8*) 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 not permit any of the following parties to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- (a) A Director of the entity;
- (b) An associate of a Director of the entity; or
- (c) A person whose relationship with the entity, a Director or an associate of a Director is such that, in ASX's opinion, the acquisition should be approved by security holders.

The Company was able to issue Shares under its previous 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. Post 31 May 2020,

any such Shares are subject to the new Share Plan, subject to shareholders approving Resolution 4. 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 have the option, at their election, of receiving 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 \$0.005. 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 24,000,000 Plan Shares as follows:

| | | |
|---------------|-----------------------|-------------------|
| Gary Jeffery | \$100,000 @ \$0.005 = | 20,000,000 shares |
| Andrew Childs | \$20,000 @ \$0.005 = | 4,000,000 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 24,000,000 Plan Shares (that is the equivalent of \$120,000 at \$0.005 each);
- (c) 9,279,470 shares have been issued to date under the current Incentive Share Plan, which expired on 31 May 2020. 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 2019 AGM are disclosed in Resolution 7(f) and the quantity issued during that period is detailed below:
 - Mr Gary Jeffery - 3,710,428 shares
 - Mr Andrew Childs - 927,607 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.

At their election, 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. Should Messrs Jeffery elect not to receive Shares in lieu of cash salary, they will be remunerated by means of cash payment.

If Resolutions 5 and 6 are passed, the Company will be able to issue Shares under the Share Plan to Messrs Jeffery and Childs without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval.

If Resolutions 5 and 6 are not passed, the Company will not be able to issue Shares under the Share Plan (Plan Shares) to Messrs Jeffery and Childs and the amount owing for Directors fees will remain for settlement via cash as and when the entity is capable of payment.

Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

SPECIAL RESOLUTION 7: 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**).

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 \$4.06 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**).

If Shareholders approve Resolution 7, 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 7 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 7 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 7 for it to be passed.

If Resolution 7 is passed, the Directors will be able to issue up to 10% of the Company's fully paid ordinary share securities on issue under the 10% placement capacity during the period of up to 12 months after the approval.

If Resolution 7 is not passed, the Directors will not be able to issue up to 10% of the Company's fully paid ordinary share securities on issue under the 10% placement capacity during the period of up to 12 months after the approval.

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 7.3A, the information below is provided in relation to this Resolution 7:

(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 10 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;
- (ii) the time and date of the entity's next annual general meeting; and
- (iii) the time and 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 economic and 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 7 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.

| Shares on issue Variable A* in Listing Rule 7.1A.2 | Dilution | | | |
|--|--------------------------|---|------------------------|---|
| | Issue price per Share | \$0.008 50% decrease in Issue Price | \$0.015 Issue Price | \$0.030 100% increase in Issue Price |
| 270,418,994 Shares Current Variable A | 10% Voting Dilution | 27,041,900 Shares | 27,041,900 Shares | 27,041,900 Shares |
| | Funds raised | \$216,335 | \$405,628 | \$811,257 |
| 405,628,491 Shares 50% increase in Current Variable A | 10% Voting Dilution | 40,562,850 Shares | 40,562,850 Shares | 40,562,850 Shares |
| | Funds raised | \$324,503 | \$608,443 | \$1,216,885 |
| 540,837,988 Shares 100% increase in Current Variable A | 10% Voting Dilution | 54,083,799 Shares | 54,083,799 Shares | 54,083,799 Shares |
| | Funds raised | \$432,670 | \$811,257 | \$1,622,514 |

* 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 1 June 2020;
- (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 1 June 2020;
- (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 cash consideration only. The funds raised may be used 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.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) 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 2019. 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 5,138,045 ordinary shares, 152,429,948 options have been issued representing 51.11% of the equity securities on issue at the commencement of the 12 month period preceding the date of the Annual General Meeting (being 308,280,949 Equity Securities).

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 7.

GLOSSARY

10% Placement Capacity has the meaning given in Resolution 6 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).

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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 21 July 2020 commencing at 10.00 am (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 email the Certificate to the Company Secretary – companysecretary@sacgasco.com

**PROXY FORM
SACGASCO LIMITED**

ABN 83 114 061 433

ANNUAL GENERAL MEETING

I/We

Address

Appoint

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

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 10.00 am (AWST) on 21 July 2020 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 - Greg Channon | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ordinary Resolution 3: Ratification of prior issue of shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ordinary Resolution 4: Approval of Incentive Share Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ordinary Resolution 5: Approval of Issue of Shares under Incentive Plan – Jeffery | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ordinary Resolution 6: Approval of Issue of Shares under Incentive Plan – Childs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Special Resolution 7: 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

Sole Director/Company Secretary

Member 2

Director

Member 3

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 scan and email to companysecretary@sacgasco.com,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.