



**PACIFIC ENERGY LIMITED  
ACN 009 191 744**

**NOTICE OF ANNUAL GENERAL MEETING**

**A Meeting of Shareholders of Pacific Energy Limited will be held on  
24 November 2015 at the Pan Pacific Perth Hotel, 207 Adelaide  
Terrace, Perth WA 6000 commencing at 10:00 am (WST)**

If you are unable to attend the meeting, you may complete the form of proxy (enclosed) and return it to the Company as soon as possible and in any event so it is received by the Company Secretary at the place specified in the proxy form no later than 48 hours prior to the time of commencement of the meeting.

**THIS DOCUMENT IS IMPORTANT**

If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of shareholders of Pacific Energy Limited (**Company**) will be held at the Pan Pacific Perth Hotel, 207 Adelaide Terrace, Perth WA 6000 on 24 November 2015 commencing at 10:00 am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 22 November 2015 at 5:00 pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## **AGENDA**

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### **1. Annual Report**

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2015, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

#### **Voting exclusion**

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, in accordance with section 250R of the Corporations Act; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member, in accordance with section 250BD of the Corporations Act.

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

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

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### **3. Resolution 2 – Re-election of Director – Mr Alan Stuart Foster**

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

*"That, pursuant to and in accordance with, article 17.1 of the Constitution and for all other purposes, Mr Alan Stuart Foster, Director, retires and being eligible, is re-elected as a Director."*

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### **4. Resolution 3 – Issue of Plan Shares to Mr Brady Hall**

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

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 26,896 Plan Shares to Mr Brady Hall (and/or his nominee) under the Employee Plan on the terms and conditions in the Explanatory Memorandum."*

#### **Voting exclusion**

The Company will disregard any votes cast on this Resolution by Mr Brady Hall or his nominee and any of their associates.

However, the Company will not disregard a vote if:

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

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### **5. Resolution 4 - Managerial or Executive Officers' Deeds of Indemnity, Access and Insurance**

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

*"That, pursuant to and in accordance with chapters 2D and 2E of the Corporations Act and for all other purposes approval be given to the Company to:*

- (a) *indemnify the Managerial or Executive Officers during their Office and after the cessation of that Office, in respect of certain claims made against the Managerial or Executive Officers in relation to the period of their Office;*
- (b) *indemnify the Previous Managerial or Executive Officers, in respect of certain claims made against the Managerial or Executive Officers in relation to the period of their Office;*
- (c) *use its reasonable endeavours to procure an insurance policy and pay the premiums of insurance as assessed at market rates for the Managerial or Executive Officers in respect of certain claims made against the Managerial or Executive Officers in relation to the period of their Office (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company);*
- (d) *use its reasonable endeavours to ensure that the Managerial or Executive Officers and Previous Managerial or Executive Officers are at all times covered under an insurance policy for the period of seven years from the date that they cease to hold Office (**Insurance Run-Off Period**), which will be on terms not materially less favourable to them than the terms of insurance applicable at the date of termination of their Office, and to continue to pay those premiums during that Insurance Run-Off Period (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company); and*
- (e) *provide the Managerial or Executive Officers and Previous Managerial or Executive Officers with access, upon the termination of their Office, for a period of not less than seven years following that termination, to any Company records which are either prepared or provided by the director during the period of their Office,*

*on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by the Managerial or Executive Officers and Previous Managerial or Executive Officers and any of their associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or

- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **6. Resolution 5 - Section 195 Approval**

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

*"That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolution 4".*

**BY ORDER OF THE BOARD**



**Adela Ciupryk  
Company Secretary**

**Dated: 16 October 2015**

## **EXPLANATORY MEMORANDUM**

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### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 10:00 am (WST) on 24 November 2015 at the Pan Pacific Perth Hotel, 207 Adelaide Terrace, Perth WA 6000.

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

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

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

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

#### **2.1 Proxies**

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

Please note that:

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

Proxy Forms must be received by the Company no later than 10am (WST) on 22 November 2015, being at least 48 hours before the Meeting.

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

## **2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

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## **3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

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

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

- (a) discuss the Annual Report which is available by contacting the registered office on +61 8 9303 8888 or emailing [info@pacificenergy.com.au](mailto:info@pacificenergy.com.au);
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson 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 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 to the Company Secretary at the Company's registered office.

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## **4. Resolution 1 - Adoption of Remuneration Report**

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

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (Strike) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2014 annual general meeting. Please note, if the Remuneration Report receives a Strike at this Meeting and a second Strike is received at the 2016 annual general meeting, this may result in the re-election of the Board.

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

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## **5. Resolution 2 - Re-election of Director – Mr Alan Stuart Foster**

Article 17.1 of the Constitution requires that one third of Directors, (excluding the managing director and rounded down to the nearest whole number) must retire at each annual general meeting of the Company and will be eligible for re-election. The Company currently has four Directors excluding the managing director, and therefore, one Director must retire under article 17.1 of the Constitution.

Mr Foster will retire by rotation at the Meeting pursuant to article 17.1 of the Constitution and, being eligible, seeks re-election.

Details of the qualifications and experience of Mr Foster are in the Annual Report.

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



Resolution 2 is an ordinary resolution.

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

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## **6. Resolution 3 – Issue of Plan Shares to Mr Brady Hall**

### **6.1 General**

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.11 for the grant of 26,896 Plan Shares to Mr Brady Hall (and/or his nominee).

Mr Hall is an employee of the Company, and is eligible to receive Plan Shares pursuant to the Employee Plan for the entitlement period ended 31 August 2015.

The purpose of the issue of the Plan Shares is for the Company to retain, motivate and reward its employees. Mr Hall has maintained a senior position within the Company for several years and the issue of Plan Shares to him is solely for his efforts as an employee of the Company.

### **6.2 Section 208 of the Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party the Company must obtain Shareholder approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Directors have formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the granting of the Plan Shares to Mr Hall as the exception in section 211 of the Corporations Act applies. The Directors have determined that the Plan Shares are reasonable remuneration for Mr Hall's responsibilities in the Company.

### **6.3 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Mr Hall is a 'related party' of the Company as he is a child of a Director, Mr Kenneth Hall.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

Shareholder approval of Resolution 3 means that the issue of the Plan Shares to Mr Hall will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

### **6.4 Specific information required by Listing Rule 10.13**

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The related party to whom the Plan Shares will be issued to is Mr Brady Hall (and/or his nominee).
- (b) The maximum number of securities to be issued under this Resolution is 26,896 Plan Shares.
- (c) The Plan Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

- (d) Mr Brady Hall is a child of a Director, Mr Kenneth Hall.
- (e) Each Plan Share will be issued for nil cash consideration. No funds will therefore be raised by the issue of the Plan Shares.
- (f) The Plan Shares will be issued under the Employee Plan.
- (g) A summary of terms of the Employee Plan is as follows:

The Plan Shares may only be offered under the Employee Plan if the number of Plan Shares issuable if each outstanding offer, right or option to acquire unissued Plan Shares, when aggregated with the number of Shares issued or issuable as a result of offers made at any time during the previous 3 year period under:

- (i) the Employee Plan; or
- (ii) any other incentive scheme

exceed 5% (as calculated in accordance with Class Order [CO 14/1000]) of the total number of issued Shares as at the time of the offer. For the avoidance of doubt, the limitation on the number of Plan Shares that may be issued must comply with Class Order [CO 14/1000], which provides relief from the disclosure regime of the Corporations Act.

Any offer of Plan Shares, shall be personal and shall not be assignable other than provided in the offer.

The Board has the discretion to offer and issue Plan Shares to any eligible person outside of and in addition to their entitlement under the Employee Plan.

All Plan Shares will rank equally in all respects with all previously issued Shares for the time being on issue except as regards to any entitlements attaching to such Shares by reference to a record date that is prior to the date of allotment of the Plan Shares.

The Company will apply to ASX for quotation of all Plan Shares issued under the Employee Plan within the period required by ASX.

The Board may terminate, suspend or amend the Employee Plan at any time subject to any resolution of the Company required by the Listing Rules and the Corporations Act.

In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the issued capital of the Company, the Board may make such adjustments to the annual allocation entitlement as it considers appropriate in accordance with the provisions of the Listing Rules.

- (h) The Plan Shares to be issued will be fully paid ordinary Shares, quoted on the ASX and rank equally in all respects with the existing Shares on issue.
- (i) A voting exclusion statement is included for Resolution 3 in the Notice.

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## 7. Resolution 4 - Managerial or Executive Officers' Deed of Indemnity, Access and Insurance

### 7.1 General

The purpose of Resolution 4 is to enable the Company to provide the Managerial or Executive Officers and Previous Managerial or Executive Officers with a reasonable level of protection in relation to claims made against them in relation to the period of their Office.

Resolution 4 is an ordinary resolution.

Given the duties and responsibilities of the managerial or executive officers of a public company and their potential liabilities, the Directors consider it appropriate that the Managerial or Executive Officers and the Previous Managerial or Executive Officers be suitably protected from certain claims made against them. The proposed protection will not extend to the extent it is prohibited by the Corporations Act.

As a person may be called to account for his actions several years after ceasing to hold Office, it is considered reasonable that suitable protection should extend for a period of time after a Managerial or Executive Officer has ceased to hold Office.

It is generally recognised that a managerial or executive officer or a former managerial or executive officer of a company may face considerable difficulty in properly answering or defending any claim made against him or her, particularly, as is often the case, where the claim is brought after the managerial or executive officer ceases to hold Office. Difficulties may arise by reason of the following:

(a) **No indemnity after cessation of Office**

While the Constitution provides Directors and Secretaries with an indemnity in respect of claims made while they hold Office, the indemnity arguably ceases if they cease to hold Office. Without the benefit of an indemnity, the cost of defending such a claim in respect of the actions of a Director or former Director, even if the claim is ultimately proven to be without merit, can be considerable and beyond the financial resources of the individual Director. Previous Directors, Previous Secretaries, Previous Managerial or Executive Officers and Managerial or Executive Officers that are not Directors or Secretaries are not indemnified by the Company under the Constitution.

(b) **Maintenance of insurance policies**

Directors' and officers' insurance policies generally only provide cover for claims made during the currency of the insurance policy. Generally, unless insurance premiums continue to be paid after the time a person ceases to hold Office, claims made after cessation of Office will not be covered by the insurance policy. The cost to a Previous Managerial or Executive Officer of personally maintaining insurance cover after ceasing to hold Office can be prohibitive, particularly given the number of years for which insurance must be maintained and given the Previous Managerial or Executive Officer is unlikely to be receiving income from the Company.

(c) **Access to Board papers**

In accordance with section 198F of the Corporations Act, directors have a right to inspect the books of the Company:

- (i) whilst they hold Office; and

(ii) for 7 years after ceasing to hold Office,

at all reasonable times for the purposes of a legal proceeding to which the person is a party, that the person proposes in good faith to bring or that the person has reason to believe will be brought against him. The right does not extend to other Managerial or Executive Officers.

Despite this statutory right, Directors and former Directors may require access to company documents which are relevant to the director's Office and not strictly required for the purpose of anticipated, threatened or commenced legal proceedings. Furthermore, although a proceeding may be instituted within six years after a cause of action arises, that six year period is calculated from the date the damage is found to have occurred – this may be long after the conduct which allegedly caused the damage occurred.

Given these difficulties a person may be unwilling to become or to remain as a managerial or executive officer of a public company without suitable protection being provided by the company. The benefit to the Company in providing such protection is that it will continue to be able to attract persons of suitable expertise and experience to act as Directors.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 4, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **7.2 Summary of the Deed of Indemnity, Insurance and Access**

The Company has entered into deeds with certain Managerial or Executive Officers and Previous Managerial or Executive Officers and will, subject to Shareholder approval, enter into deeds with the remaining Managerial or Executive Officers and Previous Managerial or Executive Officers. The deeds require:

- (a) the Company to indemnify the Managerial or Executive Officers during their Office and after the cessation of that Office, in respect of all liabilities incurred by the Managerial or Executive Officers in relation to the period of their Office to the extent allowable under the Corporations Act;
- (b) the Company to indemnify the Previous Managerial or Executive Officers in respect of all liabilities incurred by the Previous Managerial or Executive Officers during the period of their Office to the extent allowable under the Corporations Act;
- (c) the Company to maintain an insurance policy and pay the premiums of insurance for the Managerial or Executive Officers and Previous Managerial or Executive Officers (or in respect of a certain Director, use its best endeavours to procure and maintain) to the extent available under the Corporations Act, in respect of all liabilities (including legal expenses) incurred by the Managerial or Executive Officers and Previous Managerial or Executive Officers acting directly or indirectly as a director of the Company in relation to the period of their Office and to continue to pay those premiums for a period of up to seven years following the termination of their Office;
- (d) the Company to provide the Managerial or Executive Officers with access, upon ceasing for any reason to hold Office and for a period of up to seven

years following that cessation, to any Company records which are either prepared or provided by the Managerial or Executive Officer during the period which the person held Office

- (e) the Company to provide the Previous Managerial or Executive Officers with access for a period of up to seven years following the cessation of their Office, to any Company records which were either prepared or provided by the Previous Managerial or Executive Officers during the period which the Previous Managerial or Executive Officers held Office.

Some of the deeds also require the Managerial or Executive Officers and Previous Managerial or Executive Officers to maintain confidentiality.

### **7.3 Summary of indemnity and insurance provisions in the Corporations Act**

In considering Resolution 4, please note the following limitations in the Corporations Act concerning the provision of indemnities and insurance to Company officers. The deeds for which Shareholder approval is sought under Resolution 4 comply with these limitations.

#### **(a) Section 199A of the Corporations Act**

The Corporations Act sets out specific prohibitions to the Company's ability to grant indemnities for liabilities and legal costs.

The Company is prohibited from indemnifying its officers against a liability if it is a liability:

- (i) to the Company and any of its related bodies corporate;
- (ii) to a third party that arose out of conduct involving a lack of good faith; or
- (iii) for a pecuniary penalty order or a compensation order under the Corporations Act (such orders being made for breaches such as breaches of director's duties, the related party rules and insolvent trading rules).

The Company is also prohibited from indemnifying its officers against legal costs incurred:

- (i) in defending actions where an officer is found liable for a matter for which he cannot be indemnified by the Company as set out immediately above;
- (ii) in defending criminal proceedings where the officer is found guilty;
- (iii) in defending proceedings brought by the ASIC or a liquidator for a court order if the grounds for making the order are found by the court to be established; or
- (iv) in connection with proceedings for relief to the director under the Corporations Act where the court denies the relief.

#### **(b) Section 199B of the Corporations Act**

If the Company, or a related body corporate of the Company, pays the premium on an insurance policy in favour of an officer, section 199B of the Corporations Act requires the Company to ensure that the relevant contract

of insurance does not cover liabilities incurred by the officer arising out of conduct involving either:

- (i) a wilful breach of duty in relation to the Company; or
- (ii) contravention of the provisions relating to an officer making improper use of information or improper use of his or her position for his or her advantage or gain, or to the detriment of the Company.

#### **7.4 Section 200B of the Corporations Act**

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act.

Section 200B applies where the benefit is given to:

- (a) a person in connection with their retirement from a Managerial or Executive Office; or
- (b) a retiree who, at any time during the 3 years before his or her retirement, held a Managerial or Executive Office.

The Directors consider that as the:

- (c) proposed payment of insurance premiums;
- (d) benefit of the indemnity in relation to liabilities incurred during the period a Managerial or Executive Officer holds Office; and
- (e) Managerial or Executive Officer' access to Company records,

which continue for a period of up to 7 years after the relevant Managerial or Executive Officer ceases to hold Office, each may be viewed as the provision of a benefit given "in connection with" the retirement for the purposes of section 200B of the Corporations Act.

#### **7.5 Section 208 of the Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Directors and Previous Directors are related parties of the Company.

The provision of insurance and indemnity to Directors may involve the provision of a financial benefit to related parties of the Company within the prohibition in chapter 2E of the Corporations Act. The Directors consider that, although the payment of insurance premiums and the provision of indemnities by the Company are "reasonable in the circumstances" of the Company and therefore are exceptions from the prohibition in Chapter 2E of the Corporations Act, consideration of the reasonable nature of the provision of any indemnity or insurance is an appropriate matter for the Shareholders of the Company.

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## **8. Resolution 5 - Section 195 Approval**

In accordance with section 195 of the Corporations Act, 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.

The Directors may have a material personal interest in the outcome of Resolution 4.

In the absence of this Resolution 5, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolution 5.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 5 is an ordinary resolution.

## Schedule 1 - Definitions

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

**\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2015.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

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

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

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

**Chairperson** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company or Pacific Energy** means Pacific Energy Limited ABN 22 009 191 744.

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

**Director** means a director of the Company as at the date of this Notice.

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

**Employee Plan** means the Pacific Energy Limited Employee Share Plan.

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

**Financial Report** means the financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

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

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

**Managerial or Executive Office** has the meaning given to that term in section 200AA of the Corporations Act.



**Managerial or Executive Officer** means a person that is in a Managerial or Executive Office with the Company at the date of this notice.

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

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Office** means office as a Managerial or Executive Officer of the Company.

**Plan Share** means a Share issued under the Employee Plan.

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

**Previous Managerial or Executive Officer** means a Managerial or Executive Officer of the Company who has been in office in the last 7 years, but who is not in Office at the date of this Notice.

**Previous Directors** means a director of the Company who has been in office in the last 7 years, but who is not in office at the date of this Notice.

**Previous Secretary** means a company secretary of the Company who has been in office in the last 7 years, but who is not in office at the date of this Notice.

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

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

**Schedule** means a schedule to this Explanatory Memorandum.

**Secretary** means a company secretary of the Company as at the date of this Notice.

**Section** means a section of this Explanatory Memorandum.

**Share** means an ordinary share in the issued capital of the Company.

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

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

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

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**PACIFIC ENERGY LIMITED**  
**ACN 009 191 744**

## PROXY FORM

The Company Secretary  
Pacific Energy Limited ACN 009 191 744

**By delivery:**

338 Gnangara Road  
LANDSDALE WA 6065

**By post:**

PO Box 5  
KINGSWAY WA 6065

**By facsimile:**

+61 8 9303 8899

**Name of Shareholder:**

**Address of Shareholder:**

**Number of Shares entitled to vote:**

Please mark  to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

### Step 1 - Appoint a Proxy to Vote on Your Behalf

**The Chairman (mark box)**

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

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at 10am (WST) on 24 November 2015 at the Pan Pacific Perth Hotel, 207 Adelaide Terrace, Perth WA 6000 and at any adjournment or postponement of that Meeting.

### Important – If the Chairman is your proxy or is appointed as your proxy by default

The Chairman intends to vote all available proxies in favour of Resolutions 1 to 5 (inclusive). If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1 to 5 (inclusive) you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1 to 5 (inclusive) even if any of Resolutions 1 to 5 (inclusive) are connected directly or indirectly with the remuneration of a member of Key Management Personnel and even if the Chairman is a member of Key Management Personnel or a Closely Related Party of Key Management Personnel.

### Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr Alan Stuart Foster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Plan Shares to Mr Brady Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Managerial or Executive Officers' Deeds of Access, Indemnity and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**The Chairman intends to vote all available proxies in favour of each Resolution.**

**Authorised signature/s**

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_\_  
Date

**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding:                    where the holding is in more than one name all of the holders must sign.

Power of Attorney:            if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies:                      a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Landsdale office of the Company (338 Gnangara Road, Landsdale WA, 6065, or by post to PO Box 5, Kingsway, WA, 6065 or Facsimile (08) 9303 8899 if faxed from within Australia or +618 9303 8899 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).