



**NOTICE OF ANNUAL GENERAL MEETING**  
**Somerton Energy Limited (ABN 38 089 956 150)**

Notice is hereby given that the Annual General Meeting of the shareholders of Somerton Energy Limited (*Company*) will be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria at 11:00am (AEDT) on Thursday 13 October 2011.

**BUSINESS:**

**A. ACCOUNTS AND REPORTS:**

Financial and related reports

To table the financial report of the Company and the related reports of the directors and auditors for the year ended 30 June 2011 and to provide members with the opportunity to raise any issues or ask any questions generally of the Directors.

**B. RESOLUTIONS:**

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

**1. Re-Election of Robert Michael Kennedy**

*'That Mr Robert Michael Kennedy, a Director retiring by rotation in accordance with the Company's Constitution and being eligible and having signified his candidature for the Office, be and is hereby re-elected a Director of the Company.'*

**2. Adoption of Remuneration Report**

*'That for the purpose of section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2011 be adopted.'*

This is a non-binding advisory resolution.

To consider and, if thought fit, pass the following resolution as a special resolution:

**3. Amendment of the Company's Constitution**

*'That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be amended in accordance with the proposed amendments set out in the Explanatory Notes'*

By Order of the Board  
**Alfonso Grillo**  
Company Secretary

**9 September 2011**

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## EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Annual General Meeting dated 9 September 2011 (*the Notice*) and should be read in conjunction with the Notice as these Explanatory Notes contain important information on the proposed Resolutions. Shareholders should read these Explanatory Notes in full before making a decision on how to vote on the proposed Resolutions to be considered at the Annual General Meeting.

### A. ACCOUNTS AND REPORTS:

The financial report, directors' report and auditor's report for the Company for the year ended 30 June 2011 will be laid before the meeting. There is no requirement for shareholders to approve those reports. However, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

### B. RESOLUTIONS:

#### 1. RESOLUTION 1 – RE-ELECTION OF MR ROBERT MICHAEL KENNEDY

Rule 16 of the Constitution requires one third of directors (except for the Managing Director) to retire each year (by rotation). Mr Kennedy retires this year in accordance with this rule and is permitted to seek re-election. Personal particulars for Mr Kennedy are set out in the Board of Directors information included in the Annual Report.

#### 2. RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

The Company is required to include in its Directors Report a detailed Remuneration Report relating to Directors' and Executives' remuneration. Section 300A of the Corporations Act sets out the information required to be included in the Remuneration Report. A copy of the report appears in the Company's Annual Report for the year ended 30 June 2011.

Sections 249L(2) and 250R(2) of the Corporations Act require that a resolution that the Remuneration Report be adopted be put to a vote of shareholders at the Company's annual general meeting. The vote on this resolution is advisory to the Company only and does not bind the Board.

Under Section 250SA of the Corporations Act, shareholders must be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. This is in addition to any questions or comments that shareholders may have in relation to the management of the Company.

##### 2.1. Application of the 2 strikes rule

The recent amendments to the Corporations Act provide that if the Company's remuneration report receives a 'no' vote of 25% or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to 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 remuneration report, must stand for re-election.

##### 2.2. Voting Prohibition

A vote on Resolution 2 must not be cast by or on behalf of either of the following persons:

- (a) a member of the key management personnel details of whose remuneration are included in the remuneration report;
- (b) a closely related party of such a member.

However, a person described above may cast a vote on the resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

**Key management personnel** has the same meaning as in the accounting standards and includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly) and includes any director of the Company.

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**Closely related party** of a member of the key management personnel means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependent of the member or of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2011* (Cth).

### **2.3. Important notice regarding appointment of proxies in relation to Resolution 2**

If you appoint the Chairman of the Meeting as your proxy or the Chairman is appointed as your proxy by default:

You must either:

- mark the bolded second box under Step 1 on the proxy form to direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 2; or
- give directions as to how your proxy must vote in the tick box under Step 2 on the proxy form..

If you do not mark the bolded second box under Step 1, and you have not directed your proxy how to vote on Resolution 2, the Chairman of the Meeting will not cast your votes on Resolution 2 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

### **3. RESOLUTION 3 – AMENDMENT OF THE COMPANY'S CONSTITUTION**

Resolution 3 proposes to amend the Company's Constitution by replacing rule 23.5. The proposed amendment is set out below.

A copy of the Company's Constitution can be obtained by contacting the Company Secretary at the Company's registered office.

#### **3.1. Amendment to Rule 23.5**

##### **(a) Background**

In 2010 amendments were made to the *Corporations Act 2001* (Cth) ('Corporations Act') in respect of the payment of dividends to Shareholders. Prior to this reform, section 254T of the Corporations Act restricted the circumstances in which dividends could be paid to shareholders, as dividends could 'only be paid out of the profits of the Company'.

As a result of the amendments, section 254T now provides that a company can pay dividends out of sources other than profits if:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared, and the excess will cover the dividend payments;
- (ii) the payment of a dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of a dividend does not materially prejudice the company's ability to pay its creditors.

The company's assets and liabilities at the relevant time are calculated in accordance with accounting standards in force at that time.

**(b) Proposed Amendment**

It is proposed that:

- (i) the first sentence of rule 23.1 shall be deleted and replaced with:

*'The Board may from time to time determine that a dividend is payable to the shareholders out of the profits of the Company or otherwise as permitted by law'.*

and

- (ii) Rule 23.5 shall be deleted and replaced with:

***"23.5 No Interest on Dividends***

*The Company is not required to pay any interest on a dividend."*

**(c) Implications for the Company**

The effect of the legislative reforms is that the Company can now pay dividends out of funds other than profits. A company that has made a profit but is deficient in assets cannot pay a dividend, and vice versa.

The current rule 23.1 of the Constitution restricts the payment of dividends to being made out of profits. Without amending this restriction, should the Company wish to pay a dividend at any point in the future, it must both satisfy the new solvency-based test as well as have profits from which the dividend can be paid. The proposed Resolution will permit the Company to pay a dividend that is funded from sources other than profits, and in circumstances in which it would previously have been prohibited from paying a dividend. Whilst the directors have no present intention to declare a dividend, the proposed Resolution will ensure that the Constitution is consistent with the current law and will give the directors greater flexibility to determine and pay dividends, to the benefit of Shareholders.

Rule 23.5 has been rewritten to retain the statement that the Company is not required to pay interest on any dividend declared, and to remove excess words that related to dividends only being able to be paid out of profits.

**3.2. Recommendation**

The directors are of the view that the proposed amendment to the Company's Constitution is of benefit to shareholders and is in the best interests of the Company.

The Board recommends that shareholders approve the amendment to the Constitution proposed by Resolution 3.

## GENERAL NOTES

### Entitlement to Vote

The Company has determined in accordance with Part 7.11 of the Corporations Regulations that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 7:00pm (AEDT) on Tuesday 11 October 2011.

### Corporate Representatives

For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative executed in accordance with the *Corporations Act*.

### Voting

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

### Proxies

A member entitled to attend and vote at the Annual General Meeting may appoint one or two persons to attend and vote at the meeting as the member's proxy. If you wish to appoint a second proxy you will need to complete a second form. Computershare Investor Services Pty Limited will provide additional proxy forms upon request.

A proxy need not be a member. If two proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

The Proxy Form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067 or by mail to GPO Box 242, Melbourne, Victoria 3001 or by facsimile to Computershare Investor Services Pty Limited on (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555 by no later than 11:00am (AEDT) on Tuesday 11 October 2011.

You may submit your proxy form online at [www.investorvote.com.au](http://www.investorvote.com.au). You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is printed on the attached proxy form.

Shareholders and their proxies should note that new sections 250BB and 250BC of the Corporations Act apply to voting by proxy. In particular:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed;
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll and must vote as directed; and
- (d) if the proxy is not the chair, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote as directed.

If a proxy is also a member, this subsection does not affect the way that the person can cast any votes they hold as a member.

If an appointment of a proxy specifies the way the proxy is to vote on a particular resolution and

- (a) the appointed proxy is not the chair of the meeting;
- (b) at the meeting, a poll is duly demanded on the resolution and either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**Custodian voting** – For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.



000001 000 SNE  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

[www.investorvote.com.au](http://www.investorvote.com.au)

- Cast your proxy vote
- Access the annual report
- Review and update your securityholding

### Your secure access information is:

**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 11:00am (AEDT) Tuesday 11 October 2011**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Somerton Energy Limited hereby appoint

the Chairman of the meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Somerton Energy Limited to be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria on Thursday, 13 October 2011 at 11:00am (AEDT) and at any adjournment of that meeting.

### Important for Item 2 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 as set out below and in the Notice of Meeting. **If you do not mark this box, and you have not directed your proxy how to vote on Item 2, the Chairman of the Meeting will not cast your votes on Item 2 and your votes will not be counted in computing the required majority if a poll is called on this item.** If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Item 2).

The Chairman of the Meeting intends to vote all available proxies in favour of Item 2 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
Item 1 Re-Election of Robert Michael Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SPECIAL BUSINESS

	For	Against	Abstain
Item 3 Amendment of the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  
  
 Sole Director and Sole Company Secretary

Securityholder 2  
  
 Director

Securityholder 3  
  
 Director/Company Secretary

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date / /

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