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19 April 2013

**Notice of 2013 Annual General Meeting**

Petsec Energy Ltd's 2013 Annual General Meeting will be held on Wednesday, 22 May 2013 at 11.00 a.m. in the AGL Theatre, Level 2 of The Museum of Sydney, corner of Bridge & Phillip Streets Sydney, NSW.

The Notice of Meeting and Proxy Form for this meeting will be mailed to shareholders on Friday, 19 April 2013. Pursuant to ASX Listing Rule 3.17, a copy of the Notice of Meeting, including the proxy form, follows this announcement and will also be available on the Petsec Energy website at [www.petsec.com.au](http://www.petsec.com.au).

The 2012 Annual Report will also be mailed to shareholders, who have elected to receive a printed copy of this document, on Friday, 19 April 2013. The Annual Report will be lodged with the ASX by separate announcement and a copy will be available on the Company's website, [www.petsec.com.au](http://www.petsec.com.au).

For further information:

Paul Gahdmar  
Company Secretary & Group Financial Controller  
Petsec Energy Ltd  
Tel: 612 9247 4605  
Fax: 612 9251 2410

Level 13, Gold Fields House, 1 Alfred Street, Sydney NSW 2000, Australia  
PO Box R204, Royal Exchange NSW 1225, Australia  
Telephone (61 2) 9247 4605 Facsimile (61 2) 9251 2410  
Company information is available on: [petsec.com.au](http://petsec.com.au)



# PETSEC ENERGY LTD

ACN 000 602 700

## Notice of 2013 Annual General Meeting

Notice is hereby given that the 2013 Annual General Meeting of members of Petsec Energy Ltd (**Company**) will be held at the Museum of Sydney, corner of Bridge and Phillip Streets, Sydney, Australia on Wednesday, 22 May 2013 at 11.00 am (Sydney time).

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### Business

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#### Financial and Other Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2012.

Shareholders will be given a reasonable opportunity to ask questions or make comments on the Reports.

#### RESOLUTION 1 – RE-ELECTION OF MR MORTIMER AS A DIRECTOR

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

***“That Mr David Mortimer AO, who retires as a Director by rotation in accordance with rule 43 of the Constitution, be re-elected as a Director.”***

Information regarding Mr Mortimer appears in the Explanatory Notes.

#### RESOLUTION 2 – APPROVAL OF EMPLOYEE OPTION PLAN

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

***“That, for the purposes of Listing Rule 7.2, exception 9, and for all other purposes, the Employee Option Plan contained in the document submitted to this meeting and signed by the Chairman of Directors for the purposes of identification be approved.”***

Information regarding this resolution appears in the Explanatory Notes accompanying this Notice of Meeting.

#### RESOLUTION 3 – APPROVAL OF EMPLOYEE SHARE PLAN

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

***“That, for the purposes of Listing Rule 7.2, exception 9, and for all other purposes, the Employee Share Plan contained in the document submitted to this meeting and signed by the Chairman of Directors for the purposes of identification be approved.”***

Information regarding this resolution appears in the Explanatory Notes accompanying this Notice of Meeting.

#### RESOLUTION 4 – REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a non-binding resolution:

***“That the Remuneration Report for the year ended 31 December 2012 be adopted.”***

Information regarding this resolution appears in the Explanatory Notes.

#### RESOLUTION 5 – APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY UNDER LISTING RULE 7.1A

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

***“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the 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 Notes.”***

Information regarding this resolution appears in the Explanatory Notes.

## Voting Exclusion Statements

The Company will disregard any votes cast on:

- Resolutions 2 and 3 by a Director and their associates;
- Resolution 4 by one of the Key Management Personnel or by a closely related party, such as close family members or any controlled companies, of those personnel;
- Resolution 5 by any:
  - person who may participate in the 10% Placement Facility;
  - person who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if this Resolution is passed; and
  - of their respective Associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

## Important Information Concerning Proxy Votes on Resolution 4

The Corporations Act restricts the ability of Key Management Personnel and their closely related parties to vote on the advisory resolution to adopt the Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Key Management Personnel. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control. The laws affect Resolution 4.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Key Management Personnel; as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. If you do not do so, you risk your vote not being cast.

Undirected proxies held by relevant Key Management Personnel or their closely related parties will not be voted on Resolution 4. Similarly, undirected proxies held by the Chairperson will not be voted on Resolution 4 unless you mark the box indicated on the proxy form. Marking this box will constitute an express authorisation by you directing the Chairperson to vote your proxy in favour of Resolution 4 (unless you have exercised your right to direct the Chairperson otherwise by marking the 'against' column in respect of one or all of the relevant Resolutions). This express authorisation acknowledges that the Chairperson may vote your proxy even if he has an interest in the outcome of Resolution 4 and that votes cast by the Chairperson for those Resolutions, other than an authorised proxy holder, will be disregarded because of that interest.

## Voting at the meeting

1. Under *Corporations Regulation 7.11.37*, the Board has determined that a person's entitlement to vote at the meeting will be the entitlement of that person appearing on the register of members at 7.00pm (EST) on 20 May 2013.
2. On a show of hands you have one vote. On a poll you have one vote per Share you hold in the Company.
3. If Shares are jointly held, only one of the joint holders is entitled to vote.
4. In order to vote, a corporation which is a Shareholder may appoint a person to act as its representative. The appointment must comply with sections 250D and 253B of the Corporations Act. The representative should bring to the meeting duly executed evidence of the appointment.
5. The form of proxy accompanies this Notice of Meeting. A member entitled to attend and vote at the meeting has a right to appoint a proxy (individual or body corporate). Any person appointed as a proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion and number of votes that 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 that each proxy may exercise, each proxy may exercise half of the member's votes. If a member appoints two proxies, neither may vote on a show of hands.

6. To be effective, the form appointing the proxy, together with any authority under which it was executed, or a certified copy of that authority, must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting.

**BY MAIL:** By using the reply paid envelope provided  
Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

**BY FAX:** + 61 2 9290 9655

**IN PERSON:** Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000  
Australia

**VOTE ONLINE:** [www.boardroomlimited.com.au/vote/petsecagm2013](http://www.boardroomlimited.com.au/vote/petsecagm2013)

By order of the Board  
Dated this 19<sup>th</sup> day of April 2013

**Paul Gahdmar**  
**Company Secretary**

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## EXPLANATORY NOTES

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These Explanatory Notes form part of this Notice of Meeting and should be read in conjunction with it.

Five of the Resolutions to be voted on are ordinary Resolutions, which require a simple majority of votes cast by Shareholders entitled to vote on the Resolution. Resolution 5 is a special resolution and requires approval of 75% of the votes cast by Shareholders.

### RESOLUTION 1 – RE-ELECTION OF MR MORTIMER AS A DIRECTOR

Rule 43 of the Company's Constitution requires that an election of Directors take place each year. In accordance with this rule, Mr Mortimer will stand for re-election.

#### David A Mortimer AO

Mr Mortimer was appointed to the Board in 1985 and has over 40 years of corporate finance experience. He was a senior executive of TNT Limited Group from 1973, serving as Finance Director and then as Chief Executive Officer until his resignation in October 1997. He is presently Chairman of Crescent Capital Partners Limited, Buildcorp Advisory Board, Defence Industry Innovation Board and University of Sydney Senate Investment and Commercialisation Committee. He is a Director of Opera Australia, Clayton Utz Foundation, the Grant Samuel Advisory Board and is on the CEDA's Board of Governors.

Mr Mortimer holds a Bachelor of Economics degree (First Class Honours) from the University of Sydney and is a Fellow of the University of Sydney Senate and the Australian Institute of Company Directors. Mr Mortimer's other roles include Governor of the Australia Israel Chamber of Commerce, and President of the Sydney University Football Club.

Mr Mortimer was formerly a non-executive director and more recently Chairman of ASX listed company Leighton Holdings Limited from 1997 until August 2011 and Chairman of Australia Post from 2006 to 2012.

Mr Mortimer is an independent Director.

**The other Directors recommend that Shareholders vote in favour of the re-election of Mr Mortimer.**

### RESOLUTION 2 – APPROVAL OF EMPLOYEE OPTION PLAN

Rules are already in place for the Employee Option Plan (**EOP**) (**EOP Rules**). The EOP allows the Company to grant Options to acquire Shares to selected eligible employees, subject to satisfying performance and service conditions set down at the time of offer. Directors consider Options to be a necessary component of employee remuneration packages.

Approval of the EOP was last renewed by Shareholders in 2010. The EOP Rules have not changed since the approval in 2010.

The Company seeks to refresh the three year approval for the EOP under Listing Rule 7.2, exception 9.

Listing Rule 7.1 limits the number of Equity Securities the Company may issue within any twelve month period without Shareholder approval to 15% of the Equity Securities on issue (**15% Rule**). An exception to this rule is set out in Listing Rule 7.2, exception 9, which provides that issues under an employee incentive scheme are exempt for a period of three years if Shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

The effect of the approval sought will be that for the next three years, the issue of securities under the EOP will not reduce the number of Equity Securities that may be issued by the Company without Shareholder approval under the 15% Rule; any such issue will instead add to the number to which the 15% calculation is applied, thus increasing the number of Equity Securities that may be issued by the Company under the 15% Rule.

The issue of Options under the EOP to Directors of the Company and their associates will still require Shareholder approval under Listing Rule 10.14. The issue of Options under the EOP also remains subject to the issue limits under the EOP.

The Company presently has 1,932,500 employee Options on issue with an exercise price in the range of \$0.20 to \$0.23 and a weighted average remaining life of 2.83 years, representing approximately 0.8% of the Company's Equity Securities.

Since the last approval the Company has issued the following employee Options for nil consideration:

- 330,000 exercisable at \$0.20 by 1 January 2016;
- 1,000,000 exercisable at \$0.20 by 31 January 2017;

A possible disadvantage, if Resolution 2 is passed, is the dilutory effect on the Company's Share price, due to the increased number of Shares on issue, if employees were to exercise their Options. This would be offset by the exercise price received by the Company.

A summary of the amended EOP Rules is attached to this Notice of Meeting (see **Annexure A**). A copy of the EOP Rules is available to Shareholders on request to the Company Secretary.

**The Board recommends the approval of the EOP Rules for the reasons set out above and recommends that you vote in favour of Resolution 2. None of the Directors (other than Mr Fern) have an interest in the outcome of the resolution.**

**As Mr Terrence Fern has an interest, he does not make a recommendation.**

### **RESOLUTION 3 – APPROVAL OF EMPLOYEE SHARE PLAN**

Rules are already in place for the Employee Share Plan (**ESP**) (**ESP Rules**). The ESP allows the Company to issue Shares to selected eligible employees, subject to satisfying performance and service conditions set down at the time of offer. Directors consider ESP Shares to be a necessary component of some employee remuneration packages.

Approval of the ESP was last renewed by Shareholders in 2010. The ESP Rules have not changed since the approval in 2010.

The Company seeks to refresh the three year approval for the ESP under Listing Rule 7.2, exception 9.

The Shareholder approval exception to the 15% Rule (see above, under "Resolution 2") applies equally to the ESP.

The effect of the approval sought will be that for the next 3 years, the issue of Shares under the ESP will not reduce the number of Equity Securities that may be issued by the Company without Shareholder approval under the 15% Rule; any such issue will instead add to the number to which the 15% calculation is applied, thus increasing the number of Equity Securities that may be issued by the Company under the 15% Rule.

The issue of Shares under the ESP to Directors and their associates will still require Shareholder approval under Listing Rule 10.14. The issue of Shares under the ESP also remains subject to the issue limits under the ESP.

The Company presently has 2,400,000 employee Shares on issue at an issue price of \$0.20 and a weighted average remaining life of 4.39 years, representing approximately 1.0% of the Company's Equity Securities.

Since the last approval the Company has issued the following Shares under the ESP:

- 400,000 at an issue price of \$0.20 expiring 26 March 2017;
- 2,000,000 at an issue price of \$0.20 expiring 10 October 2017;

A possible disadvantage, if Resolution 3 is passed, is the dilutory effect on the Company's Share price, due to the increased number of Shares on issue. This would be offset by the subscription price received by the Company for the Shares.

A summary of the amended ESP Rules is attached to this Notice of Meeting (see **Annexure B**). A copy of the ESP Rules is available to Shareholders on request to the Company Secretary.

**The Board recommends the approval of the ESP Rules for the reasons set out above and recommends that you vote in favour of Resolution 3. None of the Directors (other than Mr Fern) have an interest in the outcome of the resolution.**

**As Mr Terrence Fern has an interest, he does not make a recommendation.**

### **RESOLUTION 4 - REMUNERATION REPORT**

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report sets out the Company's policy for the remuneration of Directors and senior executives.

The Corporations Act provides that this vote is advisory only and does not bind the Directors or the Company. Shareholders will be given a reasonable opportunity to ask questions or make comments on the Remuneration Report.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the directors (other than a managing director) who were in office at the date of the approval of the applicable Directors' Report must stand for re-election.

See Important Information Concerning Proxy Votes on Resolution 4. The Chairman, who is one of the Key Management Personnel, will vote all undirected proxies in favour of Resolution 4.

## RESOLUTION 5 – APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY UNDER LISTING RULE 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities comprising up to 10% of their issued share capital through placements over a 12 month period after an AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.1A was introduced in August 2012 and allows the Company to seek shareholder approval for the 10% Placement Facility by special resolution at an AGM. A special resolution requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The issue price of any Equity Securities issued under the 10% Placement Facility must be no less than 75% of the volume weighted average price of the Company's Equity Securities in that class traded during the 15 trading days before:

- the date on which the issue price is agreed, or
- if the Equity Securities are not issued within 5 trading days of that date, the date on which the Equity Securities are issued.

In considering whether to approve the motion, Shareholders should consider the risk of economic and voting dilution of existing Shareholders that may result from an issue of Equity Securities under the 10% Placement Facility, including the risk that the market price of the Company's Equity Securities may be significantly lower than on the date of the AGM, and that the Equity Securities may be issued at a price that is a discount to the market price for the Company's Equity Securities on the issue date.

The following table sets out the dilution in voting power for existing Shareholders resulting from the issue of an additional 10% of Shares and the funds raised in certain hypothetical circumstances. As at the date of this notice, the Company has 237,683,622 Shares on issue. The most recent closing price of the Company's Shares before the preparation of this Notice of Meeting was 18 cents per Share.

Shares		Issue Price		
		\$0.09 (50% decrease)	\$0.18 (price at notice date)	\$0.36 (100% increase)
237,683,622 (current issued Shares)	10% of Shares	23,768,362		
	Funds raised	\$2,139,153	\$4,278,305	\$8,556,610
356,525,433 (current plus 50%)	10% of Shares	35,652,543		
	Funds raised	\$3,208,729	\$6,417,458	\$12,834,916
475,367,244 (current plus 100%)	10% of Shares	47,536,724		
	Funds raised	\$4,278,305	\$8,556,610	\$17,113,220

The 10% Placement Facility, if approved by Shareholders, will expire on the first to occur of 22 May 2014 in any case, no later than 12 months after the date of the AGM and the date of any Shareholders resolution under Rule 11.1.2 or 11.2 being passed.

The purpose of any issue of Equity Securities under the 10% Placement Facility will be funding exploration, development, working capital, or the acquisition of new exploration leases or other resource assets. The Company may issue the Equity Securities for non-cash consideration. In such events, the Company would obtain a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities under the 10% Placement Facility.

The Company policy in allocating Equity Securities under the 10% Placement Facility will depend upon market conditions at the time. It will have regard to factors including, but not only, the financial situation of the Company at that time and the effect of any issue upon the control of the Company. The recipients of any Equity Securities under the 10% Placement Facility may include substantial Shareholders of the Company and new Shareholders.

The Company has not previously sought approval under Listing Rule 7.1A.

**The Board believes that the 10% Placement Facility will be beneficial for the Company as it will provide flexibility to issue additional Equity Securities representing up to 10% of the Company's share capital up to 22 May 2014. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 5.**

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## GLOSSARY

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**\$ or cents** means Australian Dollars or Cents, unless otherwise indicated.

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

**ASX** means ASX Limited, or the Australian Securities Exchange, as the context requires.

**Board** means the current board of directors of the Company.

**Chairman or Chairperson** means the Chairman of the Board.

**Company** means Petsec Energy Ltd ACN 000 602 700

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Commonwealth)

**Directors** mean the current directors of the Company.

**EOP** means the Petsec Energy Ltd Employee Option Plan last approved by Shareholders on 21 May 2010.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**ESP** means the Petsec Energy Ltd Employee Share Plan last approved by Shareholders on 21 May 2010.

**Explanatory Notes** means the explanatory notes accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning given in the accounting standards. Broadly speaking this includes the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Key Management Personnel for the financial year ended 31 December 2012.

**Listing Rules** means the ASX Listing Rules.

**Notice of Meeting** means this notice of meeting including the Explanatory Notes.

**Option** means an option to acquire a Share.

**Remuneration Report** means the report on remuneration of Key Management Personnel contained within the Directors' Report for the year ended 31 December 2012.

**Resolution** means a resolution set out in the Notice of Meeting.

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

**Shareholder** means the holder of a Share.

**Sydney Time** means the time in Sydney, New South Wales, Australia.

**Petsec** means Petsec Energy Ltd ACN 000 602 700



**ANNEXURE A****Summary of Employee Option Plan Rules**

In summary, the EOP Rules provide that:

- (a) A committee appointed by the Board may from time to time offer Options over Shares to employees of the Company or any subsidiary of the Company;
- (b) The total number of Shares that could be issued by the Company in respect of which Options have been granted, when aggregated with the number of Shares issued, or which could be issued by the Company under Options granted, under all employee Share and Option schemes established by the Company during the previous five (5) years shall not exceed 15,033,435 ordinary shares in the capital of the Company;
- (c) The Option price shall be set out in the offer and will be, at the discretion of the committee, one of the following:
  - I. the market price on the date of the offer;
  - II. the market price on the closing date of the offer; or
  - III. such other price or formula which is specified in the offer and which determines a price that is higher than the market price of the shares either on the date of the offer or on the closing date of the offer,but in no event shall the Option price be less than 20 cents;
- (d) Options can be exercised in the exercise period designated by the committee (which must not commence within the first 6 months after the Options are granted) or in the event of certain takeover or change of control circumstances;
- (e) The committee can impose conditions that must be satisfied before the Options can be exercised including, for example, a specified increase in the market price of the Company's Shares on the ASX;
- (f) Options automatically lapse if not exercised within 5 years after they are granted (or any shorter period designated by the committee);
- (g) In the event of a rights issue or bonus issue, the number of Shares issued on exercise of an Option, or the exercise price of an Option, or both, may be adjusted in accordance with the Listing Rules;
- (h) Option holders cannot participate in new issues without exercising their Options;
- (i) In the event of a reorganisation of the Company's share capital, the rights of the Option holder will be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
- (j) The EOP will continue in operation at the discretion of the committee.

## ANNEXURE B

### Summary of Employee Share Plan Rules

In summary, the ESP Rules provide that:

- (a) Employees who are invited to participate in the ESP will be given the opportunity to apply for Shares which will be held on their behalf by the Trustee of the ESP, Petroleum Securities Share Plan Pty Limited (**Trustee**). The purchase of Shares by an employee will be financed by an interest free loan from the Company to the employee.
- (b) All full time employees of the Company or a subsidiary who have attained the age of eighteen years, any Director, a subsidiary or any other company approved by the committee appointed by the Board to administer the ESP are eligible to participate. An invitation to participate is personal to the eligible employee or, except in the USA, with the committee's approval to the employee's spouse or to a body corporate or trustee nominated by the employee.
- (c) The ESP applies to Shares.
- (d) The ESP is subject to the Listing Rules which, amongst other things, require that any issue of Shares under the ESP to Directors or their associates can only be made with Shareholder approval.
- (e) The number of Shares to be offered to each eligible employee will be determined at the absolute discretion of the committee. This determination will be made having regard to all relevant factors including the record of employment of the employee, the potential contribution of the employee to the growth of the Company and any other matters which tend to indicate the merit of the employee.
- (f) The committee will determine when Shares are to be offered to eligible employees.
- (g) The total number of Shares issued under the ESP when aggregated with the number of Shares issued by the Company under all employee Share and Option schemes established by the Company during the previous five years must not exceed 15,033,435.
- (h) The issue price of the Shares must be not less than the market price of the Shares (a weighted average ASX sale price) at or about the time of the offer.
- (i) Subject to the terms of the ESP, Shares issued under it rank equally in all respects with the other Shares of then on issue. The Trustee will be the registered holder of the Shares while they are restricted.
- (j) The Trustee will exercise the right to vote attached to restricted Shares as directed by the participant on whose behalf Shares are held. If the participant fails to make a direction, the voting rights attached to the Shares will be exercised in the manner directed by the committee.
- (k) Some rights attaching to the Shares depend on whether those Shares have become unrestricted. Shares will generally be unrestricted after a period of not less than 6 months after the date on which the Trustee subscribed for the Shares on behalf of the participant provided that all other conditions imposed by the committee on those Shares becoming unrestricted have been satisfied.

Until the Shares have become unrestricted:

- I. Except in certain circumstances, the Shares may not be sold, mortgaged or otherwise encumbered;
  - II. The participant will have a present entitlement to receive dividend income in respect of the Shares, but the after-tax amount of these dividend payments is to be applied in the reduction of the loan.
- (l) Once Shares are unrestricted, the participant may require the Trustee to sell all or some of the Shares and any balance left after repaying the loan and the costs incurred by the Trustee in selling the Shares will be paid to the participant. Alternatively, the employee may repay the loan and ask the Trustee to transfer the Shares to him/her.
  - (m) If an offer of Shares is made by the committee to an eligible employee and the employee accepts, then a loan from the Company will be provided to the employee in an amount equal to the subscription price of the Shares. The loan will be interest free.  

These moneys are to be applied by the Trustee at the request of the participant, so that it may subscribe for the Shares.
  - (n) Dividends (after providing for the maximum income tax payable by the participant) which are paid in respect of any Shares subscribed for with the loan will be applied in repayment of that loan.
  - (o) The loan is limited in recourse so that the Company's rights under the loan are limited to the proceeds of the sale of the Shares.

**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

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

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am on Monday 20<sup>th</sup> May 2013.**

### 💻 TO VOTE ONLINE

**STEP 1:** VISIT [www.boardroomlimited.com.au/vote/petsecagm2013](http://www.boardroomlimited.com.au/vote/petsecagm2013)

**STEP 2:** Enter your holding/investment type:

**STEP 3:** Enter your Reference Number:

**STEP 3:** Enter your Voting Access Code:

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am on Monday, 20<sup>th</sup> May 2013.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged:

💻 **Online** [www.boardroomlimited.com.au/vote/petsecagm2013](http://www.boardroomlimited.com.au/vote/petsecagm2013)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of Petsec Energy Ltd and entitled to attend and vote hereby appoint

Appoint the **Chairman of the Meeting (mark box)**

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

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 at the Annual General Meeting of the Company to be held at the **Museum of Sydney, corner of Bridge and Phillip Streets, Sydney, Australia on Wednesday, 22 May 2013 at 11.00 am (Sydney time)** and at any adjournment of that meeting, to act 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.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of resolutions 2, 3 and 4, please place a mark in the box to the left.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of resolutions 2, 3 and 4 and that votes cast by the Chairman of the meeting for this resolution other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on resolutions 2, 3 and 4 and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman of the Meeting will vote undirected proxies in favour of each of the items of business.

**STEP 2 VOTING DIRECTIONS**  
\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	RE-ELECTION OF MR MORTIMER AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	APPROVAL OF EMPLOYEE OPTION PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	APPROVAL OF EMPLOYEE SHARE PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	APPROVAL FOR ADDITIONAL SHARE PLACEMENT CAPACITY UNDER LISTING RULE 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2013