



ACN 064 957 419

**NOTICE OF ANNUAL GENERAL MEETING**

**incorporating**

**EXPLANATORY MEMORANDUM**

**and**

**PROXY FORM**

**Date of meeting:** Thursday, 28 November 2019

**Time of meeting:** 11.00am (Brisbane Time)

**Place of meeting:** Piper Alderman, Level 26, Riparian Plaza, 71 Eagle Street,  
Brisbane Queensland

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully. If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

## GALILEE ENERGY LIMITED

ACN 064 957 419

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2019 Annual General Meeting of Shareholders of Galilee Energy Limited (**Company**) will be held at 11.00am (Brisbane time) on Thursday, 28 November 2019 at the offices of Piper Alderman, Level 26 Riparian Plaza, 71 Eagle Street, Brisbane, Queensland.

The Explanatory Memorandum and Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting. Capitalised terms used in this Notice of Meeting have the meaning given to them in the "Definitions" section at the end of the Explanatory Memorandum.

#### ORDINARY BUSINESS

##### 1. Annual Financial Statements and Report

To receive and consider the financial statements of the Company for the year ended 30 June 2019 together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

##### 2. Resolution 1 – Non-Binding Resolution to Adopt the Remuneration Report for the Financial Year ended 30 June 2019

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

*"That, for the purposes of section 250R of the Corporations Act 2001, the Remuneration Report for the year ended 30 June 2019 be adopted."*

Please note that the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

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

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

However, a person described above may cast a vote on Resolution 1 if:

- (1) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (2) it is cast by the Chair of the Meeting and the appointment of the Chair as proxy:
  - (a) does not specify the way the proxy is to vote on the resolution; and
  - (b) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

**3. Resolution 2 – To Re-elect Dr David King as a Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That David King, who retires by rotation in accordance with Rule 79.1 of the Constitution of the Company, being eligible for re-election, be re-elected as a director of the Company.*

**4. Resolution 3 – To elect Mr Gordon Grieve as a Director.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That Gordon Grieve, having been appointed as a Director by the Board with effect from 6 September 2019, who retires in accordance with Rule 82.2 of the Constitution of the Company and being eligible for election, be elected as a Director.”*

**5. Special Resolution 4 – Approval of 10% Placement Capacity**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval be given for the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue or the agreement to issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast on this special resolution by any person who may participate in the issue of Equity Securities the subject of this Resolution 4 and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed (**Participating Party**), and any associate of such person or the Participating Party.

However, 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**IMPORTANT NOTICE:** At the date of this Notice, it is not known who will participate in the proposed issue of Equity Securities the subject of this special resolution and the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Therefore, no existing Shareholder votes will be excluded under the voting exclusion in this Notice. You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.

An explanation of the resolutions is set out in the accompanying Explanatory Memorandum (**EM**). This EM explains the purpose of the meeting and the resolutions to be considered at the meeting. Shareholders should read the EM in full.

## **OTHER BUSINESS**

To consider any other business that may lawfully be brought forward in accordance with the Constitution and the Corporations Act.

## **QUESTIONS AND COMMENTS BY SHAREHOLDERS AT GENERAL MEETING**

A reasonable opportunity will be given to Shareholders as a whole at the Meeting to ask questions about or make comments on the Remuneration Report and the management of the Company and to ask the auditors or their representative questions relevant to the conduct of the audit, the preparation and content of their report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and their independence in relation to the conduct of the audit.

BY ORDER OF THE BOARD

**Stephen Rodgers**

Company Secretary

Dated: 25 October 2019

## **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00pm (Sydney time) on Tuesday 26 November 2019.

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice; or
- by submitting their proxy appointment and voting instructions by facsimile.

### **Voting in person (or by attorney)**

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's Share Register and attendance recorded. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the meeting.

### **Voting by a Corporation**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

### **Voting by Proxy**

- A Shareholder entitled to attend and vote is permitted to appoint not more than two (2) proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chair of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chair of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.
- To be effective, proxies must be lodged by 11.00am (Brisbane time) on Tuesday 26 November 2019. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  1. by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:  
 The Share Registry  
 Galilee Energy Limited  
 c/- Computershare Investor Services Pty Limited  
 GPO Box 242  
 MELBOURNE VIC 3001
  - or
  2. by faxing a completed proxy form to:-  
 Computershare Investor Services Pty Limited, on  
 1800 783 447 (within Australia); or  
 + 61 3 9473 2555 (outside Australia)
  - or
  3. by visiting: - [www.investorvote.com.au](http://www.investorvote.com.au) and logging in using the control number found on the front of your accompanying proxy form.  
 Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com)
  - or
  4. by scanning the QR code located on the front of the accompanying proxy form and logging in with your postcode.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the Power itself, must be received by the Company at the above address, or by facsimile and by 11.00am (Brisbane time) on Tuesday 26 November 2019. If facsimile transmission is used, the Power of Attorney must be certified.

#### **How undirected proxies held by the Chair of the meeting will be voted**

If you appoint the Chair of the Meeting as your proxy or he becomes your proxy by default, and you do not specify in the Proxy Form the manner in which you wish the Chair to vote on the Resolutions to be considered at the Meeting, you accept that the Chair intends to vote in favour of all Resolutions. **If you do not direct the Chair how to vote on Resolution 1 you expressly authorise the Chair to exercise your proxy on this Resolution even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.**

If you appoint the Chair of the Meeting as your proxy and wish to direct the Chair how to vote on some or all of the Resolutions to be considered at the Meeting, you must complete the directed proxy part of the Proxy Form (Step 2 on the Proxy Form).

Galilee encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

### **IMPORTANT VOTING RESTRICTIONS**

If you are entitled to vote, and you wish to appoint a proxy, you should be aware that if your proxy is a person who is not entitled to vote in their own right, the person may (subject to the Corporations Act) still vote as your proxy but your proxy's vote on your behalf will only be valid if, subject to the comments above in respect of undirected proxies held by the Chair, you direct your proxy on the Proxy Form how to vote and the proxy does vote as directed.

## GALILEE ENERGY LIMITED ACN 064 957 419

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in Galilee Energy Limited (**Company**) in connection with the business to be considered at the Meeting of Shareholders to be held at 11.00am (Brisbane time) on Thursday, 28 November 2019 at the offices of Piper Alderman, Level 26 Riparian Plaza, 71 Eagle Street, Brisbane Queensland.

This Explanatory Memorandum comprises part of the accompanying Notice of Meeting. Capitalised terms are defined in the "Definitions" section at the end of this Explanatory Memorandum. Details of the business to be considered at this Meeting are set out below.

#### **Purpose of Explanatory Memorandum**

The purpose of this Explanatory Memorandum is to provide Shareholders with information which may be relevant to the Resolutions to be put to Shareholders at the Meeting.

#### **Annual Financial Report**

The first item of business of the Notice of Meeting deals with the presentation of the Company's Annual Financial Report for the year ending 30 June 2019. Shareholders should consider this document and raise any matters of interest with the Directors when this item is being considered.

The Company's Annual Financial Report for the year ended 30 June 2019 is available on the Company's website at: [www.galilee-energy.com.au](http://www.galilee-energy.com.au).

No resolution is required to be moved in respect of this item.

#### **Resolution 1: Remuneration Report for the Year ended 30 June 2019**

During this item of business, Shareholders at the meeting may comment on and ask questions about the Remuneration Report that appears in the Company's Annual Report 2019.

Section 300A of the Corporations Act requires the Director's Report to contain a Remuneration Report (**Report**) containing information about the Board's policy for determining the nature and amount of the remuneration of directors and senior management. The Report must also explain the relationship between the remuneration policy and the Company's performance. The disclosure requirements stipulated in section 300A of the Corporations Act have been complied with.

The Corporations Act (sections 250R (2) and 250R (3)) provides that the vote on the adoption of the Report is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the Report, then:

- if comments are made on the Report at the Annual General Meeting, the Company's Remuneration Report for the financial year ending 30 June 2020 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2020 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of Directors of the Company (**Spill Resolution**). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.



## **Recommendation**

The Remuneration Report forms part of the Company's Annual Report, made in accordance with a unanimous resolution of the Directors. Each of the Directors recommends the Report to Shareholders for adoption.

## **Resolution 2: Re-election of Dr David King as a Director**

Dr David King was appointed as a Director following his election to the Board by shareholders at the general meeting of the Company held 24 September 2013 and has been elected to the Board by Shareholders since on two separate occasions, the last being at the Company's Annual General Meeting 28 November 2017.

Rule 79.1 of the Constitution provides that a director may not hold office for a continuous period in excess of 3 years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.

Accordingly, David King retires from office in accordance with rule 79.1 of the Constitution and being eligible submits himself for re-election.

Dr King was a founder and director of Sapex Ltd, Gas2Grid Ltd and Eastern Star Gas Ltd. He has substantial natural resource related experience, having previously served as managing director of North Flinders Mines Ltd and CEO of Beach Petroleum and Claremont Petroleum, as well as Executive Director (and latterly Chairman) of Eastern Star Gas Ltd prior to its takeover by Santos Ltd in 2011.

Dr King is a Fellow of the Australian Institute of Company Directors; a Fellow of the Australasian Institute of Mining and Metallurgy; and a Fellow of the Australian Institute of Geoscientists. Dr King is currently non-executive Chairman of Cellmid Ltd, and non-executive director of Litigation Capital Management Ltd, PetroNor E&P, Tap Oil Ltd and Renergen Ltd.

## **Recommendation**

The Directors (other than David King) unanimously recommend that Shareholders vote in favour of Resolution 2.

## **Resolution 3: Election of Mr Gordon Grieve as a Director**

Rule 82.2 of the Company's Constitution provides that any Director appointed by the Board under Rule 82.1 shall only hold office until the termination of the next Annual General Meeting (**AGM**) of the Company.

Gordon Grieve was appointed to the Board by the Directors with effect from 6 September 2019 meaning that his appointment will expire 28 November 2019 unless re-elected at the upcoming AGM. Mr Grieve will therefore retire from office in accordance with this requirement and being eligible submits himself for re-election.

Gordon has over 30 years' experience as a solicitor and counsel working with energy and resources companies in Australia and overseas and is the current Chairman of Partners at Piper Alderman, leading both their International and Energy & Resources Groups.

Gordon is a skilled advisor in relation to corporate governance and compliance issues, company takeovers and schemes of arrangement and has represented companies and directors on all facets of major corporate transactions and commercial litigation. Gordon guided the growth and development of Eastern Star Gas Ltd from start-up through to its acquisition by Santos Ltd for \$900 million.

Gordon is a Member of The Australian Institute of Company Directors and a member of the Law Society of Queensland and The Law Society of NSW.

## **Recommendation**

The Directors (other than Mr Grieve) unanimously recommend that Shareholders vote in favour of Resolution 3.

## **Resolution 4 – Approval of 10% Placement Capacity**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, which is detailed below.

### **Description of ASX Listing Rule 7.1A**

#### ***a) Shareholder approval***

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

#### ***b) Equity Securities***

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue only one type of Equity Securities quoted on ASX being ordinary shares.

#### ***c) Formula for calculating 10% Placement Facility***

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of the issue or agreement:

- i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- ii) plus the number of partly paid shares that became fully paid in the 12 months;
- iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
- iv) less the number of fully paid shares cancelled in the 12 months.

**Note:** A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

#### **d) ASX Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice, the Company has on issue 231,179,362 ordinary shares and at the date of this Notice has a capacity to issue:

- 1) 8,479,830 Equity Securities under ASX Listing Rule 7.1; and
- 2) subject to shareholders approving this Resolution, 23,117,936 Equity Securities under ASX Listing Rule 7.1A

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, which is detailed above.

#### **e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the Volume Weighted Average Price of Equity Securities in the same class calculated over the 15 Trading Days (as defined in the Listing Rules) immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

#### **f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- 2) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

("10% Placement Period").

#### **ASX Listing Rule 7.1A**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities in any existing quoted class, under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 4 is a Special Resolution and therefore requires 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) are cast in favour of the resolution.

#### **Specific information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- a) The Equity Securities will be issued at an issue price of not less than 75% of the Volume Weighted Average Price for the Company's Equity Securities over the 15 Trading Days immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.
- b) If Resolution 4 is passed by Shareholders as a Special Resolution and the Company issues Equity Securities under the 10% Placement Facility, there is a risk that the existing Shareholders' voting power in the Company will be diluted. The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of Equity Securities and the current number of Equity Securities for Variable "A" calculated in accordance with the formulae in Listing Rule 7.1A2 (in the case of unlisted options, only if the unlisted options are exercised). The Table also shows two examples of where Variable "A" has decreased by 50% and increased by 100%

There is a risk that:

- 1) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**ASX Listing Rule 7.3A.2 – Dilution Table\*\***

<b>Variable "A" in ASX Listing Rule 7.1A.2</b>		<b>\$0.4975 Issue Price (50% decrease in Deemed Price)</b>	<b>\$0.995 Issue Price (Deemed Price)*</b>	<b>\$1.99 Issue Price (100% increase in Deemed Price)</b>
<b>231,179,362</b> Shares being the current number of Shares on issue at the date of this Notice	<b>10% Voting Dilution</b>	23,117,936 Shares	23,117,936 Shares	23,117,936 Shares
	<b>Funds Raised</b>	\$11,501,173.20	\$23,002,346.30	\$46,004,692.60
<b>346,769,043</b> Shares being a 50% increase in the number of Shares on issue at the date of this Notice	<b>10% Voting Dilution</b>	34,676,904 Shares	34,676,904 Shares	34,676,904 Shares
	<b>Funds Raised</b>	\$17,251,759.70	\$34,503,519.50	\$69,007,039.00
<b>462,358,724</b> Shares being a 100% increase in the number of Shares on issue at the date of this Notice	<b>10% Voting Dilution</b>	46,235,872 Shares	46,235,872 Shares	46,235,872 Shares
	<b>Funds Raised</b>	\$23,002,346.30	\$46,004,692.60	\$92,009,385.30

\*The Deemed Price was the closing price of the Shares on the ASX on 9 October 2019.

\*\*All Voting Dilution and Funds Raised numbers in the table have been rounded to nearest whole number.

The above table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the Deemed Price.

The table has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - ii) No unlisted options are exercised or any into Shares or any of the unlisted performance rights vest before the date of the issue of the Equity Securities under ASX Listing Rule 7.1A. The Company has 40,271,670 unlisted options and 9,650,000 unlisted performance rights on issue at the date of this Notice.
  - i) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - ii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
  - iii) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and does not consider issues under the 15% placement capacity under ASX Listing Rule 7.1.
  - iv) The issue of Equity Securities under the 10% Placement Facility consists only of ordinary shares in the Company. The table does not demonstrate the effect of listed or unlisted options being issued under ASX Listing Rule 7.1A.
  - v) The issue price for ordinary shares in the Company is deemed for the purposes of the table to be \$0.995 (**Deemed Price**), being the closing price of these shares on ASX on 9 October 2019. This price is indicative only and does not consider the 25% discount to market that these shares may be issued at.
  - vi) 'A' is the current number of fully paid ordinary shares on issue, and assumes full placement capacity available.
- c) The Company will only issue and allot the Equity Securities pursuant to the 10% Placement Capacity within 12 months of the date of this Annual General Meeting. Further the approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- d) The Company may seek to issue the Equity Securities for the following purposes:
- 1) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
  - 2) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- 1) the methods of raising funds that are available to the Company, including but not limited to, placement, rights issue or other issue in which existing security holders can participate;
  - 2) the effect of the issue of the Equity Securities on the control of the Company;
  - 3) the financial situation and solvency of the Company; and
  - 4) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resource assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resource assets or investments.

- f) **Previous approval under ASX Listing Rule 7.1A:** The Company last obtained approval under Listing Rule 7.1A at its 2018 Annual General Meeting. In the period between the date of the 2018 Annual General Meeting and the date of this Notice of Meeting the Company has issued a total of 26,965,005 ordinary fully paid shares and 21,666,671 unlisted options. Details of these are as follows:

Galilee Energy Limited announced on 5 December 2018 it had raised approximately A\$13,000,000 (before costs) through the issue of 21,666,667 fully paid shares via a placement to sophisticated and institutional investors ("Placement").

These Ordinary Shares represented approximately 10.3% of the shares that were on issue as at the date of the 2018 Annual General Meeting. Of the Placement 20,401,269 Ordinary Shares were issued under the Company's ASX Listing Rule 7.1A capacity. The remaining 1,265,402 ordinary shares under the Placement were issued under the Company's ASX Listing Rule 7.1 capacity.

In addition, participants in the Placement received one (1) unlisted option for each share allotted to them (1:1 basis), exercisable at \$0.75 a share, and expiring 5 December 2019. These 21,666.667 unlisted options were issued under the Company's ASX Listing Rule 7.1 capacity.

The Placement was conducted at an issue price of \$0.60 a share, representing a 5% premium to the 10-day VWAP of \$0.570 per share and a 1.6% discount to Galilee's last closing price of A\$0.61 per share before the Placement was announced (as at Friday, 30 November 2018).

The proceeds of the Placement were used to progress the forward exploration programme, in order to commence securing a rig and ordering long lead items in what was a very tight market for both rigs and services, in addition to bolstering working capital. The major objective of the programme was to expand the Company's knowledge of the Project and progress the Company's goal of converting a large portion of the Project's Contingent Resource into Reserves as quickly as possible.

In addition to the issue of the Ordinary Shares under the Placement the Company has issued another 5,500,001 Ordinary Shares on various dates since the 2018 AGM, as a consequence of the exercise of the unlisted options that the Company has on issue.

### Listing Rule 7.3A.6 Particulars

The details of unlisted options that have been exercised and converted to Ordinary Shares since the 2018 AGM are as follows:

<u>Date</u>	<u>No. Issued</u>	<u>Basis of issue the options.</u>	<u>Details of Securityholders.</u>	<u>Exercise Price.</u>	<u>Consideration Paid.</u>
05/08/2019	1,000,000	Part of Underwriting Fee for capital raising announced 30/10/2017	Employees and Consultants of Gleneagles Securities (Aust) Pty Ltd the underwriter.	\$0.25	\$250,000.00
05/08/2019	50,000	Options allocated to participants in the Placement on a 1:1 announced 05/12/2018.	Investors who participated in the Placement announced 05/12/2018.	\$0.75	\$37,500.00
15/08/2019	2,150,000	Options allocated to participants in the Placement on a 1:1 announced 05/12/2018.	Investors who participated in the Placement announced 05/12/2018.	\$0.75	\$1,612,500.00
22/08/2019	100,000	Options allocated to participants in the Placement on a 1:1 announced 05/12/2018	Investors who participated in the Placement announced 05/12/2018.	\$0.75	\$75,000.00
03/09/2019	1,000,000	Part of Underwriting Fee for capital raising announced 30/10/2017	Employees and Consultants of Gleneagles Securities (Aust) Pty Ltd the underwriter.	\$0.25	\$250,000.00
03/09/2019	200,000	Options allocated to participants in the Placement on a 1:1 announced 05/12/2018	Investors who participated in the Placement announced 05/12/2018.	\$0.75	\$150,000.00
09/09/2019	45,000	Part of Underwriting Fee for capital raising announced 30/10/2017	Employees and Consultants of Gleneagles Securities (Aust) Pty Ltd the underwriter.	\$0.25	\$11,250.00
09/09/2019	33,334	Options allocated to participants in the Placement on	Investors who participated in the Placement	\$0.75	\$25,000.50

		a 1:1 announced 05/12/2018	announced 05/12/2018.		
13/09/2019	200,000	Options allocated to participants in the Placement on a 1:1 announced 05/12/2018	Investors who participated in the Placement announced 05/12/2018.	\$0.75	\$200,000.00
23/09/2019	280,000	Options allocated to participants in the Placement on a 1:1 announced 10/07/2018	Investors who participated in the Placement announced 10/07/2018	\$0.50	\$140,000.00
23/09/2019	60,000	Part of Underwriting Fee for capital raising announced 30/10/2017	Employees and Consultants of Gleneagles Securities (Aust) Pty Ltd the underwriter.	\$0.25	\$15,000.00
03/10/2019	180,000	Options allocated to participants in the Placement on a 1:1 announced 05/12/2018	Investors who participated in the Placement announced 05/12/2018.	\$0.75	\$135,000.00
22/10/2019	186,667	Options allocated to participants in the Placement on a 1:1 announced 05/12/2018	Investors who participated in the Placement announced 05/12/2018.	\$0.75	\$141,500.25
22/10/2019	15,000	Part of Underwriting Fee for capital raising announced 30/10/2017	Employees and Consultants of Gleneagles Securities (Aust) Pty Ltd the underwriter.	\$0.25	\$3,750.00

The combined total of Ordinary Shares and unlisted Options issued as part of the Placement and as a consequence of the exercise of the unlisted Options represents approximately 26.67% of the shares that were on issue as at the date of the 2018 Annual general Meeting.

- g) A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

### **Recommendation**

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum



number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should such an issue be required.

Accordingly, each of the Directors recommends that Shareholders vote in favour of Resolution 4. The Chair of the Meeting intends to vote all available proxies in favour of this resolution.

## Definitions

The following words shall have the following meanings in this Notice of Meeting and Explanatory Memorandum:

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or, where applicable, the Australian Securities Exchange operated by ASX.

**Board** means the Board of Directors of the Company.

**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 **Galilee** means Galilee Energy Limited ACN 064 957 419.

**Constitution** means the constitution of the Company.

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

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

**Explanatory Memorandum** means this explanatory memorandum and any schedule or annexure to it.

**Group** means the Company and each of its Associated Body Corporates (as that term is defined in the Corporations Act).

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

**Meeting** means the Annual General Meeting of the Company to be held at the offices of Piper Alderman Level 26, Riparian Plaza 71 Eagle Street, Brisbane, Queensland on Thursday, 28 November 2019 at 11.00am (Brisbane Time).

**Notice of Meeting** means, unless the context requires otherwise, this document which comprises the Company's Notice of Meeting to be held at 11.00am (Brisbane time) on Thursday, 28 November 2019 at the offices of Piper Alderman, Level 26, Riparian Plaza 71 Eagle Street, Brisbane Queensland and the accompanying Explanatory Memorandum and the Proxy Form.

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

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

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

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


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

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.



## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

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



## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **11.00am (Brisbane Time) Tuesday, 26 November 2019.**

# Voting Form

## How to Vote on Items of Business

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

### VOTE DIRECTLY

**Voting 100% of your holding:** Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the 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.

### 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 or abstain as they choose (to the extent permitted by law). 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

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

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

## Lodge your Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

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

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

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 their broker of any changes.



I 9999999999

I ND

# Voting Form

Please mark  to indicate your directions

## STEP 1 Indicate How your Vote will be Cast *Select one option only*

XX

At the Annual General Meeting of Galilee Energy Limited to be held at Piper Alderman, Level 26, Riparian Plaza, 71 Eagle Street, Brisbane Queensland on Thursday, 28 November 2019 at 11.00am (Brisbane Time) and at any adjournment or postponement of that meeting, I/We being member/s of Galilee Energy Limited direct the following:

### 1. Vote Directly

Record my/our votes strictly in accordance with directions in Step 2.

**PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

### 2. Appoint a Proxy to Vote on Your Behalf: I/We 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

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, and to the extent permitted by law, as the proxy sees fit).

## STEP 2 Items of Business

**PLEASE NOTE:** If you have appointed a proxy and 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. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

		For	Against	Abstain
1	Non-Binding Resolution to Adopt the Remuneration Report for the Financial Year ended 30 June 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	To Re-elect Dr David King as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	To elect Mr Gordon Grieve as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## 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 / /

GLL

1 2 3 4 5 6 A



Computershare +