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# FREMONT PETROLEUM CORPORATION LIMITED

ACN 114 198 471

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Meeting will be held at:

**TIME:** 12.00 pm (AEDT)  
**DATE:** Friday 24 November 2017  
**PLACE:** Boardroom Pty Limited  
Level 12, Grosvenor Place  
225 George Street, Sydney NSW 2000

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00 pm (AEDT) on Wednesday 22 November 2016.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) 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; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR STUART MIDDLETON

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

*“That, for the purpose of clause 59.1 of the Constitution and for all other purposes, Mr Stuart Middleton, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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4. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,350,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

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5. **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF BROKER OPTIONS**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,500,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

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6. **RESOLUTION 5 – 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 Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution 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 and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

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7. **RESOLUTION 6 – PLACEMENT OF SHARES**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to an amount of Shares equal to \$24,000 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue 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 and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

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8. **RESOLUTION 7 – PLACEMENT OF SHARES**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$1,500,000 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue 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 and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

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9. **RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO A RELATED PARTY – GUY GOUDY**

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 6,000,000 Related Party Performance Rights to Guy Goudy (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 8 Excluded Party, 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.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**10. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO A RELATED PARTY – TIMOTHY HART**

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 6,000,000 Related Party Performance Rights to Timothy Hart (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 9 Excluded Party, 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.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**11. RESOLUTION 10 – ISSUE OF PERFORMANCE RIGHTS TO A RELATED PARTY – STUART MIDDLETON**

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,000,000 Related Party Performance Rights to Stuart Middleton (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors (**Resolution 10 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 10 Excluded Party, 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.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 12. RESOLUTION 11 – ISSUE OF PERFORMANCE RIGHTS TO A RELATED PARTY – ANDREW BLOW

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,000,000 Related Party Performance Rights to Andrew Blow (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors (**Resolution 11 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 11 Excluded Party, 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.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 10 October 2017

By order of the Board



**Robert Lees**  
Company Secretary

**Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

**Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9299 9580.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.fremontpetroleum.com/>.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.



## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR STUART MIDDLETON

### 3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Stuart Middleton, who has served as a director since 15 April 2015 and was last re-elected on 27 November 2015, retires by rotation and seeks re-election.

### 3.2 Qualifications and other material directorships

Mr Middleton has significant International experience and returned to Australia from a 10-year assignment in China as the Group Executive for TDS, Banpu Plc, Asian Energy Company with assignments in China, Mongolia, Indonesia, Australia and Thailand. Mr. Middleton has also worked in the USA, Indonesia and Columbia. During his time in China he was highly involved with oil and gas, in both conventional and unconventional drilling for CBM and oil/gas; he advised both government and a major Asian Energy group relating to Asian American Gas Company, extensive JV vertical and multi-lateral directional wells as well as technology transfer from oil/gas to underground degas directional drilling and degas to mitigate dangerous outburst challenges.

Australian by background, Stuart has a Bachelor's degree in engineering and a Master's Commerce degree with double majors in Finance and Technology Management from The University of Sydney. He is a chartered professional engineer and member of the Australian Institute of Company Directors. Mr. Middleton was the general manager of the Baal Bone operation in Lithgow, Australia and served as an Executive Director on the Oakbridge and its subsidiary boards in Sydney and the Queensland North Goonyella Pty. Ltd board in Mackay.

Mr. Middleton also has a strong background in strategic planning and financial strategy for business turn-around which he has brought to effect in his independently representing the Fiduciary Care of shareholders of Fremont Petroleum alongside the Board and Management Team. In addition, he has been engaged as a "Specialist Expert" for major companies and has prepared, or had input into, many Due Diligence and Valuation reports. A particular strength being acutely tuned to operations, technical and developing the underlying fundamental value of resources with 40 years of hands-on planning, operating / improvement and management experience.

Mr Middleton holds no other current directorships in ASX listed companies.

### 3.3 Independence

If elected the board considers that Mr Middleton will be an independent director.

### 3.4 Board recommendation

The Board supports the re-election of Mr Middleton and recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

### 4.1 General

On 31 August, the Company issued 9,350,000 Shares at an issue price of \$0.02 per Share to raise \$187,000.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) 9,350,000 Shares were issued;
- (b) the issue price was \$0.02 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of Xcel Capital Pty Ltd. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for working capital purposes.

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## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF BROKER OPTIONS

### 5.1 General

On 31 August 2017, the Company issued 12,500,000 Options exercisable at \$0.045 on or before 15 July 2021 in consideration for services provided by Xcel Capital Pty Ltd.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) 12,500,000 Options were issued;
- (b) the Options were issued for a nominal price of \$0.00001 per Option;
- (c) the Options will be issued on the terms and conditions set out in Schedule 2;
- (d) the Options were issued to Xcel Capital Pty Ltd, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Options were issued in consideration for services provided by Xcel Capital Pty Ltd.

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## 6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

### 6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$6,740,200.17 (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: FPL) and the Options (ASX

Code: FPLOA). The Company also has three classes on unquoted Options on issue as at the date of this Notice.

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

## **6.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 10.2(a)(ii), the date on which the Equity Securities are issued.

### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

### **(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 4 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.011 50% decrease in Issue Price	0.022 Issue Price	0.033 50% increase in Issue Price
375,754,553 (Current Variable A)	Shares issued - 10% voting dilution	37,575,455 Shares	37,575,455 Shares	37,575,455 Shares
	Funds raised	\$413,330	\$826,660	\$1,239,990
563,631,830 (50% increase in Variable A)	Shares issued - 10% voting dilution	56,363,183 Shares	56,363,183 Shares	56,363,183 Shares
	Funds raised	\$619,995	\$1,239,990	\$1,859,985
751,509,106 (100% increase in Variable A)	Shares issued - 10% voting dilution	75,150,911 Shares	75,150,911 Shares	75,150,911 Shares
	Funds raised	\$826,660	\$1,653,320	\$2,479,980

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

- There are currently 375,754,553 Shares on issue comprising:
  - 306,372,735 existing Shares as at the date of this Notice of Meeting;
  - 1,200,000 Shares which will be issued if Resolution 6 is passed at this Meeting (assuming the Shares are issued for the minimum issue price of \$0.02 per Share); and
  - 68,181,818 Shares which will be issued if Resolution 7 is approved (assuming the Shares are issued at the market price (on 17 October 2017) of \$0.022).
- The issue price set out above is the closing price of the Shares on the ASX on 17 October 2017.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances the Company will provide 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 issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;

- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 21 October 2016 (**Previous Approval**).

The Company has issued 158,751,972 Shares pursuant to the Previous Approval.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

### 6.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

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## 7. RESOLUTION 6 – PLACEMENT OF SHARES

### 7.1 General

Resolution 6 seeks Shareholder approval for the issue of such number of Shares equal to \$24,000, to be calculated using the closing price of the Shares the trading day before this Meeting, in consideration for investor relations and marketing services provided by Six Degrees Media (**Placement**).

A summary of ASX Listing Rule 7.1 is set out above in section 4.1 above.

The effect of Resolution 6 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **7.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$24,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the minimum issue price will be 2 cents;
- (d) the Shares will be issued in lieu of investor relations and marketing services provided by Six Degrees Media;
- (e) the Shares will be issued to Six Degrees Media, who is not a related party of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) no funds will be raised from the Placement as the Shares are being issued in consideration for investor relations and media services provided by Six Degrees Media.

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## **8. RESOLUTION 7 – PLACEMENT OF SHARES**

### **8.1 General**

Resolution 7 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price, that will raise up to \$1,500,000 (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

The effect of Resolution 7 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **8.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$1,500,000;



- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards development capital for the Pathfinder Project and working capital.

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## 9. RESOLUTIONS 8 TO 11 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

### 9.1 General

The Company has agreed, subject to obtaining Shareholder approval, that Guy Goudy, Timothy Hart, Stuart Middleton and Andrew Blow (and/or their respective nominee/s) (**Related Parties**), be issued a total of 16,000,000 Performance Rights pursuant to the Incentive Performance Rights Plan (**Plan**) adopted on 20 December 2016 (**Related Party Performance Rights**).

The purpose of the issue of the Related Party Performance Rights to the Related Parties is to further motivate and reward their respective performances in their roles as Directors of the Company.

A summary of the key terms and conditions of the Performance Rights is set out in Schedule 3.

### 9.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Performance Rights constitutes giving a financial benefit and Guy Goudy, Timothy Hart, Stuart Middleton and Andrew Blow are related parties of the Company by virtue of being Directors of the Company.

As all four of the Company's Directors are benefitting from Resolutions 8 to 11 on similar terms, a quorum of Directors cannot be constituted to ascertain whether

any exceptions set out in section sections 210 to 216 of the Corporations Act apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Performance Rights to the Related Parties.

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

### **9.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14**

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to the Related Parties:

- (a) the related parties are Guy Goudy, Timothy Hart, Stuart Middleton and Andrew Blow and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Related Party Performance Rights (being the nature of the financial benefit being provided) to be issued to the Related Parties (or their nominees) is:
  - (i) 6,000,000 Related Party Performance Rights to Guy Goudy (or his nominee/s);
  - (ii) 6,000,000 Related Party Performance Rights to Timothy Hart (or his nominee/s);
  - (iii) 2,000,000 Related Party Performance Rights to Stuart Middleton (or his nominee/s); and
  - (iv) 2,000,000 Related Party Performance Rights to Andrew Blow (or his nominee/s);
- (c) the Related Party Performance Rights will be issued to the Related Parties (and/or their respective nominee/s) for nil cash consideration and no cash consideration will be payable upon the vesting of the Related Party Performance Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or vesting of the Related Party Performance Rights;
- (d) the following persons were issued Performance Rights for nil cash consideration since approval of the Plan:
  - (i) 500,000 Related Party Performance Rights to Guy Goudy (March 2017);
  - (ii) 500,000 Related Party Performance Rights to Timothy Hart (March 2017);
  - (iii) 175,000 Related Party Performance Rights to Stuart Middleton (or his nominee/s) (March 2017); and
  - (iv) 627,500 Party Performance Rights to nominated management participants (March 2017).

- (e) as at the date of this Notice, the Related Parties are the only people covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued Performance Rights under the Plan (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- (f) the Related Party Performance Rights will be issued to the Related Parties no later than 12 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;
- (g) the Related Party Performance Rights will be issued on the terms and conditions set out in Schedule 3;
- (h) the value of the Related Party Performance Rights and the pricing methodology is set out in Schedule 4;
- (i) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options (Quoted exercisable at \$0.06 each on or before 30/06/2019)
Guy Goudy	2,335,068	208,767
Timothy Hart	1,663,783	16,317
Stuart Middleton	1,750,000	-
Andrew Blow	300,000	-

- (j) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and current financial year are set out below:

Related Party	FY 2017	FY 2016
Guy Goudy	243,708 <sup>1</sup>	300,875 <sup>5</sup>
Timothy Hart <sup>2</sup>	239,727 <sup>2</sup>	161,512 <sup>6</sup>
Stuart Middleton	34,090 <sup>3</sup>	25,185 <sup>7</sup>
Andrew Blow <sup>5</sup>	28,340 <sup>4</sup>	-

**Notes:**

1. Consists of \$214,958 in salary and fees, \$0 in superannuation and \$28,750 in accrued performance rights for Guy Goudy. Total salary and fees paid in USD during 2017 was US\$162,000.
2. Consists of \$210,977 in salary and fees, nil in superannuation and \$28,750 in accrued performance rights for Timothy Hart. Total salary and fees paid in USD during 2017 was US\$159,000.
3. Consists of \$22,000 in salary and fees, \$2,090 in superannuation and \$10,000 in accrued performance rights for Stuart Middleton.
4. Consists of \$22,000 in salary and fees, \$2,090 in superannuation and \$4,250 in accrued performance rights for Andrew Blow.
5. Consists of \$253,690 in salary and fees, \$4,370 in superannuation and \$45,000 in accrued performance rights for Guy Goudy.
6. Consists of \$154,312 in salary and fees, nil in superannuation and \$7,200 in accrued performance rights for Timothy Hart.

7. Consists of \$23,000 salary and fees, \$2,185 in superannuation and nil in accrued performance rights for Stuart Middleton.

- (k) if the maximum number of Related Party Performance Rights granted to the Related Parties are exercised, a total of 16,000,000 Shares would be issued. This will increase the number of Shares on issue from 306,372,735 to 322,372,735 (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.29% comprising 1.86% by Guy Goudy, 1.86% by Timothy Hart, 0.62% by Stuart Middleton and 0.62% by Andrew Blow;
- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.070	18 November 2016
Lowest	\$0.017	19 September 2017
Last	\$0.022	17 October 2017

- (m) the Board acknowledges that the grant of Related Party Performance Rights to Messrs Stuart Middleton and Andrew Blow is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Performance Rights to Messrs Stuart Middleton and Andrew Blow is reasonable in the circumstances for the reason set out in paragraph (o);
- (n) the primary purpose of the grant of the Related Party Performance Rights to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (o) Guy Goudy declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 9 to 11 recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Related Party Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (ii) the grant of the Related Party Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance upon the terms proposed;

- (p) Timothy Hart declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 8, 10 and 11 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (q) Stuart Middleton declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 8, 9 and 11 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (r) Andrew Blow declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 8 to 10 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (s) in forming their recommendations, each Director considered the experience of each other Related Party, the existing and proposed contribution of each Related Party to the Company and the current market practices when determining the number of Related Party Performance Rights to be issued; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 8 to 11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties (and/or their respective nominee/s) as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Performance Rights will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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\$ means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 10.1.

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

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

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

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

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Fremont Petroleum Corporation Limited (ACN 114 198 471).

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

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

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

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share on the terms and conditions set out in Schedule 2.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

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

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

**WST** means Western Standard Time as observed in Perth, Western Australia.

**SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 10 NOVEMBER 2016 (Securities shown as Post June 2017 Consolidation values)**

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 9 December 2016 Appendix 3B – 12 December 2016	50,000	Shares <sup>1</sup>	Mr Andrew Blow, a Director, as approved by the Shareholder meeting dated 21 November 2016.	Issued for nil consideration	Consideration: issued for nil consideration as part of a performance linked incentive in the remuneration package for Directors. Current value = \$1,000
Issue – 16 December 2016 Appendix 3B – 16 December 2016	28,333,333	Shares <sup>1</sup>	Issued as part of a Placement to Sophisticated and professional investors	\$0.06 per Share (0% discount to market price)	Amount raised = \$1,699,999 Amount spent = \$1,699,999 Use of funds <sup>7</sup> = acquisition of Florence Oilfield from Incremental Oil & Gas. Amount remaining = \$nil Proposed use of remaining funds: not applicable
Issue – 16 December 2016 Appendix 3B – 16 December 2016	5,312,000	Options <sup>3</sup>	Patersons Securities (or it's nominees)	Issued for nil consideration	Consideration: nil, free attaching Options exercisable at \$0.06 on or before 30 June 2019 Current value = \$21,248
Issue – 1 March 2017 Appendix 3B – 2 March 2017	26,016,666	Shares <sup>1</sup>	Issued as part of a Placement to sophisticated and professional investors	\$0.06 per Share (00% discount to market price)	Amount raised = \$1,561,000 Amount spent = \$1,561,000 Use of funds = acquisition of Florence Oilfield from Incremental Oil & Gas Limited and for working capital purposes. Amount remaining = \$nil Proposed use of remaining funds: not applicable
Issue – 1 March 2017 Appendix 3B – 2 March 2017	1,802,500	Shares <sup>1</sup>	Issued on conversion of Performance Rights issued to Directors & employees	Issued for nil consideration	Consideration: nil, Performance Rights issued to Directors and Management, approved at AGM – 21 November 2016 Current value = \$34,248
Issue – 1 March 2017 Appendix 3B – 2 March 2017	13,441,665	Options <sup>3</sup>	Issued as part of a Placement to sophisticated and professional investors	Issued for nil consideration	Consideration: nil, free attaching options exercisable at \$0.06 on or before 30 June 2019 Current value = \$53,767
Issue – 5 July 2017 Appendix 3B – 6 July 2017	2,395,000	Shares <sup>1</sup>	Clairault Investments Pty Ltd (or their nominees) as approved by the Shareholder meeting dated 2 June 2017	\$0.06 per Share (no discount)	No funds raised from the Placement as the Shares were being issued for services provided by Clairault Investments Pty Ltd (or it's nominees) as contractors to the Company.

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 5 July 2017 Appendix 3B – 6 July 2017	500,000	Options <sup>4</sup>	Clairault Investments Pty Ltd (or their nominees) as approved by the Shareholder meeting dated 2 June 2017	Issued for nil consideration	Consideration: nil, free attaching options exercisable at \$0.06 on or before 30 June 2019 Current value = \$2,000
Issue – 19 July 2017 Appendix 3B – 19 July 2017	48,900,000	Shares <sup>1</sup>	Issued to sophisticated and professional investor clients of Xcel Capital	\$0.02 per Share (5% discount to market price)	Amount raised = \$978,000 Amount spent = \$978,000 Use of funds = commencement of the development drilling program at the Pathfinder Oil Project. Amount remaining = \$nil Proposed use of remaining funds: not applicable
Issue – 29 August 2017 Appendix 3B – 31 August 2017	59,350,000	Shares <sup>1</sup>	Issued to sophisticated and professional investor clients of Xcel Capita	\$0.02 per Share (no discount to market price)	Amount raised = \$1,187,000 Amount spent = \$377,000 Use of funds = working capital purposes Amount remaining = \$810,000 Proposed use of remaining funds: Drilling program & Working Capital
Issue – 29 August 2017 Appendix 3B – 31 August 2017	51,950,000	Options <sup>5</sup>	Issued to sophisticated and professional investor clients of Xcel Capita	Issued for nil, free attaching Options	Consideration: nil, free attaching options exercisable at \$0.045 on or before 15 July 2018. Current value = \$117,214
Issue – 29 August 2017 Appendix 3B – 31 August 2017	12,500,000	Options <sup>6</sup>	Brokers options	Issued to Brokers for a nominal price of \$0.00001 (no discount)	Consideration: nil, brokers options exercisable at \$0.045 on or before 15 July 2021. Current value = \$114,129

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: FPL (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.006 each, on or before 30 June 2019. The full terms and conditions of the Options are set out in Notice of Annual General Meeting Monday 21 November 2016.
4. Quoted Options, exercisable at \$0.006 each, on or before 30 June 2019, ASX Code: FPLOA.



5. Unquoted Options, exercisable at \$0.045 each, on or before 15 July 2018.
6. Unquoted Options, exercisable at \$0.045 each, on or before 15 July 2021.
7. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
8. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.020) or Options (\$0.0040) as the context requires on the ASX on 5 October 2017. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

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## SCHEDULE 2 – SUMMARY OF TERMS AND CONDITIONS OF BROKER OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.045 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 15 July 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares (i) required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 3 – TERMS AND CONDITIONS OF RELATED PARTY PERFORMANCE RIGHTS

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The terms of the Related Party Performance Rights are set out as follows:

- (a) **(Vesting Conditions):** The Performance Rights will vest upon satisfaction of the following conditions:
- (i) no lost time accident or Phase 1 Environmental Incident occurring between 1 January 2018 and 31 December 2018; and
  - (ii) the Company achieving a year on year production boost of 25% for a minimum period of 90 days as at 31 December 2018; and
  - (iii) the Company achieving a cash flow positive position for a minimum of 90 consecutive days between 1 January 2018 and 31 December 2018; and
  - (iv) the Share price of the Company being \$0.06 per day for a sustained period of 30 days or greater between 1 January 2018 and 31 December 2018,
- (each referred to as a **Vesting Condition**).
- (b) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Vesting Condition have been satisfied.
- (c) **(Vesting):** The Performance Rights will vest on the date the Vesting Condition relating to that Performance Right has been satisfied.
- (d) **(Consideration):** The Performance Rights will be issued for no consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.
- (e) **(Conversion):** Upon vesting, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the Company (**Share**).
- (f) **(Expiry Date):** Any Performance Right that has not been converted into a Share prior to the date that is 5 years from the date of issue of the Performance Right will automatically lapse.
- (g) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (h) **(Listing of shares on ASX):** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (i) **(Timing of issue of Shares on exercise):** Within 15 Business Days after date that the Performance Rights are exercised, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights exercised;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (j) **(Transfer of Performance Rights):** A Performance Right is not transferable.
- (k) **(Participation in new issues):** There are no participating rights or entitlements inherent in the Performance Rights and t will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.
- (l) **(Adjustment for Reorganisation):** If, at any time, the issued capital of the Company is reorganised (including subdivision, reduction or return, all rights of a Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) **(Dividend and Voting Rights):** A Performance Right does not confer on the holder an entitlement to notice of, or to vote or attend at, a meeting of Shareholders of the Company or receive dividends declared by the Company.

## **SCHEDULE 4 – VALUATION OF RELATED PARTY PERFORMANCE RIGHTS**

The Performance Rights pursuant to Resolutions 8 – 11 have been independently valued by SLM Corporate.

Using a pricing model that incorporates a Geometric Brownian Motion model and Monte Carlo simulation and was calculated as an average share price of FPL which will have satisfied the vesting conditions and based on the assumptions set out below, the Performance Rights were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	6 October 2017
Market price of Shares	\$0.018
Expiry date (length of time from issue)	31 December 2018
Risk free interest rate	1.799%
Volatility (discount)	162.4%
<b>Indicative value per Performance Right</b>	\$0.015
<b>Total Value of Performance Rights</b>	
- Guy Goudy	\$91,158
- Timothy Hart	\$91,158
- Stuart Middleton	\$30,386
- Andrew Blow	\$30,386

**All Correspondence to:**

- ✉ **By Mail:** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 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 12:00pm (AEDT) on Wednesday 22 November 2017.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/fplagm2017](http://www.votingonline.com.au/fplagm2017)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### 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 Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be your proxy. A proxy need not be a securityholder 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 should 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 should 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 **12:00pm (AEDT) on Wednesday 22 November 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- |                    |  |
|--------------------|--|
| 💻 <b>Online</b>    | <a href="http://www.votingonline.com.au/fplagm2017">www.votingonline.com.au/fplagm2017</a> |
| 📠 <b>By Fax</b>    | +61 2 9290 9655  |
| ✉ <b>By Mail</b>   | Boardroom Pty Limited<br>GPO Box 3993,<br>Sydney NSW 2001 Australia                        |
| 👤 <b>In Person</b> | Boardroom Pty Limited<br>Level 12, 225 George Street,<br>Sydney NSW 2000 Australia         |

#### Attending the Meeting

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

# Fremont Petroleum Corporation Limited

ACN 114 198 471

## 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 **Fremont Petroleum Corporation Limited** and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) 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 Chair of the Meeting as my/our proxy at the Annual General Meeting of **Fremont Petroleum Corporation Limited** to be held at **Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Friday 24 November 2017 at 12:00pm (AEDT)** 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.

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 8 to 11 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 8 to 11 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

### 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*		FOR	AGAINST	ABSTAIN*
<b>Resolution 1</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 7</b> Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-election of Director- Mr Stuart Middleton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 8</b> Issue of Performance Rights to Guy Goudy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 9</b> Issue of Performance Rights to Timothy Hart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Ratification of Prior Issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 10</b> Issue of Performance Rights to Stuart Middleton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> Approval of 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 11</b> Issue of Performance Rights to Andrew Blow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b> Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017