

VERUS INVESTMENTS LIMITED

ACN 009 575 035

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Verus Investments Limited ("Verus" or the "Company") will be held on Wednesday 19 May 2010 commencing at 11.00am at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

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

1. Resolution 1 - Ratification of Prior Share Issue

"That, in accordance with ASX Listing Rule 7.4, this meeting ratifies the issue of 81,363,273 ordinary fully paid shares on 8 December 2009 on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who participated in the December 2009 share issue, or any associate of such a person. However, the Company will not disregard a vote if:

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

2. Resolution 2 - Placement Issue of Securities

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, this meeting approves and authorises the directors to issue up to 100,000,000 shares at an issue price per share of at least 5 cents and on the further terms and conditions set out in the Explanatory Memorandum forming part of the Notice of this Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the Placement Share Issue or any person who might obtain a benefit from the issue of securities (except a benefit solely in the capacity of a holder of ordinary securities), or any associate of those persons. However, the Company will not disregard a vote if:

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

PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise half of the votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: 30 LEDGAR ROAD BALCATTA, WESTERN AUSTRALIA 6021

Facsimile Number: (61 8) 9240 2406

Postal Address: P O Box 717 BALCATTA, WESTERN AUSTRALIA 6914

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 5pm on 17 May 2010 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

For each resolution, the Chairman intends to vote undirected proxies in favour of the resolution.

BY ORDER OF THE BOARD



P M Jurman
Company Secretary
Perth, Western Australia
16 April 2010

Members who do not plan to attend the meeting are encouraged to complete and return a proxy form.

VERUS INVESTMENTS LTD

ACN 009 575 035

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Verus Investments Ltd (“**Verus**” or the “**Company**”) in connection with the business to be conducted at the Company’s General Meeting to be held on Wednesday 19 May 2010 at 11.00am at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

2. RESOLUTION 1 – Ratification of Prior Share Issue

2.1 *General*

On 2 December 2009 the Company announced the offer of 81,363,273 shares to raise new capital and on 8 December 2009 the issue of those shares was completed.

Resolution 1 seeks ratification by shareholders pursuant to ASX Listing Rule 7.4 of this share issue.

Under ASX Listing Rule 7.1, a company may only issue a limited number of equity securities in any 12 month period. By issuing 81,363,273 shares the Company used part of its 15% placement capacity.

The Company wishes to restore its 15% placement capacity and accordingly under ASX Listing Rule 7.4, seeks subsequent shareholder approval for that prior share issue.

2.2 *Specific Information required by ASX Listing Rule 7.5*

For the purposes of ASX Listing Rule 7.5 information is provided as follows:

- i. 81,363,273 shares were issued under the December 2009 share issue.
- ii. The issue price of the shares was \$0.026 each.
- iii. The shares issued are fully paid ordinary shares in the Company and rank equally with the existing fully paid ordinary shares.
- iv. The shares were issued to professional and sophisticated investor clients of Alto Capital. Related parties of the Company did not participate in the share issue.
- v. \$2,115,445 was raised from the share issue (prior to costs of the issue) to finance the ongoing development costs associated with the Fausse Point opportunity in Louisiana, working capital and general corporate purposes.

A voting exclusion statement is included in the Notice.

2. RESOLUTION 2 – Placement Issue of Securities

2.1 General

Resolution 2 seeks shareholder approval for the allotment and issue of up to 100,000,000 shares at an issue price of at least \$0.05 per share.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue shares under this placement facility during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Specific Information required by ASX Listing Rule 7.3 for the purposes of Resolution 4

For the purposes of ASX Listing Rule 7.3, the following information is provided:

- (i). The maximum number of shares that are proposed to be issued is 100,000,000 fully paid ordinary shares.
- (ii). The issue price of the shares will be at least \$0.05 each.
- (iii). The shares will rank equally with the existing ordinary shares and will be quoted on the ASX.
- (iv). The proposed allottees of the shares will be investors identified by the Directors. Related parties of the Company will not be permitted to participate in this placement.
- (v). The funds are intended to be used to finance further development of the Fausse Point opportunity in Louisiana, the evaluation and acquisition of other potential oil and gas projects, working capital and general corporate purposes.
- (vi). The securities referred to in (i) above will be allotted and issued progressively, but no later than 3 months after the date of this general meeting.

A voting exclusion statement is included in the Notice.

Appointment of Proxy

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

☐

The Chairman
of the Meeting
(mark with an "X")

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Verus Investments Ltd to be held on 19 May 2010 and at any adjournment of that meeting.

If you do **not** wish to direct your proxy how to vote, please place a mark in the box →→ ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest. **The Chairman of the Meeting intends to vote any such undirected proxies in favour of all the resolutions.**

If you do not mark the above box and you have not directed your proxy how to vote in the boxes below, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called.

Voting directions to your proxy – please mark ☒ to indicate your directions

RESOLUTIONS

	FOR	AGAINST	ABSTAIN*
1. Ratification of Prior Share Issue	☐	☐	☐
2. Placement Issue of Securities	☐	☐	☐

* 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 votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE - This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Dated: ____/____/2010

How to complete the Proxy Form

1 Appointment of a Proxy

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

2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three 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 voting rights are to be voted on any item by inserting the percentage or number of securities 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 your vote on that item will be invalid.

3 Appointment of a Second Proxy

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

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or 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.

4 Signing Instructions

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

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 11.00am on 17 May 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON: Registered Office – 30 Ledger Road, Balcatta, Western Australia 6021
- BY MAIL: Registered Office - 30 Ledger Road, Balcatta, Western Australia 6021 / P O Box 717, Balcatta, Western Australia 6914
- BY FAX (61 8) 9240 2406