
EMERALD OIL & GAS NL

ACN 009 795 046

NOTICE OF GENERAL MEETING

TIME: 10.00am (WST)

DATE: 30 July 2014

PLACE: Level 1
248 Hay Street
Subiaco WA 6008

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 2111.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	4
Explanatory Statement (explaining the proposed Resolutions)	5
Glossary	10
Proxy Form	11

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00 am (WST) on Wednesday, 30 July 2014 at:

Level 1
248 Hay Street
Subiaco WA 6008

Your vote is important

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

Voting eligibility

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 5.00 pm (WST) on 28 July 2014.

Voting in person

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

Voting by proxy

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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

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

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – PLACEMENT – 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 457,307,940 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 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.

2. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY – MR MORGAN HART

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

"That, subject to the passing of Resolution 1, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 257,318,823 Shares to Mr Morgan Hart (a proposed director of the Company) (or his nominee) on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Morgan Hart (or his nominee) and any of their associates. 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.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MORGAN HART

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

"That, subject to the passing of Resolutions 1 and 2, for the purpose of clause 3.4 of the Constitution and for all other purposes, Mr Morgan Hart, being eligible, is elected as a Director."

Dated: 17th June 2014
By order of the Board

MS AMANDA BURGESS
EMERALD OIL & GAS NL
COMPANY SECRETARY

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – PLACEMENT – SHARES

1.1 General

The Company announced on 11 June 2014 of its intention to conduct a placement to sophisticated investor clients of Euroz Limited to raise approximately \$5.7 million including an issue of 257,318,823 Shares to Mr Morgan Hart, a proposed director of the Company.

Resolution 1 seeks Shareholder approval for the issue of up to 457,307,940 Shares at an issue price of \$0.0125 per Share (**Placement**).

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.

The effect of Resolution 1 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.

1.2 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 457,307,940 Shares;
- (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 progressively;
- (c) the issue price will be \$0.0125 per Share;
- (d) the Shares will be issued to sophisticated investor clients of Euroz Limited. None of these subscribers are related parties of the Company except in relation to the issue of Shares to Mr Morgan Hart where approval is being sought under Resolution 2;
- (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:
 - (i) continuing to evaluate its future strategy with respect to its core operating asset in Magoffin County, Kentucky;

- (ii) pursue and evaluate more significant opportunities in the oil and gas and broader resources industry that have the potential to grow shareholder value; and
- (iii) general working capital.

2. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY – MR MORGAN HART

2.1 General

Pursuant to Resolution 1, the Company is seeking approval for the Placement. Mr Morgan Hart, who has been invited to join the Board of Emerald, wishes to participate in the Placement.

The Company has agreed, subject to obtaining Shareholder approval and the passing of Resolution 1, to issue a total of 257,318,823 Shares (**Related Party Shares**) to Mr Morgan Hart (or his nominee) (**Related Party**) on the terms and conditions set out below such that Mr Hart's interest in the Company will be 19.69%.

The issue price of the Related Party Shares will be \$0.0125 per Share (**Issue Price**). Mr Hart's decision to participate in the Placement occurred prior to the announcement of the Placement when the market price of the Shares was below the Issue Price. Since the announcement of the Placement, the market price of the Shares has increased. Therefore, Mr Hart may obtain a financial benefit if the market price of the Shares is above the Issue Price at the time of issue of the Related Party Shares. Set out below are examples where Mr Hart may have obtained a benefit on recent market prices:

Date	Market Price of Shares	Benefit to Mr Hart
6 June 2014 (prior to announcement of the Placement)	\$0.012	No benefit
12 June 2014	\$0.014	\$385,978
18 June 2014	\$0.016	\$900,616

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 grant of the Related Party Shares constitutes giving a financial benefit and Mr Morgan Hart is a related party of the Company by virtue of being a proposed director.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person

whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Notwithstanding that the Related Party Shares will be issued on the same terms as those to be issued under the Placement, it is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances. Accordingly, and for the avoidance of doubt, Shareholder approval is sought for the grant of Related Party Shares to the Related Party.

2.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Shares:

- (a) the related party is Mr Morgan Hart and he is a related party by virtue of being a proposed director of the Company;
- (b) the maximum number of Related Party Shares (being the nature of the financial benefit being provided) to be issued to the Related Party is 257,318,823 Related Party Shares. The theoretical financial benefit that may be received by Mr Morgan Hart is the difference between the trading price of the Shares on ASX and the issue price of the Shares (being \$0.0125 per Share);
- (c) the Related Party Shares will be issued to the Related Party no later than 1 month after the date of 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 Shares will be issued on one date;
- (d) the issue price will be \$0.0125 per Share;
- (e) the Related Party 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;
- (f) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in section 1.2(f) of this Explanatory Statement;
- (g) the Related Party does not hold any interests in securities of the Company as at the date of this Meeting;
- (h) the proposed remuneration and emoluments for the Proposed Director for the current financial year are set out below:

Related Party	2014/2015 Financial Year
Mr Morgan Hart	\$48,000

- (i) if the Related Party Shares are issued to the Related Party, a total of 257,318,823 Shares would be issued. This will increase the number of Shares on issue from 1,049,275,291 to 1,306,594,114 (assuming that no other Options are exercised and no shares other than those contemplated by Resolution 1 of this Notice are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 24.52%.

- (j) 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	\$0.018	12 June 2014
Lowest	\$0.006	9 July 2013
Last	\$0.015	20 June 2014

- (k) Mr Morgan Hart declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that Mr Hart is to be issued Related Party Shares in the Company should Resolution 2 be passed.
- (l) no current Director has a personal interest in the outcome of Resolution 2;
- (m) the Directors recommend that Shareholders vote in favour of Resolution 2 for the reasons set out below:
- (i) the issue of the Related Party Shares to the Related Party will align the interests of the Related Party with those of Shareholders;
 - (ii) the issue of the Related Party Shares will, together with the Placement, provide the Company with funding to:
 - (A) allow the Company to continuing to evaluate its future strategy with respect to its core operating asset in Magoffin Country, Kentucky;
 - (B) pursue and evaluate more significant opportunities in the oil and gas and broader resources industry that have the potential to grow shareholder value; and
 - (C) general working capital; and
- (n) the Board and the Proposed Director are 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 Resolution 2.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Shares to the Related Party as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Shares to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MORGAN HART

As announced on 11 June 2014, the Company intends to invite Mr Morgan Hart to join the Board of Emerald following successful completion of the Placement. Mr Hart is a Geologist and experienced Mining Executive, most recently having held positions with Equigold NL and Regis Resources Limited.

The Board recommends the appointment of Mr Hart.

Clause 3.4 of the Constitution allows the Company to appoint Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Mr Hart, being eligible, seeks election from Shareholders in accordance with clause 3.4 of the Constitution.

GLOSSARY

\$ means Australian dollars.

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.

Company means Emerald Oil & Gas NL (ACN 009 795 046).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Emerald means Emerald Oil & Gas NL (ACN 009 795 046).

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Proposed Director means Mr Morgan Hart.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a registered holder of a Share.

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

PROXY FORM

THIS DOCUMENT IS IMPORTANT, IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
PO BOX 8294
SUBIACO EAST WA 6008

EMERALD OIL & GAS NL

ACN: 009 795 046

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

SAMPLE ONLY

Code:

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

OR

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson 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 the Company to be held at 10:00am WST on Wednesday 30 July 2014 at Level 1, 248 Hay Street, Subiaco WA 6008 and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

For Against Abstain*

1. PLACEMENT - SHARES

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2. ISSUE OF SHARES TO RELATED PARTY - MR MORGAN HART

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3. ELECTION OF DIRECTOR - MR MORGAN HART

☐ ☐ ☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* 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.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am WST on Monday 28 July 2014.

ONLINE PROXY SERVICE

You can lodge your proxy online at www.securitytransfer.com.au

- Log into the Investor Centre using your holding details.
- Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID:

1083581624

1 EMR 1

NAME _____

[illegible]

TELEPHONE NUMBER

[illegible]

1. Name and Address

SAMPLE ONLY

2. Appointment of a Proxy
If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as 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 +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, 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 of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign

ONLY

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 10:00am WST on Monday 28 July 2014, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

Online www.securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.