



ABN69 009 196 810
(Incorporated in Western Australia)

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2nd January 2020

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Enclosed please find the Notice of Meeting for the General Meeting to be held on 30 January 2020 to approve the issue of Shares and Options with respect to the Convertible Notes that have been secured by the Company.

Yours faithfully
PROMINENCE ENERGY NL

Jo-Ann Long
Company Secretary



PROMINENCE ENERGY NL

ABN 69 009 196 810

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Thursday 30 January 2020

Time of Meeting

10:00am AWST

Place of Meeting

Level 2, 30 Richardson Street, West Perth Western Australia



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- A. Notice of Extraordinary General Meeting
- B. Explanatory Statement
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IMPORTANT NOTE

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the Extraordinary General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of Extraordinary General Meeting, Explanatory Statement and Proxy Form and are included in this booklet. Shareholders are urged to complete and return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Meeting. A form for appointment of Corporate Representative can be provided by the Company.

QUESTIONS

If you have any queries regarding the contents of this booklet or in relation to the Extraordinary General Meeting, please contact the Company Secretary, Ms Jo-Ann Long on (08) 9321 9886.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Extraordinary General Meeting of the Shareholders of Prominence Energy NL will be held on:

Thursday 30 January 2020 commencing at 10:00am AWST

at: Prominence Energy's Office
Level 2, 30 Richardson Street, West Perth, Western Australia 6005

HOW TO VOTE

You may vote by attending the Meeting in person, by proxy or authorised representative.

VOTING IN PERSON

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10am AWST.

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company Secretary, Ms Jo-Ann Long on facsimile number (+618) 9321 8161; or
- deliver to the Company Secretary at Level 2, 30 Richardson Street, West Perth, Western Australia 6005; or
- post to PO Box 1786, West Perth, Western Australia 6872; or
- send by email to admin@ProminenceEnergy.com.au,

so that it is received not later than 10am AWST on Tuesday 28 January 2020.

Your Proxy Form is enclosed.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Prominence Energy NL will be held on Thursday 30 January 2020 at 10:00am AWST, at the Prominence Energy Office, Level 2, 30 Richardson Street, West Perth, Western Australia.

The following matters are to be considered at the meeting and Resolutions 1 to 5 (inclusive) are discussed in the Explanatory Statement to Shareholders which forms part of this notice.

AGENDA

ORDINARY BUSINESS

1. Resolution 1 – Pre-Approval for the issue of Shares under Convertible Note Agreement to GTT Ventures, the Company's Corporate Advisor, deemed to be an Associate of Company Director Patrick Glovac.

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

"That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve GTT's participation in a unsecured Convertible Note Loan, and approve the issue of Shares to GTT if its rights are exercised in accordance with its participation in the unsecured Convertible Note Loan to the Company in the amount of \$125,000 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of GTT Ventures or Mr Patrick Glovac or an associate of Mr Glovac or GTT Ventures. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Pre-Approval for the issue of Shares under Convertible Note Agreement to Fastlane Australia Pty Ltd (Fastlane).

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of Shares to Fastlane if its rights are exercised in accordance with its participation in a unsecured Convertible Note Loan to the Company in the amount of \$62,500 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of Fastlane or an associate of Fastlane. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3– Pre-Approval for the issue of Shares under Convertible Note Agreement to Bellarine Gold Pty Ltd (Bellarine).

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of Shares to Bellarine if its rights are exercised in accordance with its participation in the unsecured Convertible Note Loan to the Company in the amount of \$62,500 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Bellarine or an associate of Bellarine. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way..

4. Resolution 4 – approval for the issue of 6.25 million Options to GTT in lieu of fees and expenses.

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

"That, subject to approval of Resolution 1, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6.25 million Options (Exercise price of 0.004 and expiry of 31 December 2020 to GTT as a Convertible Note subscriber, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of GTT Ventures, Fastlane, or Bellarine, or an associate of GTT Ventures, Fastlane, or Bellarine. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5 – approval for the issue of 3.125 million Options each to Bellarine and Fastlane in lieu of fees and expenses.

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of 6.25 million Options (Exercise price of 0.004 and expiry of 31 December 2020 to the Convertible Note Subscribers Bellarine and Fastlane in the proportion subscribed for of the Convertible Note on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Fastlane, or Bellarine, or an associate of Fastlane, or Bellarine. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Extraordinary General Meeting.

VOTING ENTITLEMENT

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snapshot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

For the purposes of determining voting entitlements at the Extraordinary General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 10am AWST on Tuesday 28 January 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to vote at the meeting in the event of a poll.

PROXIES

A Proxy Form with related information and instructions accompanies this Notice of Meeting.

CORPORATE REPRESENTATIVE

If a representative of a Shareholder corporation is to attend the meeting, an Appointment of Corporate Representative Form should be completed and produced prior to the meeting commencing. The Form can be requested from the Company.

Dated at Perth this 31st day of December 2019.

By order of the Board of Directors.



Jo-Ann Long

Company Secretary

EXPLANATORY STATEMENT

INTRODUCTION AND BACKGROUND

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Extraordinary General Meeting of Prominence Energy NL.

Shareholders at the Extraordinary General Meeting will be asked to consider resolutions:

1. Resolution 1 The Approval of GTT Ventures participation in the Convertible Note and prospective issue of associated shares to GTT if their conversion rights are exercised.
2. Resolutions 2 and 3 – Approval of the prospective issue of Shares to Fastlane and Bellarine Gold in accordance with the terms of the Convertible Note if their conversion rights are exercised.
3. Resolution 4 and 5 The issue of Options to the Convertible Note participants in lieu of fees

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Extraordinary General Meeting to be held at the Sun offices, Level 2, 30 Richardson street, West Perth, Western Australia on Thursday 30 January 2020 commencing at 10am AWST.

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

The Directors recommend that Shareholders read this Explanatory Statement before determining whether to support the resolutions or otherwise.

Section 2

Information pertaining to Resolution 1 and Resolution 4 – Issue of Securities to Corporate Advisor GTT Ventures (Deemed to be an Associate of Mr Patrick Glovac, Company Director)

2.1 General

The Company is seeking Shareholder approval for GTT's participation in a unsecured Convertible Note Loan, and to approve the issue of Shares to GTT if its rights are exercised in accordance with its participation in the unsecured Convertible Note Loan to the Company in the amount of \$125,000 as announced by the Company on 31 December 2019. The conversion of the Convertible Note is at the option of GTT, however if the Company were to repay the loan in cash, the securities may not be issued.

Convertible Note *The Company proposes to raise \$250,000 by way of an unsecured Convertible Note. The note will be repayable on 31 March 2020 if not exercised prior and price of the Conversion will be the lower of 20% discount to VWAP of the 5 trading days immediately preceding the date of issue or at a 20% discount to the share price achieved for an equity-based capital raising conducted during the term of the note. The coupon rate is 10%pa payable at maturity. The Company intends to issue up 12.5m unlisted Options with an exercise price of \$0.004 and expiry 31 Dec 2020, on a basis of 1 option for every \$0.02 loaned via the Convertible Note.*

GTT subscribed for 50% of the Convertible Note subject to shareholder approval, the remaining 50% was subscribed for by Fastlane Australia Pty Ltd (25%) and Bellarine Gold Pty Ltd (25%), the Company's two largest shareholders. (See Resolution 2 and 3).

Information regarding the Company's relationship with GTT.

GTT is engaged as the Company's Corporate Advisor and has provided corporate advisory and capital raising services for the Company.

Mr Patrick Glovac is a Non-Executive Director of Prominence Energy NL, and is also a Director and Shareholder of GTT. Whilst GTT is not an entity controlled by Mr Glovac, and therefore not a related party under section 208 of the Corporations Act, GTT may be considered an Associate of Mr Glovac under listing Rule 10.11.

GTT Securities

- Ordinary Shares if the loan is converted. (Resolution 1)
- Options on the basis of 1 option for every \$0.02 loaned to the Company (Resolution 4)

The Convertible Note Securities will be issued at the lower 20% discount to VWAP of the 5 trading days immediately preceding the date of issue or at a 20% discount to the share price achieved for an equity-based capital raising conducted during the term of the note, so the exact number is variable according to the pricing. Based on the Company raising funds at 0.1c, and conversion of A\$125,000 (excluding interest), the Company would issue 156.25 million Shares to GTT being 80% of 0.1c.

Table 1 shows the number of securities that may be issued to GTT (excluding interest) under different pricing scenarios. PRM's Closing price was A\$0.002 on Friday 20 December 2019.

Loan Value Excluding interest	PRM Share Price at date of conversion (VWap or Placement Price)	Issue Price to Note Holder (20% discount)	Shares to be issued under Convertible Note Pricing assuming full loan conversion	Shares to be issued under Convertible Note for \$2,092 interest
A\$125,000	A\$ 0.002 (Current Price)	0.0016	78,125,000	653,754
A\$125,000	A\$0.001 (50% of Current Price)	0.0008	156,250,000	1,307,509
A\$125,000	A\$0.004 (200% of Current Price)	A\$0.0032	39,062,500	2,615,017

Table 1 - Number of Ordinary Shares that would be issued to GTT under different Share price scenarios

Consideration. A\$125,000 loaned to the Company on an unsecured basis. The maturity date of the loan is 31 March 2020. The coupon rate is 10%pa payable at maturity. Interest is calculated monthly and paid out on maturity. At 10% per annum the interest generated is approximately \$1,050 per month (increasing with compounding), the interest would be potentially \$2,092 for 3 months, this may be converted into Shares at the election of GTT or repaid in cash, the potential quantum of Shares is shown in Table 1.

2.2 Chapter 2E of the Corporations Act

Under section 208 of the Corporations Act, 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 must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 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 GTT Securities will result in the issue of Securities to an Associate of one of the Company's Directors Mr Patrick Glovac. Whilst not deemed a related party under Section 208, this constitutes the giving of a financial benefit to an Associated Party as GTT is an associate of Mr Glovac under listing Rule 10.11.

The Directors, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the GTT Securities because the securities to be issued to GTT will be issued on the same terms as securities that would be issued to non-related parties. Accordingly, the Directors consider that the issue of the Shares to the Directors (or their respective nominees) is on arm's length terms in accordance with section 210 of the Corporations Act.

2.3 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party unless an exception in Listing Rule 10.12 applies.

As the Company is proposing to issue Securities to GTT Ventures who are deemed an Associated party of one of the Directors, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply to the issue of the GTT Securities.

4.4 Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the GTT Securities:

- The Shares and Options will be issued to:
GTT Global Opportunities Pty Ltd (GTT) – category 10.11.4 – an associate of a person referred to in rules 10.11.1 to 10.11.3.
- The maximum number of Shares to be issued to GTT if GTT exercises its rights under the Convertible Note, is variable and according to a formula (Resolution 1).
The Convertible Note Securities will be issued at the lower of 20% discount to VWAP of the 5 trading days immediately preceding the date of issue or at a 20% discount to the share price achieved for an equity-based capital raising conducted during the term of the note, so the exact number is variable according to the pricing.
For example, based on the Company raising funds at 0.1c, and GTT converting A\$125,000, the Company would issue 156.25 million Shares to GTT being 80% of 0.1c. (See Table 1 for further scenarios)
- The Convertible Note Certificate will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- The maturity date of the Convertible Note is 31 March 2020. The Loan will either be repaid or converted to securities by that date.
- The Company will be loaned \$125,000 by GTT. These funds will be used for working capital and to advance the farm-out of the Company's Bowsprit project.

- (f) The Shares issued to GTT if the loan is converted, will be fully paid ordinary shares in the equity capital of the Company, issued on the same terms and conditions as the Company's existing Shares. Further details on the terms of the Options are provided in Schedule A of this explanatory memorandum.
- (g) The Company will apply to the ASX for official quotation of the Shares.
- (h) GTT is deemed an Associate of Mr Glovac. This issue is not related to the remuneration of Mr Glovac neither as remuneration or incentivisation.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 or Resolution 4 by or on behalf of GTT Ventures or Mr Patrick Glovac or an associate of Mr Glovac or GTT Ventures. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Approval pursuant to Listing Rule 7.1 is not required for the GTT Securities as Shareholder approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Shares to GTT will not use up the Company's 15% annual placement capacity under Listing Rule 7.1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Directors recommend that Shareholders vote in favour of this Resolution.

Section 3

Information pertaining to Resolutions 2 and 3 - Pre-Approval of Issue of Securities associated with a Convertible Note.

General

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company is seeking Shareholder approval to potentially issue securities to Fastlane Australia Pty Ltd (Fastlane) and Bellarine Gold Pty Ltd (Bellarine) under a Convertible Note structure as announced by the Company on 31 December 2019. The conversion of the Convertible Note is at the option of the Note holders, however if the Company were to repay the loan in cash, the securities may not be issued.

Convertible Note *The Company proposes to raise \$250,000 by way of an unsecured Convertible Note. The note will be repayable on 31 March 2020 if not exercised prior and price of the Conversion will be the lower of 20% discount to VWAP of the 5 trading days immediately preceding the date of issue or at a 20% discount to the share price achieved for an equity-based capital raising conducted during the term of the note. The coupon rate is 10%pa payable at maturity. The Company intends to issue up 12.5m unlisted Options with an exercise price of \$0.004 and expiry 31 Dec 2020, on a basis of 1 option for every \$0.02 loaned via the Convertible Note.*

GTT subscribed for 50% and their participation is subject to Shareholder approval (Resolution 1). The balance was subscribed for by Fastlane and Bellarine Gold, (25% each respectively). The Company is seeking approval to issue these securities to Fastlane and Bellarine pursuant to ASX listing rule 7.4.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed Company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities that it had on issue at the start of that period. Listing Rule 7.1A, if an appropriate resolution is passed at the Company's AGM, extends this by a further 10%.

The Company's current placement capacity is: 197,933,638 Under rule 7.1, and 131,955,758 Under rule 7.1A:¹ accordingly the Company has the capacity to issue the Shares to Fastlane and Bellarine associated with the Convertible Note, however, as the Directors wish to preserve the flexibility to raise capital under 7.1 and 7.1A, the Company is seeking shareholder approval to issue the shares in accordance with listing Rule 7.4 and thus preserve the full 7.1 (15%) and 7.1A (10%) placement capacity.

¹ <https://www.asx.com.au/asxpdf/20191216/pdf/44cmmc8cpsy4w7.pdf>

To this end Resolutions 2 and 3 seek shareholder approval to the issue of the related securities for the purpose of listing Rule 7.4.

If Resolutions 2 or 3 are passed the related issues can proceed without using up any of Prominence Energy NL's 15% limit on issuing equity securities without shareholder approval as set out in listing rule 7.1.

If Resolutions 2 or 3 are not passed, the Issue can still proceed to Fastlane and Bellarine but it will reduce to that extent, the Company's capacity to issue equity Securities without shareholder approval under listing rule 7.1 and (potentially) 7.1A for 12 months following the issue.

Pursuant to Listing Rule 741 the following information is provided:

- The number of securities to be issued:
 - The maximum number of Shares to be issued to Fastlane and Bellarine is variable and according to a formula and the interest accrued.
 - The Convertible Note Securities will be issued at the lower of 20% discount to 5 day VWAP or 20% discount to the next PRM placement price, so the exact number is variable according to the pricing. For example, based on the Company raising funds at 0.1c The Company would issue a total of 156.25 million Shares (78,125,000 each) to Fastlane and Bellarine being 80% of 0.1c.
 - The interest would be potentially up to \$2,092 for 3 months, this may be converted into Shares, the potential quantum of Shares is shown in Table 2.

Loan Value Excluding interest	PRM Share Price at date of conversion (VWap or Placement Price)	Issue Price to Note Holder (20% discount)	Shares to be issued under Convertible Note Pricing assuming full loan conversion	Shares to be issued under Convertible Note for \$2,092 interest
A\$125,000 (\$62,500 each)	A\$ 0.002 (Current Price)	0.0016	78,125,000 (39,062,500 each)	653,754
A\$125,000 (\$62,500 each)	A\$0.001 (50% of Current Price)	0.0008	156,250,000 (78,125,000 each)	1,307,509
A\$125,000 (\$62,500 each)	A\$0.004 (200% of Current Price)	A\$0.0032	39,062,500 (19,531,250 each)	2,615,017

Table 2 - Number of Ordinary Shares that would be issued under different Share price scenarios for Resolution 2 & 3.

- The Quantum of issue would be such that the agreement to issue the securities would not be expected to exceed the Company's Placement capacity under 7.1 and 7.1A (197,933,638 Under rule 7.1, and 131,955,758 Under rule 7.1A)
- The Securities will be issued no later than 3 months after the date of the Meeting on or before the maturity date of 31 March 2020. (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- Issue price of the securities: The shares will be issued as a loan conversion if the right is exercised under the terms of the Convertible Note. The securities will be issued at the lower of 20% discount to 5 day VWAP or 20% discount to the next PRM placement price. (See Table 2 for scenarios)
- Recipients of the securities: Fastlane Australia Pty Ltd, Bellarine Gold Pty Ltd or their Nominees.
- Terms of the securities: The Shares issued will rank equally with the Company's existing Shares on issue.
- The Company will apply to the ASX for official quotation of the Shares.
- Intended use of the funds raised if the shares are issued will be to extinguish the Convertible Note. The Loan funds are being used for Working Capital whilst the Company progresses farmout and funding discussions to conclusion for the Bowsprit-1 well.

As the approval is pursuant to Listing Rule 7.4, accordingly, the issue of the Shares to Fastlane and Bellarine (or their respective nominees) will restore the Company's 15% annual placement capacity under Listing Rule 7.1

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 2 or 3 by Fastlane or Bellarine Gold or their Associates respectively. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to exercise all undirected proxies in favour of Resolutions 2 and 3. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 2 and 3, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Directors recommend that Shareholders vote in favour of Resolutions 2 and 3.

Section 4 Resolution 4 and 5 approval for the issue of 12.5 million Options to the Convertible Note participants in lieu of fees and expenses.

2.1 General

That, subject to approval of Resolution 1 (for the issue Options to GTT), and for the purposes of ASX Listing Rule 10.11, ASX Listing Rule 7.4 and for all other purposes the Company is seeking Shareholder approval to issue Options to GTT Ventures (GTT), Fastlane Australia Pty Ltd (Fastlane) and Bellarine Gold Pty Ltd (Bellarine) under a Convertible Note structure as announced by the Company on 31 December 2019 on the basis of 1 option for every \$0.02 loaned to the Company.

Convertible Note *The Company proposes to raise \$250,000 by way of an unsecured Convertible Note. The note will be repayable on 31 March 2020 if not exercised prior and the lower of 20% discount to VWAP of the 5 trading days immediately preceding the date of issue or at a 20% discount to the share price achieved for an equity-based capital raising conducted during the term of the note. The coupon rate is 10%pa payable at maturity. The Company intends to issue up 12.5m unlisted Options with an exercise price of \$0.004 and expiry 31 Dec 2020, on a basis of 1 option for every \$0.02 loaned via the Convertible Note.*

As the Company is proposing to issue Options to GTT Ventures (subject to approval of Resolution 1) who are an Associate party of one of the Directors, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply to the issue of the Options. (See Section 2).

If the Options are issued to the participants, there will be no other establishments fees or commission payable on the funds made available to the Company via the loan.

Information required by Listing Rule 10.13 and Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 10.13 and 7.4 the following information is provided in relation to the Options:

- (a) The Options will be issued to:
 - Subject to the approval of Resolution 1, up to 6.25 million Options to GTT Global Opportunities Pty Ltd – category 10.11.4 – an associate of a person referred to in rules 10.11.1 to 10.11.3.)
 - Up to 3.125 million Options to Fastlane Australia Pty Ltd or its nominee
 - Up to 3.125 million Options to Bellarine Gold Pty Ltd or its nominee
- (b) The maximum number of securities to be issued under Resolution 4 is 12.5 million on the basis of 1 Option for every \$0.02 loaned to the Company.
- (c) The Options have an exercise price of \$0.004 and an expiry date of 31 December 2020. Further details on the terms of the Options are provided in Schedule A of this explanatory memorandum.
- (d) The Company will be loaned up to \$250,000 by the Convertible Note participants. These funds will be used for working capital and to advance the farm-out of the Company's Bowsprit project.
- (e) The Options if exercised will be for fully paid ordinary shares in the equity capital of the Company, issued on the same terms and conditions as the Company's existing Shares. Further details on the terms of the Options are provided in Schedule A of this explanatory memorandum.
- (f) GTT is deemed an Associate of Mr Glovac. This issue is not related to the remuneration of Mr Glovac neither as remuneration or incentivisation.
- (g) The Options to be issued in connection with Resolutions 4 and 5 will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (h) The Quantum of issue would be such that the agreement to issue the Options to Fastlane and Bellarine would not be expected to exceed the Company's Placement capacity under 7.1 (197,933,638 Under rule 7.1)
- (i) Approval is sort pursuant to Listing Rule 10.11 (GTT) and Listing Rule 7.4 (Fastlane and Bellarine) Accordingly, the issue of the Options will restore the Company's 15% annual placement capacity under Listing Rule 7.1.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of GTT Ventures Mr Patrick Glovac or an associate of Mr Glovac or GTT. The Company will disregard any votes cast in favour of Resolution 5, by Fastlane or Bellarine, or an associate of Fastlane or Bellarine. However, this does not apply to a vote cast in favour of a resolution by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way, or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 GLOSSARY

In the Notice of Meeting and this Explanatory Statement:

- (a) "Extraordinary General Meeting" or "Meeting" means the Extraordinary General Meeting of the Company the subject of the Notice of Meeting.
- (b) "ASIC" means Australian Securities & Investments Commission.
- (c) "Associate" means a person or entity associated with (in this case) a Company Director (listing Rules Chapter 19)
- (d) "ASX" means the Australian Securities Exchange operated by ASX Limited.
- (e) "ASX Listing Rules" and "Listing Rules" means the listing rules of the ASX.
- (f) "AWST" means Australian Western Standard Time, being the time in Perth, Western Australia.
- (g) "Board" means the Directors of the Company as at the date of this Notice of Meeting.
- (h) "Chairman" or "Chairperson" means the person appointed to chair the Meeting.
- (i) "Closely Related Party" (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:
 - (1) a spouse of child of that member; or
 - (2) a child of the member's spouse; or
 - (3) a dependant of the member or the member's spouse; or
 - (4) 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 members dealings with the entity; or
 - (5) a company that the member controls; or
 - (6) a person described by the regulations for the purposes of the definition of closely related party.
- (j) "Company" means Prominence Energy NL ABN 69 009 196 810.
- (k) "Constitution" means the constitution of the Company.
- (l) "Corporations Act" means the *Corporations Act 2001* (Cth).
- (m) "Director" means a director of the Company and, where the context permits, includes a retired Director.
- (n) "Equity Securities" has the same meaning as in the ASX Listing Rules.
- (o) "Explanatory Statement" means the explanatory statement to the Notice of Meeting.
- (p) "Key Management Personnel" has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of that entity.
- (q) "Notice" or "Notice of Meeting" means this notice of Extraordinary General Meeting.
- (r) "Option" means an option to acquire a Share.
- (s) "Proxy Form" means the proxy form attached to the Notice of Meeting.
- (t) "Resolution" means a resolution contained in this Notice of Meeting.
- (u) "Share" means fully paid ordinary share in the capital of the Company.
- (v) "Shareholder" means a holder of Shares.

SCHEDULE A - TERMS AND CONDITIONS OF OPTIONS

- The Options will be unlisted options, with an exercise price of \$0.004 per share and an expiry date of 31 December 2020. The Options once exercised would be for Shares that will rank equally with the Company's existing Shares.
- The Options held by the optionholder are exercisable in whole or in part at any time during the exercise period. Options not exercised before the expiry of the exercise period will lapse.
- Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price in cleared funds.
- The Company will not apply for official quotation on ASX of the Options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.
- Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:
 - i. elect to be registered as the new holder of the Options;
 - ii. whether or not he becomes so registered, exercise those Options in accordance with the terms and conditions on which they were granted; and
 - iii. if the deceased has already exercised Options, pay the exercise price in respect of those Options.
- An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
- If, during the currency of the Options the issued capital of the Company is reorganised, those Options will be reorganised to the extent necessary to comply with ASX Listing Rules.



Lodge your vote:



By Mail:

Prominence Energy NL
PO Box 1786
WEST PERTH WA 6872

Alternatively you can fax your form to
(within Australia) 08 9321 8161
(outside Australia) + 61 8 9321 8161

For all enquiries call:

(within Australia) 08 9321 9886
(outside Australia) + 61 8 9321 9886

Proxy Form



For your vote to be effective it must be received by 10am AWST Tuesday 28 January 2020

How to Vote on Items of Business

All your securities will be voted in accordance with your directions

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a security holder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the security holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: If you have not already lodged a Power of Attorney with the Share Registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate security holder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Corporate Representative" prior to admission. A form of the certificate is attached to the back of this notice.

Comments and Questions: If you have any comments or questions for the company please write them on a separate sheet of paper and return with this form.

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. i.e. no later than 10am AWST on Tuesday 28 January 2020. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 2, 30 Richardson Street, West Perth, WA, 6005 or PO Box 1786, West Perth, WA, 6872, sent by facsimile to the registered office on (08) 9321 8161 or sent by email to admin@ProminenceEnergy.com.au.

Please mark ☒ to indicate your directions

ABN 69 009 196 810
(Incorporated in Western Australia)



PROXY FORM

Shareholder Details

Name: _____

Address: _____

Contact Telephone No: _____

Contact Name (if different from above): _____

Appoint A Proxy to Vote on Your Behalf

I/We being a shareholder/s of Prominence Energy NL hereby appoint

☐

The Chairman
of the Meeting

OR



PLEASE NOTE:

Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name (s).

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and .
behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting
Members of Prominence Energy NL to be held at the office of Prominence Energy NL, Level 2 30 Richardson Street, West Perth, Western Australia, on
Thursday 30 January 2020 at 10:00am AWST and at any adjournment of that meeting.

IMPORTANT INFORMATION IF APPOINTING THE CHAIRMAN AS YOUR PROXY

If the Chairman of the Extraordinary General Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on
Resolutions by marking the appropriate box in step 2 below.

The Chairman of the Extraordinary General Meeting intends to vote undirected proxies in favour of each Item of business.

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your
behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain*
Resolution 1 – Approval GTT's participation in and Approval of issue of Shares to GTT under Convertible Note	☐	☐	☐
Resolution 2 – Approval of Issue of Shares to Fastlane under Convertible Note	☐	☐	☐
Resolution 3 – Approval of Issue of Shares to Bellarine under Convertible Note	☐	☐	☐
Resolution 4 – Approval of Issue of Options to GTT	☐	☐	☐
Resolution 5 – Approval of Issue of Options to Bellarine and Fastlane	☐	☐	☐

Appointment of a second proxy

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

%

Signature of Security holder (s) *This section must be completed*

Individual or Security Holder 1

Sole Director and
Sole Company Secretary

Contact
Name: _____

Security Holder 2

Director

Contact
Daytime
Telephone: _____

Security Holder 3

Director/Company Secretary

Date: ____ / ____ / ____