



PETRATHERM LIMITED
ACN 106 806 884

NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

15 March 2011

Time of Meeting

11.00 am (SA time)

Place of Meeting

McLaren Vale Room
129 Greenhill Road
UNLEY SA 5061

NOTICE OF GENERAL MEETING

PETRATHERM LIMITED ACN 106 806 884

Notice is hereby given that a general meeting of shareholders of Petratherm Limited will be held at 11.00 am (SA time) on 15 March 2011 in the McLaren Vale Room, 129 Greenhill Road, Unley, South Australia to consider and, if thought fit, pass the following resolution as an ordinary resolution:

Resolution 1: Subsequent approval of the issue of 15,040,000 ordinary shares

‘That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval be and is hereby given to the allotment and issue by the Company of 15,040,000 ordinary shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

DATED 10 February 2011

By order of the Board

A handwritten signature in cursive script, appearing to read "Donald Stephens".

Donald Stephens
Company Secretary

NOTES:

1. Definitions

In this Notice and the Explanatory Statement which is attached to and forms part of this Notice:

ASX Listing Rules means the official listing rules of ASX Limited ACN 008 624 691;

Board means the board of directors of the Company;

Company means Petratherm Limited ACN 106 806 884;

Meeting means the meeting of shareholders convened by the Notice; and

Notice means this notice of general meeting.

2. Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by a person who participated in the issue of Placement Shares and associates of that person.

However the Company need not disregard a vote if:

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

3. Proxies

A shareholder entitled to attend the Meeting and vote is entitled to appoint a proxy to attend and vote for the shareholder at the Meeting. A proxy need not be a shareholder. If the shareholder is entitled to cast two or more votes at the Meeting the shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

4. Voting Entitlement

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Company (as convenor of the Meeting) has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of shareholders as at 5.30 pm (SA time) on 13 March 2011. This means that any shareholder registered at 5.30 pm (SA time) on 13 March 2011 is entitled to attend and vote at the Meeting.

5. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the *Corporations Act 2001* (Cth) authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a notice convening a general meeting of shareholders of Petrathern Limited to be held on 15 March 2011. This Explanatory Memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the resolution proposed. Both documents should be read in their entirety and in conjunction with each other.

On 16 December 2010 the Company announced that it had successfully completed a placement of 15,040,000 ordinary shares (**Placement Shares**) at an issue price of \$0.10 per share to raise approximately \$1.5 million.

The Placement Shares were issued on 22 December 2010. The purpose of Resolution 1 is to obtain shareholder approval for the issue of the Placement Shares for the purpose of ASX Listing Rule 7.4 and for all other purposes.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting, unless an exception in ASX Listing Rule 7.2 applies.

However, ASX Listing Rule 7.4 provides that an issue of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of ASX Listing Rule 7.1 if:

- (a) the issue did not breach ASX Listing Rule 7.1; and
- (b) holders of ordinary securities subsequently approve it.

The issue of the Placement Shares did not result in the Company breaching the 15% limit referred to in ASX Listing Rule 7.1. The issue of the Placement Shares does not therefore depend upon shareholders passing Resolution 1. The purpose of Resolution 1 is to obtain shareholder approval for the purpose of ASX Listing Rule 7.4 and for all other purposes. If shareholders approve the issue of the Placement Shares for the purpose of ASX Listing Rule 7.4, the issue of the Placement Shares will not count towards determining the number of equity securities which the Company can issue in any 12 month period. However, if shareholders do not approve the issue of the Placement Shares for the purpose of ASX Listing Rule 7.4, the issue of the Placement Shares will count towards the number of equity securities which the Company can issue in any 12 month period.

For the purpose of ASX Listing Rule 7.5 information regarding the Placement Shares is provided as follows:

- 15,040,000 Placement Shares were allotted on 22 December 2010.
- The Placement Shares were issued at an issue price of \$0.10 each.
- The terms and conditions of the Placement Shares are the same as the terms and conditions of already issued fully paid ordinary shares in the Company.
- The allottees of the Placement Shares are applicants for Placement Shares as determined by the Board.
- Funds raised from the issue of the Placement Shares will be used fund ongoing exploration and development of the Company's projects, in particular the Company's flagship project Paralana and the Tenerife slim-hole drilling campaign.

The directors of the Company recommend that shareholders vote in favour of Resolution 1.



000001 000 PTR
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
 (custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
 (outside Australia) +61 3 9415 4000

Proxy Form

 Vote online or view the annual report, 24 hours a day, 7 days a week: www.investorvote.com.au	
☒ Cast your proxy vote ☒ Access the annual report ☒ Review and update your securityholding	Your secure access information is: Control Number: 999999 SRN/HIN: I9999999999 PIN: 99999  PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11:00am (Adelaide time) Sunday 13 March 2011**

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 securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & 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.

**GO ONLINE TO VOTE,
 or turn over to complete the form →**

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

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Petratherm Ltd 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 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 Petratherm Ltd to be held in the McLaren Vale Room, 129 Greenhill Road, Unley, South Australia on Tuesday, 15 March 2011 at 11:00am (Adelaide time) and at any adjournment of that meeting.

STEP 2 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.

Business

1 Subsequent approval of the issue of 15,040,000 ordinary shares

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date ____/____/____

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Computershare +