

PETRATHERM LIMITED
ACN 106 806 884

NOTICE OF EXTRAORDINARY GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

23 July 2014

Time of Meeting

11.00 am (Adelaide time)

Place of Meeting

McLaren Vale Conference Room
Ground Floor
129 Greenhill Road
UNLEY SA 5061

NOTICE OF EXTRAORDINARY GENERAL MEETING

PETRATHERM LIMITED ACN 106 806 884

Notice is hereby given that an Extraordinary General Meeting of shareholders of Petratherm Limited (**Company**) will be held in the McLaren Vale Conference Room, Ground Floor, 129 Greenhill Road, Unley, South Australia at 11.00 am (Adelaide time) on 23 July 2014.

Resolution 1: Issue of 1,500,000 Shares to Terry Kallis

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

‘That in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue of 1,500,000 ordinary shares to Mr Terry Kallis (or his nominee), in lieu of salary, on the terms and conditions in the Explanatory Memorandum.’

Resolution 2: Issue of 1,500,000 Shares to Simon O’Loughlin

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

‘That in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue of 1,500,000 ordinary shares to Mr Simon O’Loughlin (or his nominee), in lieu of directors’ fees, on the terms and conditions in the Explanatory Memorandum.’

Resolution 3: Issue of 600,000 Shares to Donald Stephens

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

‘That in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue of 600,000 ordinary shares to Mr Donald Stephens (or his nominee), in lieu of company secretary fees, on the terms and conditions in the Explanatory Memorandum.’

Resolution 4: Issue of 2,000,000 Shares to Derek Carter

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

‘That in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue of 2,000,000 ordinary shares to Mr Derek Carter (or his nominee), in lieu of directors’ fees, on the terms and conditions in the Explanatory Memorandum.’

Resolution 5: Issue of 1,500,000 Shares to Richard Bonython

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

‘That in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue of 1,500,000 ordinary shares to Mr Richard Bonython (or his nominee), in lieu of directors’ fees, on the terms and conditions in the Explanatory Memorandum.’

Resolution 6: Issue of 1,500,000 Shares to Richard Hillis

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

‘That in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue of 1,500,000 ordinary shares to Mr Richard Hillis (or his nominee), in lieu of directors’ fees, on the terms and conditions in the Explanatory Memorandum.’

Resolution 7: Issue of 1,500,000 Shares to Lewis Owens

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

‘That in accordance with Listing Rule 10.11 and for all other purposes, approval be and is hereby given to the issue of 1,500,000 ordinary shares to Mr Lewis Owens (or his nominee), in lieu of directors’ fees, on the terms and conditions in the Explanatory Memorandum.’

Resolution 8: Section 195 Approval

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

‘That for the purposes of section 195(4) of the Corporations Act and for all other purposes, approval be and is hereby given to the Directors to complete the transactions contemplated by Resolutions 1, 2 and 3.’

DATED 13 JUNE 2014

**BY ORDER OF THE BOARD
PETRATHERM LIMITED**



**DONALD STEPHENS
COMPANY SECRETARY**

NOTES:

1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting is incorporated in and comprises part of this Notice of Extraordinary General Meeting and should be read in conjunction with this Notice of Extraordinary General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Extraordinary General Meeting and the Explanatory Memorandum.

2. Voting Exclusion Statements

(a) Resolution 1

For the purposes of the Listing Rules, the Company will disregard any votes in respect of Resolution 1 if they are cast by Mr Terry Kallis or his nominee and associates of Mr Kallis or his nominee.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) 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.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 1 if:

- (i) the person is either:
 - a member of the Key Management Personnel for the company or, if the company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- (ii) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote if:

- (i) the person is the chair of the meeting at which the resolution is voted on; and
- (ii) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the company or, if the company is part of a consolidated entity, for the entity.

(b) Resolution 2

For the purposes of the Listing Rules, the Company will disregard any votes in respect of Resolution 2 if they are cast by Mr Simon O'Loughlin or his nominee and associates of Mr O'Loughlin or his nominee.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

- (ii) 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.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 2 if:

- (i) the person is either:
- a member of the Key Management Personnel for the company or, if the company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- (ii) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote if:

- (i) the person is the chair of the meeting at which the resolution is voted on; and
- (ii) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the company or, if the company is part of a consolidated entity, for the entity.

(c) **Resolution 3**

For the purposes of the Listing Rules, the Company will disregard any votes in respect of Resolution 3 if they are cast by Mr Donald Stephens or his nominee and associates of Mr Stephens or his nominee.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) 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.

For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- (i) the person is either:
- a member of the Key Management Personnel for the company or, if the company is part of a consolidated entity, for the entity; or
 - a Closely Related Party of such a member; and
- (ii) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote if:

- (i) the person is the chair of the meeting at which the resolution is voted on; and
- (ii) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the company or, if the company is part of a consolidated entity, for the entity.

(d) **Resolution 4**

For the purposes of the Listing Rules, the Company will disregard any votes in respect of Resolution 4 if they are cast by Mr Derek Carter or his nominee and associates of Mr Carter or his nominee.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) 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.

(e) **Resolution 5**

For the purposes of the Listing Rules, the Company will disregard any votes in respect of Resolution 5 if they are cast by Mr Richard Bonython or his nominee and associates of Mr Bonython or his nominee.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) 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.

(f) **Resolution 6**

For the purposes of the Listing Rules, the Company will disregard any votes in respect of Resolution 6 if they are cast by Mr Richard Hillis or his nominee and associates of Mr Hillis or his nominee.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) 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.

(g) **Resolution 7**

For the purposes of the Listing Rules, the Company will disregard any votes in respect of Resolution 7 if they are cast by Mr Lewis Owens or his nominee and associates of Mr Owens or his nominee.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (ii) 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 this 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.

To record a valid vote, a shareholder will need to take the following steps:

- 3.1 cast the shareholder's vote online by visiting www.investorvote.com.au and entering the shareholder's Control Number, SRN/HIN and postcode, which are shown on the first page of the enclosed proxy form; or
- 3.2 complete and lodge the manual proxy form at the share registry of the Company, Computershare Investor Services Pty Limited:
 - (a) by post at the following address:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001
 - OR
 - (b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- 3.3 for Intermediary Online subscribers only (custodians), cast the shareholder's vote online by visiting www.intermediaryonline.com,

so that it is received no later than 11.00 am (Adelaide time) on 21 July 2014.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on each of Resolutions 1, 2 and 3 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolutions 1, 2 and 3 by marking the appropriate box on the proxy form.

Undirected Proxy Voting by the Chair of the Meeting

The chair of the meeting will not vote any undirected proxies in relation to Resolution 2 unless the shareholder specifically authorises the chair to vote in accordance with the chair's stated voting intentions. If a shareholder wishes to nominate the chair as their proxy for the purpose of Resolution 2, the shareholder must either tick the 'for', 'against' or 'abstain' box directing the chair how to vote, or tick the box authorising the chair to vote in accordance with his or her stated voting intention, on the enclosed Proxy Form in order for their proxy vote to be counted. Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 2 a proxy who is not a member of the Company's Key Management Personnel or Closely Related Party. That person would be permitted to vote undirected proxies.

The chair intends to vote undirected proxies in favour of each item of business.

4. 'Snap Shot' Time

The Company may 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. The Directors have determined that all shares of the Company that are

quoted on ASX as at 7.00 pm (Adelaide time) on 21 July 2014 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the shares at that time.

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 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 an Extraordinary General Meeting of shareholders of Petratherm Limited to be held on 23 July 2014. 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 resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by shareholders to consider Resolutions 1 to 8 (inclusive).

1. RESOLUTIONS 1, 2, 3, 4, 5, 6 AND 7 – ISSUE OF SHARES TO DIRECTORS AND FORMER DIRECTORS

1.1 General

Resolutions 1, 2, 3, 4, 5, 6 and 7 seek shareholder approval pursuant to Listing Rule 10.11 for the issue of a total of 10,100,000 ordinary shares to the Company's current Directors, Messrs Terry Kallis, Simon O'Loughlin and Donald Stephens, and the Company's former Directors who retired on 31 March 2014, Messrs Derek Carter, Richard Bonython, Richard Hillis and Lewis Owens (or their nominees), in lieu of part salary (in the case of Mr Kallis), directors' fees (in the case of Messrs O'Loughlin, Carter, Bonython, Hillis and Owens) and part company secretary fees (in the case of Mr Stephens) payable to them for the period commencing on 1 April 2013 and ending on 31 March 2014 (together the **Directors Shares**).

For the period referred to above:

- (a) Mr Kallis, as the Company's Managing Director, was entitled to a salary of \$330,000, but has been paid only \$181,500. During the period referred to above Mr Kallis had foregone salary to which he was entitled (\$148,500). Mr Kallis has agreed, subject to shareholder approval, to receive shares in lieu of the part of the amount of the salary foregone (\$22,500).
- (b) Mr Carter, as the Company's Chairman of the Board of Directors, was entitled to a director's fee of \$60,000, but was not paid any part thereof. Mr Carter has agreed to forego half of the amount of the director's fee to which he is entitled (\$30,000) and, subject to shareholder approval, to receive shares in lieu of the unpaid balance of the director's fee to which he is entitled (\$30,000).
- (c) Each of Messrs O'Loughlin, Bonython, Hillis and Owens, as non-executive Directors of the Company, was entitled to a director's fee of \$45,000, but was not paid any part thereof. Each of Messrs O'Loughlin, Bonython, Hillis and Owens has agreed to forego half of the amount of the director's fee to which he is entitled (\$22,500) and, subject to shareholder approval, to receive shares in lieu of the unpaid balance of the director's fee to which he is entitled (\$22,500).
- (d) Mr Stephens as a Company Secretary of the Company was paid as a contractor for services provided. During the period referred to above Mr Stephens had foregone fees to which he was entitled (\$18,000). Mr Stephens has agreed, subject to shareholder approval, to receive shares in lieu of half of the amount of the fees foregone (\$9,000).

Subject to shareholder approval of Resolutions 1, 2, 3, 4, 5, 6 and 7, the number of Directors Shares to be issued to each of Messrs Kallis, O’Loughlin, Stephens, Carter, Bonython, Hillis and Owens (or their nominees) is set out in the below table:

Director or Former Director	No. of Shares
Mr Terry Kallis	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Simon O’Loughlin	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Donald Stephens	No. of Shares = $\frac{\$9,000}{\$0.015} = 600,000$
Mr Derek Carter	No. of Shares = $\frac{\$30,000}{\$0.015} = 2,000,000$
Mr Richard Bonython	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Richard Hillis	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Lewis Owens	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$

The deemed issue price of each Director Share will be \$0.015, which is 94.81% above the 15 day volume weighted average price of the Company’s shares on ASX prior to 31 March 2014 of \$0.0077.

No funds will be raised from the issue of the Directors Shares as they are not being issued for cash consideration, but rather in consideration for the services provided by the Directors or former Directors during the period referred to above.

1.2 **Section 208 of Corporations Act**

Section 208 of the Corporations Act provides that 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.

Messrs Kallis, O’Loughlin and Stephens are current Directors of the Company, and are therefore related parties of the Company.

Messrs Carter, Bonython, Hillis and Owens retired as Directors of the Company on 31 March 2014. As they were Directors of the Company within the previous six months, they are therefore related parties of the Company.

The Board has formed the view that shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Directors Shares as the

exception in section 211 of the Corporations Act applies. The Directors Shares are being issued in lieu of part salary (in the case of Mr Kallis), directors' fees (in the case of Messrs O'Loughlin, Carter, Bonython, Hillis and Owens) and part company secretary fees (in the case of Mr Stephens), and is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

1.3 **Listing Rule 10.11**

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from shareholders.

The effect of passing Resolutions 1, 2, 3, 4, 5, 6 and 7 will be to allow the Company to issue a total of 10,100,00 ordinary shares to Messrs Kallis, O'Loughlin, Stephens, Carter, Bonython, Hillis and Owens (or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1. If shareholder approval is given under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1.

If shareholders do not approve any of Resolutions 1, 2, 3, 4, 5, 6 and 7, the Company will not issue the Directors Shares to Messrs Kallis, O'Loughlin, Stephens, Carter, Bonython, Hillis and Owens (or their nominees) (as the case may be).

1.4 **Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Directors Shares will be issued to Messrs Kallis, O'Loughlin, Stephens, Carter, Bonython, Hillis and Owens (and/or their nominees).
- (b) The maximum number of ordinary shares to be issued to each of Messrs Kallis, O'Loughlin, Stephens, Carter, Bonython, Hillis and Owens (and/or their nominees) is set out in the table below:

Director or Former Director	No. of Shares
Mr Terry Kallis	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Simon O'Loughlin	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Donald Stephens	No. of Shares = $\frac{\$9,000}{\$0.015} = 600,000$
Mr Derek Carter	No. of Shares = $\frac{\$30,000}{\$0.015} = 2,000,000$
Mr Richard Bonython	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Richard Hillis	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$
Mr Lewis Owens	No. of Shares = $\frac{\$22,500}{\$0.015} = 1,500,000$

- (c) The Directors Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Directors Shares will be issued at a deemed issue price of \$0.015 each.
- (e) The Director Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing shares on issue.
- (f) No funds will be raised from the issue of the Director Shares as they are not being issued for cash consideration, but rather in consideration for the services provided by the Directors or former Directors during the period referred to in section 1.1.

As the current Directors have an interest in Resolutions 1, 2 and 3, they do not wish to make a recommendation as to how shareholders ought to vote on these Resolutions.

The current Directors recommend that shareholders vote in favour of Resolutions 4, 5, 6 and 7.

The chair intends to vote undirected proxies in favour of each of Resolutions 1, 2, 3, 4, 5, 6 and 7.

2. **RESOLUTION 8: SECTION 195 APPROVAL**

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Messrs Kallis, O'Loughlin and Stephens have a material personal interest in the outcome of Resolutions 1, 2 and 3.

In the absence of Resolution 8, the current Directors of the Company may not be able to form a quorum at Directors' meetings necessary to carry out the terms of Resolutions 1, 2 and 3.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to shareholders to resolve.

The chair intends to vote undirected proxies in favour of Resolution 8.

3. **GLOSSARY**

In this Explanatory Memorandum and Notice of Extraordinary General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

ASX means ASX Limited ACN 008 624 691;

Board means the board of directors of the Company;

Closely Related Party of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;

- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means Petratherm Limited ACN 106 806 884;

Corporations Act means *Corporations Act 2001* (Cth);

Director means a director of the Company;

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company);


Listing Rules means the listing rules of ASX;

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

Notice means the notice of meeting to which this Explanatory Memorandum is attached.

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

 <p>Vote online Go to www.investorvote.com.au or scan the QR Code with your mobile device. Follow the instructions on the secure website to vote.</p>	
<p>Your access information that you will need to vote:</p> <p>Control Number:</p> <p>SRN/HIN:</p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 11:00 am (Adelaide time) on Monday 21 July 2014**

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 help tab, "Printable 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 →**

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.

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, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Petratherm Ltd to be held at McLaren Vale Conference Room, Ground Floor, 129 Greenhill Road, Unley SA on Wednesday, 23 July 2014 at 11:00 am (Adelaide time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 2 & 3 (except where I/we have indicated a different voting intention below) even though Items 1, 2 & 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Item 2, this express authority is also subject to you marking the box in the section below. If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 2 & 3 by marking the appropriate box in step 2 below.

Important for Item 2: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 2 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Item 2, the Chairman of the Meeting will not cast your votes on Item 2 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 2 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Item 2 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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.

	For	Against	Abstain		For	Against	Abstain
1 Issue of 1,500,000 Shares to Terry Kallis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Issue of 1,500,000 Shares to Richard Hillis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of 1,500,000 Shares to Simon O'Loughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Issue of 1,500,000 Shares to Lewis Owens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of 600,000 Shares to Donald Stephens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of 2,000,000 Shares to Derek Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Issue of 1,500,000 Shares to Richard Bonython	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote all available 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

/ /