



# COMET RIDGE LIMITED

A.B.N 47 106 092 577

## NOTICE OF 2014 ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

**Date of Meeting**

Thursday 27 November 2014

**Time of Meeting**

11.00am (Brisbane Time)

**Place of Meeting**

Brisbane Polo Club  
Naldham House  
193 Mary St (Cnr Eagle & Felix Streets)  
Brisbane QLD, 4000

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# COMET RIDGE LIMITED

A.B.N 47 106 092 577

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Comet Ridge Limited A.B.N 47 106 092 577 ("the Company") will be held at the Brisbane Polo Club, Naldham House, 193 Mary Street (Cnr Eagle & Felix Streets), Brisbane Qld 4000 on Thursday 27 November 2014 at 11.00am (Brisbane time) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

## AGENDA

### ITEMS OF BUSINESS

#### Financial Statements and Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2014 together with the Directors' Report and the Auditors' Report as set out in the Annual Report.

#### Resolution 1 – Non Binding Resolution to Adopt Remuneration Report

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

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2014 be adopted."*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### For the purposes of Resolution 1:

##### Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by or on behalf of:

- a member of the Key Management Personnel (**KMP**) of the Company; or
- a Closely Related Party of a KMP,

whether the votes are cast as a shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote if it is cast as a proxy by a KMP, details of whose remuneration are included in the remuneration report for the year ended 30 June 2014, or a Closely Related Party of such a KMP:

- for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP; and

- the vote is not cast on behalf of a KMP details of whose remuneration are included in the remuneration report for the year ended 30 June 2014, or a Closely Related Party of a KMP.

Further, the Company will not disregard a vote if it is cast by a KMP, details of whose remuneration are not included in the remuneration report for the year ended 30 June 2014, or a Closely Related Party of such a KMP:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

The Chairman intends to vote any undirected proxies in favour of this resolution.

#### Resolution 2 – Re-election of Mr Anthony Gilby as a Director

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

*"That, Anthony Gilby, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

#### Resolution 3 – Grant of Performance Rights to Managing Director

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

*"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of 1,000,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director, Tor McCaul, under the Company's Performance Rights Plan (PRP), which is constituted and administered in accordance with the Rules of the PRP, on the terms summarised in the Explanatory Memorandum."*

#### For the purposes of Resolution 3:

##### Voting Exclusion Statement:

A vote on Resolution 3 must not be cast and the Company will disregard any votes cast on this Resolution 3 by or on behalf of Mr Tor McCaul or any Director of the Company who is eligible to participate in the employee incentive scheme in respect to which the approval is sought and, if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in the employee incentive scheme and any associate of such a Director (together Excluded Persons).

However, the Company need not disregard a vote if it is cast by an Excluded Person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person who is chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on this resolution 3 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel and any Closely Related Party of such a member acting as a proxy, if their appointment does not specify the way the proxy is to vote on this resolution 3.

However, a member of the Key Management Personnel or any Closely Related Party of such a member may vote when acting as proxy if that person is the person chairing the meeting and the appointment expressly authorises the person chairing the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote any undirected proxies in favour of this resolution.

#### **Resolution 4 – Ratification of the Issue of Shares**

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, Shareholder ratify the allotment and issue of 56,666,660 ordinary fully paid shares at A\$0.135 on 24 October 2014 to institutional and sophisticated investors on the terms and conditions set out in Explanatory Memorandum is ratified."*

##### **For the Purposes of Resolution 4:**

###### **Voting Exclusion Statement:**

The Company will disregard any votes cast on this resolution by any person who participated in the issue of ordinary shares the subject of this Resolution 4 and any of its associates.

However, the Company will not disregard a vote if:

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

The Chairman intends to vote any undirected proxies in favour of this resolution.

**You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.**

#### **Resolution 5 – Approval for the Issue of Shares to Waterford Atlantic Pty Ltd.**

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 the issue of up to 1,851,850 ordinary fully paid shares at A\$0.135 per share to Waterford Atlantic Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

##### **For the purposes of Resolution 5:**

###### **Voting Exclusion Statement:**

The Company will disregard any votes cast on this Resolution by Waterford Atlantic Pty Ltd and any associates of Waterford Atlantic Pty Ltd. However, the Company will not disregard a vote if:

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

**You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.**

#### **Resolution 6 – Approval for the Issue of Shares to Mr Tor McCaul**

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 the issue of up to 740,740 ordinary fully paid shares at A\$0.135 per share to Mr Tor McCaul on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

##### **For the purposes of Resolution 6:**

###### **Voting Exclusion Statement:**

The Company will disregard any votes cast on this Resolution by Mr Tor McCaul and any associate of Mr McCaul.

However, the Company will not disregard a vote if:

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

**You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.**

## **Resolution 7 – Grant of Performance Rights to Christopher Pieters**

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

*"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of 500,000 Performance Rights (incorporating the right to acquire shares in the Company) to Christopher Pieters, a Director, under the Company's Performance Rights Plan (PRP), which is constituted and administered in accordance with the Rules of the PRP, on the terms summarised in the Explanatory Memorandum."*

### **For the purposes of Resolution 7:**

#### **Voting Exclusion Statement:**

A vote on Resolution 7 must not be cast and the Company will disregard any votes cast on this Resolution 7 by or on behalf of Mr Christopher Pieters or any Director of the Company who is eligible to participate in the employee incentive scheme in respect to which the approval is sought and, if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in the employee incentive scheme and any associate of such a Director (together Excluded Persons).

However, the Company need not disregard a vote if it is cast by an Excluded Person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person who is chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on this Resolution 7 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel and any Closely Related Party of such a member acting as a proxy, if their appointment does not specify the way the proxy is to vote on this Resolution 7.

However, a member of the Key Management Personnel or any Closely Related Party of such a member may vote when acting as proxy if that person is the person chairing the meeting and the appointment expressly authorises the person chairing the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote any undirected proxies in favour of this resolution.

## **OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

For the purposes of this Notice (including each of the Resolutions), the following definitions apply:-

**"Annual General Meeting"** means the meeting of shareholders called by the Board under the Notice of Meeting dated 24 October 2014 to be held at the Brisbane Polo Club, Naldham House, 193 Mary Street (Cnr Eagle & Felix Streets), Brisbane Qld 4000 on Thursday 27 November 2014 at 11.00am (Brisbane time)

**"Annual Report"** means the annual report of the Company for the year ended 30 June 2014;

**"ASX"** means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**"Board"** means the Board of Directors of Comet Ridge Limited;

**"Closely Related Party"**, in relation to a member of the KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with the Company (or its controlled entities), and any company the member controls;

**"Company"** or **"Comet Ridge"** means Comet Ridge Limited A.B.N 47 106 092 577;

**"Constitution"** means the Company's Constitution, as amended from time to time;

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

**"Directors"** mean the Directors of the Company;

**"Equity Securities"** has the meaning given to that term in the Listing Rules.

**"Explanatory Memorandum"** means the explanatory memorandum accompanying this Notice;

**"Key Management Personnel"** or **"KMP"** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its controlled entities, whether directly or indirectly. Members of the KMP include directors (both executive and non-executive) and certain senior executives;

**"Listing Rules"** means the Listing Rules of the ASX;

**"Notice"** means this Notice of Annual General Meeting;

**“Resolution”** means a resolution contained in this Notice;

**“Shares”** means fully paid ordinary shares in the Company; *and*

**“Shareholder”** means a holder of shares in the Company.

#### **By order of the Board**

**STEPHEN RODGERS**

Company Secretary

Dated: 24 October 2014

#### **Entitlement to attend and vote**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person’s entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00pm (Sydney time) on Tuesday 26 November 2014.

Shareholders can vote by either:-

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice; or
- by submitting their proxy appointment and voting instructions by facsimile.

#### **Voting in person (or by attorney)**

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company’s Share Register and attendance recorded. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the meeting.

#### **Voting by a Corporation**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company’s Share Registry.

#### **Voting by Proxy**

- A Shareholder entitled to attend and vote is permitted to appoint not more than two (2) proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder’s votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder’s behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.

- To be effective, proxies must be lodged by 11.00am (Brisbane time) on Tuesday 25 November 2014. Proxies lodged after this time will be invalid.

- Proxies may be lodged using any of the following methods:-

1. by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:-

The Share Registry  
Comet Ridge Limited  
c/- Computershare Investor Services Pty  
Limited  
GPO Box 242  
MELBOURNE VIC 3001

or

2. by faxing a completed proxy form to:-

Comet Ridge Limited, on  
1800 783 447 (within Australia); or  
+ 61 3 9473 2555 (outside Australia)

or

3. by visiting:-

[www.investorvote.com.au](http://www.investorvote.com.au) and logging in using the control number found on the front of your accompanying proxy form.

Intermediary Online subscribers  
(Institutions/Custodians) may lodge their proxy instruction online by visiting  
[www.intermediaryonline.com](http://www.intermediaryonline.com)

or

4. Online voting is now mobile compatible so you can readily appoint a proxy straight from your smart phone.

To do this, enter [www.investorvote.com.au](http://www.investorvote.com.au) directly into your smart phone and follow the instructions on your personalised proxy form or scanning the QR Code on the front of your proxy form. To scan the QR code you will have needed to download and installed a QR Code Scanner application for your smart phone.

The proxy form must be signed by the Shareholder or the Shareholder's attorney.

Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the Power itself, must be received by the Company at the above address, or by facsimile and by 11.00am (Brisbane time) on Tuesday 25 November 2014. If facsimile transmission is used, the Power of Attorney must be certified.

# COMET RIDGE LIMITED

A.B.N 47 106 092 577

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Comet Ridge Limited ("Comet Ridge" or the "Company") to be held at 11.00 am Thursday 27 November 2014. Shareholders should read this document in full.

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### FINANCIAL STATEMENTS AND REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial statements of the Company for the financial year ended 30 June 2014 together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; *and*
- the independence of the Auditor in relation to the conduct of the audit.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2014 Annual Report. The Remuneration Report is contained in the Annual Report and is also available on the Company's website: [www.cometridge.com.au](http://www.cometridge.com.au)

The Board believes that the Company's remuneration policy and framework as detailed in the Remuneration Report are appropriate given the size of the Company and its current strategic objectives.

Shareholders should note that this Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the report, then:

- if comments are made on the report at the Annual General Meeting, the Company's remuneration report for the financial year ending 30 June 2014 will be required to include an explanation of the board's proposed action in response or, if no action is proposed, the board's reasons for this; and
- if, at the Company's 2015 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

### RESOLUTION 2 – RE-ELECTION OF MR ANTHONY GILBY AS A DIRECTOR

The Company's Constitution provides that at every Annual General Meeting one-third of the Directors, or, if their number is not a multiple of three, then such number as is appropriate shall retire from office to

ensure that no Director holds office for more than three (3) years. Mr Gilby therefore, retires from office in accordance with this requirement and submits himself for re-election.

Mr Gilby was appointed to the Board on the 6 October 2009. He has a broad background in the oil and gas industry ranging from technical through to corporate.

Mr Gilby is also a Director and Co-founder of Walcot Capital, a private venture capital business specialising in energy investment, as well as a director of Tlou Energy Limited a coal bed methane explorer operating in southern Africa.

He was previously co-founder and CEO of Sunshine Gas Ltd which was taken over by QGC/BG for over \$1 billion in 2008. Prior to Sunshine, he worked in a variety of technical roles for a number of large operating companies including ESSO/Exxon. He obtained a B.Sc. with First Class Honours in Geology as well as the University Medal in Geology from the University of Adelaide in 1983.

#### ***Recommendation***

The Directors (with Mr Gilby abstaining) recommend that you vote in favour of the resolution.

#### **RESOLUTION 3 – GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR**

The Company proposes to grant its Managing Director, Tor McCaul, up to a total of 1,000,000 Performance Rights under the Company's Employee Performance Share Rights Plan (**PRP**).

The terms on which the Performance Rights will be granted have not been finalised as yet, but rather the Board is seeking approval of shareholders in accordance with the requirements of ASX Listing Rule 10.14 for the grant of up to 1,000,000 Performance Rights as part of the annual review of the Managing Directors salary package. 1,000,000 Performance Rights will be the maximum number of securities that will be issued to the Managing Director under this tranche.

The Board intends that performance criteria will be established for the grant of some or all of these performance rights and that these performance criteria will relate to the performance of the Company.

The Managing Director will receive any Performance Rights which are granted to him at no cost.

The Performance Rights will only be granted if he maintains his employment with the Company at the time that they vest.

A total of 2,650,000 Performance Rights have previously been granted to the Managing Director of which 1,510,000 have converted to ordinary shares. The Performance Rights that have previously been issued to the Managing Director have been issued to him at no cost.

Apart from the allocation of Performance Rights to Christopher Pieters, dealt with by Resolution 7, the Managing Director is the only other director to whom it is proposed that Performance Rights be granted under the PRP at this time. No other person who requires approval to participate in the PRP under ASX Listing Rule 10.14 has been or will be issued with Performance Rights until such approval is obtained.

No loans will be granted to the Managing Director in relation to his participation in the PRP.

The PRP was summarised in the 2013 Notice of Annual General Meeting at which it was approved by shareholders again. A copy of the PRP Rules can be obtained from the Company Secretary upon request.

Allocation of Performance Rights to the Managing Director will be made no later than 12 months after the date of this meeting.

This item is not a resolution to grant any Performance Rights to Tor McCaul. It is an authority for the Board of the Company to grant the Performance Rights.

#### ***Recommendation***

Each of the Directors (other than Tor McCaul who is not entitled to vote) recommends the approval of the grant of Performance Rights to Tor McCaul. None of the Directors (other than Tor McCaul) has an interest in the outcome of this resolution.

#### **RESOLUTION 4 – RATIFICATION OF THE ISSUE OF SHARES**

In a placement that was completed on 20 October 2014 the Company raised a total of \$7,649,999.10 through the issue of 56,666,660 ordinary shares at \$0.135 per Share.

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which



amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

ASX Listing Rule 7.4 permits the ratification by shareholders of previous issues of securities made without shareholder approval provided the issue did not breach the 15% threshold in ASX Listing Rule 7.1.

In accordance with ASX Listing Rules 7.4 and 7.5, the Company advises that:

- (a) Resolution 4 has been included so that shareholders may approve and ratify pursuant to ASX Listing Rule 7.4 the issue of a total of 56,666,660 ordinary shares to those parties detailed below;
- (b) The shares were issued and allotted to various sophisticated investors and Australian institutions who were eligible to be made the offers without disclosure under an exemption under section 708 of the Corporations Act;
- (c) The proceeds raised through the issue of the shares will be used primarily to fund the further appraisal of the Mahalo and Mira Pilot Projects to build reserves and production, other portfolio project costs, corporate and technical costs and working capital for the Company;
- (d) The shares issued rank *pari passu* with, and on the same terms, as the existing fully paid ordinary shares on issue in the Company;
- (e) None of the allottees are related parties of the Company; and
- (f) The shares were issued at \$0.135.

Accordingly, as the issue of Shares did not breach ASX Listing Rule 7.1, the Company is seeking approval under ASX Listing Rule 7.4 for the issue of the above shares. The effect of obtaining Shareholder approval will be that the shares issued will be treated as having been made in accordance with ASX Listing Rule 7.1 and, as a result, the Company's ability to issue the number of shares permitted under ASX Listing Rule 7.1, without Shareholder approval will not be effected.

#### **Recommendation**

The Directors consider it prudent that the Company retain the flexibility of that ability in case the need to issue further securities arise and recommend that Shareholders vote in favour of the proposed resolution.

## **RESOLUTIONS 5 and 6 – APPROVAL FOR THE ISSUE OF SHARES TO WATERFORD ATLANTIC PTY LTD AND TOR MCCAUL**

As approval is required for Resolutions 5 and 6 for the same reasons, the explanations for these two Resolutions have been combined into this single summary.

### **1. Background**

On 20 October 2014 the Company announced the completion of a Placement of 56,666,660 fully paid ordinary shares to sophisticated and professional investors with the issue price of the shares being \$0.135 per share ("Placement"). As at the date of drafting this Notice of Meeting it is expected that these shares will be allotted Friday the 24 October 2014. In addition a further:

- (a) 1,851,850 Shares were agreed to be issued to Waterford Atlantic Pty Ltd; and
- (b) 740,740 Shares were agreed to be issued Mr Tor McCaul,

conditional on Shareholder approval at the Annual General Meeting of the Company ("Conditional Placement").

### **2. ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that the prior approval of the Shareholders is required for an issue of equity securities to a related party or their associates. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

As Waterford Atlantic Pty Ltd in its capacity as the trustee of the McKay Family Trust is a company controlled by Mr James McKay (a Director of the Company) and Mr Tor McCaul is the Managing Director of the Company, Waterford Atlantic Pty Ltd and Mr Tor McCaul are each considered a related party of the Company. For this reason, Waterford Atlantic Pty Ltd and Mr McCaul's participation in the Conditional Placement is subject to separate Shareholder approval.

Resolutions 5 and 6 seek approval for the Company to issue the following Shares under the Conditional Placement:

- a) 1,851,850 ordinary fully paid shares at \$0.135 per Share to Waterford Atlantic Pty Ltd; and
- b) 740,740 ordinary fully paid shares at \$0.135 per Share to Mr Tor McCaul.

The Directors consider that participation in the Conditional Placement will be on an arms' length terms, as the Conditional Placement will be made on the same terms to all other parties who participated in the Placement, regardless of whether they are associated with the Company or not. Accordingly, the proposed participation by Waterford Atlantic Pty Ltd and Mr Tor McCaul falls within the "arms length" exemption provided by section 210 of the Corporations Act to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act.

### **3. Resolution 5 Issue of shares to Waterford Atlantic Pty Ltd - Information required by ASX Listing Rule 10.13**

Pursuant to, and in accordance with, ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to the proposed issue of Shares the subject of Resolution 5:

- (a) up to a maximum of 1,851,850 Shares will be issued to Waterford Atlantic Pty Ltd;
- (b) the issue price of the Shares will be \$0.135 per Share;
- (a) it is expected that the Shares will be issued on or about 1 December 2014, but in any event the Shares will be issued no later than one month after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (b) the Shares will be issued on the same terms and conditions as the Company's existing Shares, and will rank equally with the then existing Shares;
- (c) Waterford Atlantic Pty Ltd is a company controlled by Mr James McKay (a Director of the Company), and is therefore considered a related party of the Company; and
- (d) the Company intends to use the net funds raised from the Placement primarily towards the further appraisal at its Mahalo and Mira Pilot Projects within ATP 337P to build reserves and production.

As at the date of this Notice of Meeting, Waterford Atlantic and its associates hold approximately 7.4% of the Company's issued Shares. This voting power will be approximately 6.9% upon completion of the Placement and Conditional Placement (if approved by Shareholders).

### **4. Resolution 6 Issue of shares to Mr Tor McCaul - Information required by ASX Listing Rule 10.13**

Pursuant to, and in accordance with, ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to the proposed issue of Shares the subject of Resolution 6:

- (a) up to a maximum of 740,740 Shares will be issued to Mr Tor McCaul;
- (b) the issue price of the Shares will be \$0.135 per Share;
- (c) it is expected that the Shares will be issued on or about 1 December 2014, but in any event the Shares will be issued no later than one month after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Shares will be issued on the same terms and conditions as the Company's existing Shares, and will rank equally with the then existing Shares;
- (e) Mr Tor McCaul is the Managing Director of the Company, and is therefore considered a related party of the Company; and
- (f) the Company intends to use the net funds raised from the Placement primarily towards the further appraisal at its Mahalo and Mira Pilot Projects within ATP 337P to build reserves and production.

As at the date of this Notice of Meeting, Mr Tor McCaul and his associates hold approximately 0.92% of the Company's issued Shares. This voting power will be approximately 0.96% upon completion of the Placement Conditional Placement (if approved by Shareholders).

#### **Recommendation**

The Board (other than Mr James McKay and Mr Tor McCaul) believe that Resolutions 5 and 6 are in the best interests of the Company and its Shareholders and recommends that Shareholders vote in favour of the Resolutions.

Mr James McKay declines to make a recommendation on Resolution 5 given his interest in the outcome of Resolution 5 (as an associate and director of Waterford Atlantic Pty Ltd).

Mr Tor McCaul declines to make a recommendation on Resolution 6 given his personal interest in the outcome of Resolution 6.

## **RESOLUTION 7 – GRANT OF PERFORMANCE RIGHTS TO CHRISTOPHER PIETERS**

The Company proposes to grant Christopher Pieters a Non-Executive Director, up to a total of 500,000 Performance Rights under the Company's Employee Performance Share Rights Plan (**PRP**). Christopher Pieters is an eligible participant under the PRP.

Christopher Pieters has previously provided his services to the Company on a consultancy basis and there is some prospect that the Company may need to engage him on a similar basis in the coming 12 months. Rather than remunerating him exclusively through monetary reward, the Board wishes to secure approval to remunerate more flexibly through the issue of Performance Rights in order to preserve the Company's cash.

The terms on which the Performance Rights will be granted have not been finalised as yet, but rather the Board is seeking approval of shareholders in accordance with the requirements of ASX Listing Rule 10.14 for the grant of up to 500,000 Performance Rights to be included in any remuneration package that might be negotiated at the relevant time. 500,000 Performance Rights will be the maximum number of securities that will be issued to Christopher Pieters under this tranche.

The Board intends that performance criteria will be established for the grant of some or all of these performance rights and that these performance criteria will relate to the performance of the Company.

Christopher Pieters will receive any Performance Rights which are granted to him at no cost.

The Performance Rights will only be granted if his personal services are required and provided to the Company the terms of which will be announced at the time of his appointment.

No Performance Rights have previously been granted to Christopher Pieters or any other Director of the Company other than the Managing Director.

Apart from the issue of Performance Rights to the Managing Director detailed in paragraph 3, Christopher Pieters is the only director to whom it is proposed that Performance Rights be granted under the PRP at this time. No other person who requires approval to participate in the PRP under ASX Listing Rule 10.14 has been or will be issued with Performance Rights until such approval is obtained.

No loans will be granted to Christopher Pieters in relation to his participation in the PRP.

The PRP was summarised in the 2013 Notice of Annual General Meeting at which it was approved by shareholders again. A copy of the PRP Rules can be obtained from the Company Secretary upon request.

The allocation of any of the Performance Rights to the Christopher Pieters will be made no later than 12 months after the date of this meeting.

This item is not a resolution to grant any Performance Rights to Christopher Pieters. It is an authority for the Board of the Company to grant to him up to 500,000 Performance Rights.



### ***Recommendation***


Each of the Directors (other than Christopher Pieters who is not entitled to vote) recommends the approval of the grant of Performance Rights to Christopher Pieters. None of the Directors (other than Christopher Pieters) has an interest in the outcome of this resolution.





### Lodge your vote:

  **Online:**  
[www.investorvote.com.au](http://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](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

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

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I999999999**

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 (Brisbane time) Tuesday 25 November 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 or abstain as they choose (to the extent permitted by law). 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](http://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** →

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.



I 9999999999

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 Comet Ridge Limited 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 Annual General Meeting of Comet Ridge Limited to be held at Brisbane Polo Club, Naldham House, 193 Mary St (Cnr Eagle & Felix Streets), Brisbane QLD, 4000 on Thursday 27 November 2014 at 11.00am (Brisbane 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, 3 & 7 (except where I/we have indicated a different voting intention below) even though Items 1, 3 & 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** 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, 3 & 7 by marking the appropriate box in step 2 below.

## 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
1 ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 RE-ELECTION OF MR ANTHONY GILBY AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 RATIFICATION OF THE ISSUE OF SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 APPROVAL FOR THE ISSUE OF SHARES TO WATERFORD ATLANTIC PTY LTD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 APPROVAL FOR THE ISSUE OF SHARES TO TOR MCCAUL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 GRANT OF PERFORMANCE RIGHTS TO CHRISTOPHER PIETERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## 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 / /