

# NOTICE OF ANNUAL GENERAL MEETING

Including Explanatory Memorandum and Proxy Form

## CHALLENGER ENERGY LIMITED

ACN 123 591 382

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<b>Date:</b>	29 November 2018
<b>Time:</b>	3:00pm (WST)
<b>Location:</b>	Level 4, 130 Stirling Street Perth WA 6000

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### IMPORTANT INFORMATION

This is an important document. It should be read in its entirety

If you do not understand it, you should consult your financial or professional advisers without delay

**CHALLENGER ENERGY LIMITED**  
**ACN 123 591 382**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Challenger Energy Limited [ACN 123 591 382] (the Company or CEL) will be held at Level 4, 130 Stirling Street, Perth, Western Australia, 6000 on 29 November 2018 at 3:00 pm (WST).

Further details in respect of each of the resolutions proposed in this Notice of Annual General Meeting are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and form part of, this Notice of Annual General Meeting.

**BUSINESS OF THE MEETING**

	<b>2018 Annual Financial Statements</b>
<b>Description</b>	To lay before the Meeting and consider the 2018 Annual Financial Statements of the Company in respect of the year ended 30 June 2018 and comprising the Annual Financial Report, the Directors' Report and the Auditor's Report.
<b>Resolution 1</b>	<b>Non-binding Resolution – Remuneration Report</b>
<b>Description</b>	To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:  <i>'THAT the Company approve the adoption of the Remuneration Report, included in the Director's Report, for the year ended 30 June 2018.'</i>
<b>Voting Exclusion</b>	A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons: <ul style="list-style-type: none"><li>• a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>• a closely related party of such a member (those parties being "<b>Restricted Voters</b>").</li></ul> However, a person (the voter) described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1 or, in the case of the chair of the meeting, where an express authorisation to vote undirected proxies is given.
<b>Voting Note</b>	Directors of the Company who are key management personnel whose remuneration details are included in the 2018 remuneration report, any other key management personnel whose remuneration details are included in the 2018 remuneration report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1 (subject to the exception in the case of the Chair as set out above).
<b>Resolution 2</b>	<b>Election of Clinton Carey as a Director</b>
<b>Description</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>"THAT, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Clinton Charles Carey, a Director of the Company appointed during the year, retires and, being eligible, is re-elected as a Director."</i>  Further details in respect of this Resolution 2 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

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Resolution 3	Re-election of Michael Fry as a Director
<b>Description</b>	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i>“THAT, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Michael John Fry, a Director of the Company, retires by rotation and, being eligible, is re-elected as a Director.”</i>  Further details in respect of this Resolution 3 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Dated: 19 October 2018

By the order of the Board



Robert Lees  
**Company Secretary**

The accompanying Explanatory Memorandum and the Proxy and Voting Instructions form part of this Notice of Annual General Meeting.

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## PROXY AND VOTING INSTRUCTIONS

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### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's Share Registry – Security Transfers Registry on (08) 9315 2233 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice of Annual General Meeting.

### Corporate Representatives

Any corporation, which is a member of the Company, may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any Annual General Meeting.

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 3.00pm on 27 November 2018 (WST) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

### How the Chair Will Vote Undirected Proxies

Subject to the restrictions set out below, The Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

### Proxies that are Undirected on Resolution 1 (Remuneration Report)

The Remuneration Report identifies key management personnel for the year ending 30 June 2018. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2018 remuneration report, any other key management personnel whose remuneration details are included in the 2018 remuneration report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1. The chair of the meeting will be able to cast undirected proxies in favour of Resolution 1 where expressly authorised to do so provided, in the case of Resolution 1, that the vote is not cast on behalf of a member of the Company's key management personnel or their closely related parties.

### Special Resolution

For a special resolution to be passed at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution. Resolution 3 is a special resolution.

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**CHALLENGER ENERGY LIMITED**  
**ACN 123 591 382**  
**("the Company")**

**ANNUAL GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**

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**PURPOSE OF INFORMATION**

This Explanatory Memorandum ("**this Memorandum**") accompanies and forms part of the Company's Notice of Annual General Meeting to be held at Level 4, 130 Stirling Street, Perth, Western Australia, 6000 on 29 November 2018 at 3:00pm (WST). The Notice of Annual General Meeting incorporates, and should be read together with, this Memorandum.

**BUSINESS OF THE MEETING**

<b>2018 Annual Financial Statements</b>
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The 2018 Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2018 will be laid before the meeting. Shareholders will have the opportunity to ask questions about or make comments on the 2018 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company's 2018 Annual Financial Statements.

The Company's 2018 Annual Financial Statements are set out in the Company's 2018 Annual Report which can be obtained from the Company's website, [www.challengerenergy.com.au](http://www.challengerenergy.com.au) or upon request to the Secretary at the registered office of the Company at Level 3, 17 Castlereagh Street, Sydney NSW 2000 (telephone (02) 9299 9580).

There is no requirement for these reports to be formally approved by shareholders. No resolution is required to be moved in respect of this item.

<b>Resolution 1</b>	<b>Non-binding Resolution - Remuneration Report</b>
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The Company is required, pursuant to the Corporations Act 2001 (Cth) ("**the Corporations Act**"), to propose a non-binding resolution regarding the 2018 Remuneration Report, which forms part of the Director's Report in the 2018 Annual Financial Statements. The vote is advisory only and does not bind the Directors or the Company.

Shareholders attending the 2018 Annual General Meeting of the Company will have the opportunity to discuss and put questions in respect of the Remuneration Report.

The resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings ("**AGM**") (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's on a resolution (a "**spill resolution**") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must be put up for re-election.

The vote on the Remuneration Report contained in the Company's 2017 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2018 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2018 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more at the same resolution at the 2019 AGM the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Annual General Meeting. In particular, Directors and key management personnel, details of whose remuneration are included in the Remuneration Report, or closely related parties of key management personnel must not vote on Resolution 1 and must not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or unless the proxy is the chair of the meeting and the authorisation express authorises the chair to vote undirected proxies on Resolution 1.

**Resolution 2****Election of Mr Clinton Carey as a Director**

Resolution 2 is a resolution for the election of Mr Clinton Charles Carey as a Director of the Company.

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next AGM of the entity.

Clause 13.4 of the Constitution of the Company ("**Constitution**") provides that:

The Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Carey retires in accordance with the Constitution and the Listing Rules and, being eligible, offers himself for re- election.

The Board, with Mr Carey abstaining from making a recommendation, recommends shareholders vote in favour of Resolution 2.

**Resolution 3****Re-election of Mr Michael Fry as a Director**

Resolution 3 is a resolution for the re-election of Mr Michael John Fry as a Director of the Company.

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is longer.

Clause 13.2 of the Constitution of the Company ("**Constitution**") provides that:

- (a) at the Company's first AGM after incorporation, all Directors shall retire from office;
- (b) at the Company's AGM in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (c) the Directors to retire at an AGM are those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by drawing lots;
- (d) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (e) in determining the number of Directors to retire, no account is to be taken of a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution.

The Company currently has 3 Directors and accordingly 1 must retire.

Mr Fry retires by rotation in accordance with the Constitution and the Listing Rules and, being eligible, offers himself for re- election.

The Board, with Mr Fry abstaining from making a recommendation, recommends shareholders vote in favour of Resolution 3.

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# CHALLENGER ENERGY LTD

ACN: 123 591 382

**REGISTERED OFFICE:**

LEVEL 17  
500 COLLINS STREET  
MELBOURNE VIC 3000

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«EFT\_REFERENCE\_NUMBER»

«Company\_code» «Sequence\_number»

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

**SHARE REGISTRY:**

Security Transfer Australia Pty Ltd

**All Correspondence to:**

PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

CEL

Holder Number:

«HOLDER\_NUM

## PROXY FORM

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

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

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

«ONLINE

### SECTION A: Appointment of Proxy

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

The meeting chairperson

**OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 3:00pm WST on Thursday 29 November 2018 at Level 4, 130 Stirling Street, Perth WA 6000 and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

**RESOLUTION**

1. Non-binding Resolution - Remuneration Report
2. Election of Clinton Carey as a Director
3. Re-election of Michael Fry as a Director

**For**

**Against**

**Abstain\***

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 3:00pm WST on Tuesday 27 November 2018.**

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My/Our contact details in case of enquiries are:

Name:

Number:

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**1. NAME AND ADDRESS**

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

**2. APPOINTMENT OF A PROXY**

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

**3. DIRECTING YOUR PROXY HOW TO VOTE**

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

**4. APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**5. SIGNING INSTRUCTIONS**

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

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

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

**6. LODGEMENT OF PROXY**

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

**Security Transfer Australia Pty Ltd**

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

**Postal Address** PO BOX 52  
Collins Street West VIC 8007

**Street Address** Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

**Telephone** 1300 992 916

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**PRIVACY STATEMENT**

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

