



EMPEROR ENERGY
L I M I T E D

EMPEROR ENERGY LIMITED
ABN 56 006 024 764

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 22 November 2018

Time of Meeting:
12.00PM (AEDT)

Place of Meeting:
Automic Group Office
Level 5, 126 Phillip Street
Sydney, NSW 2000

This Notice of Annual General Meeting, Explanatory Statement and proxy form should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay



EMPEROR ENERGY
LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Emperor Energy Limited (**Company**) will be held at:

Venue: Automic Group Office
Level 5
126 Phillip Street
Sydney NSW 2000

Date: Thursday, 22 November 2018

Time: 12.00 p.m. (AEDT)

This Notice of Meeting (**Notice**) should be read in conjunction with the accompanying Explanatory Statement.

Agenda

This Explanatory Statement and proxy for which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy for in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report and the reports of the Company and related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2018.

Resolution 1 – Adoption of Remuneration Report

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

“That for the purposes of Section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (including in the Directors’ Report) for the financial year ended 30 June 2018 be adopted.”

Resolution 2 – Re-election of Mr Vazrick Hovanessian as Director of the Company

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

“That Mr Vazrick Hovanessian, who retires by rotation as a Director in accordance with the Constitution of the Company and being eligible for re-election, be re-elected as a Director of the Company.”

Resolution 3 – Ratification of Prior Share Issue (42,001,998, 30 April 2018)

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

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and approve the allotment and issue on 30 April 2018 of 42,001,998 fully paid ordinary shares in the Company at an issue price of \$0.003 (0.3 cents) per share.”

Resolution 4 – Placement or Issue of Securities to a Related Party

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

“That authority is hereby given to the Company under and for the purpose of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 and for all other purposes, for the issue of up to 20,000,000 fully paid ordinary shares at a price \$0.004 per share, to Mr Carl Dumbrell, a Director of the Company or his nominees and/or associates or as directed by him, provided that such issue does not contravene the Corporations Act 2001 or any other legislation or the ASX

Listing Rule and that such securities are to be issued as detailed below within one month of the date of this general meeting or such later date as the ASX permits at its discretion and that such securities are issued to raise funds for working capital purposes, for any investments considered worthwhile by Directors or in lieu of outstanding fees and/or monies owing to the Director or his associates.”

Resolution 5 – Placement or Issue of Securities to a Related Party

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

“That authority is hereby given to the Company under and for the purpose of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 and for all other purposes, for the issue of up to 20,000,000 fully paid ordinary shares at a price of \$0.004 per share, to Mr Vazrick Hovanessian, a Director of the Company or his nominees and/or associates or as directed by him, provided that such issue does not contravene the Corporations Act 2001 or any other legislation or the ASX Listing Rule and that such securities are to be issued as detailed below within one month of the date of this general meeting or such later date as the ASX permits at its discretion and that such securities are issued to raise funds for working capital purposes, for any investments considered worthwhile by Directors or in lieu of outstanding fees and/or monies owing to the Director or his associates.”

Resolution 6 – Placement or Issue of Securities to a Related Party

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

“That authority is hereby given to the Company under and for the purpose of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 and for all other purposes, for the issue of up to 20,000,000 fully paid ordinary shares at a price of \$0.004 per share, to Mr Daniel Justyn Douglas Peters, a Director of the Company or his nominees and/or associates or as directed by him, provided that such issue does not contravene the Corporations Act 2001 or any other legislation or the ASX Listing Rule and that such securities are to be issued as detailed below within one month of the date of this general meeting or such later date as the ASX permits at its discretion and that such securities are issued to raise funds for working capital purposes, for any investments considered worthwhile by Directors or in lieu of outstanding fees and/or monies owing to the Director or his associates.”

SPECIAL BUSINESS

Resolution 7 – Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum”

BY ORDER OF THE BOARD

Carl Dumbrell
Company Secretary

24 October 2018



NOTICE OF ANNUAL GENERAL MEETING

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Automic) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 12:00 pm (AEDT) Sydney time on Tuesday 20 November 2018. Any proxy received after that time will not be valid for the scheduled meeting.
4. **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.
5. **Voting Exclusion Statement:**

Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will

not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2

There are no voting exclusions on this resolution.

Resolution 3

The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if 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 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.

Resolution 4

The Company will disregard any votes cast on the subject resolution by Mr Dumbrell and/or his associates. However the Company need not disregard a vote if:

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

Resolution 5

The Company will disregard any votes cast on the subject resolution by Mr Hovanessian and/or his associates. However the Company need not disregard a vote if:

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

Resolution 6

The Company will disregard any votes cast on the subject resolution by Mr Peters and/or his associates. However the Company need not disregard a vote if:

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

Resolution 7

The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

Explanatory Statement

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2018 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditor's report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (02) 9275 8875, and you may request that this occurs on a standing basis for future years. Alternatively you may access the annual report at the Company's website: www.oilbasins.com.au or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

ORDINARY BUSINESS

Resolution 1 – Adoption of Remuneration Report

Background

Section 250R(3) of the Corporations Act 2001 requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2018 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act 2001 requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five per cent (25%) or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings 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) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five per cent (25%) of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors 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.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

Voting Exclusions

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key

Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1.

Resolution 2 – Re-election of Mr Vazrick Hovanessian as a Director

The Constitution of the Company requires that at every Annual General Meeting, one-third rounded down to the nearest whole number of the Directors, shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Hovanessian being eligible, offers himself for re-election.

Mr Hovanessian has graduate and postgraduate degrees in Accounting and Finance with over 25 years' experience with junior oil & gas and mining companies and has held directorship, secretarial and finance roles in several of them. He has served on the Boards or had Company Secretarial/CFO roles in ASX listed Beach Petroleum, Stirling Resources, Capital Energy, Zephyr Minerals, and Silver Mines and currently is an executive director on Mandalong Resources Ltd and Broad Investments Ltd. Vaz has extensive corporate advisory, finance and property and tourism experience and in the ASX listed junior resources area, and has been instrumental in or assisted with the ASX listing by IPO or back-door listing of such companies.

Board Recommendation

The Board (with Mr Hovanessian abstaining) recommends that shareholders vote in favour of the election of Mr Hovanessian. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Hovanessian's election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3: Ratification of Prior Share Issue – 42,001,998, 30 April 2018)

Background

The Company is seeking Shareholder approval to ratify the issue of 42,001,998 fully paid ordinary shares for \$126,006 that was issued on 30 April 2018.

ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (A) The total number of fully paid ordinary shares in the company that were issued is 42,001,998;
- (B) The shares were issued at a price of \$0.003 (0.3 cents) per share;
- (C) The shares allotted and issued rank equally with the existing shares on issue;
- (D) The shares were allotted and issued to Mr. C. Hoffman (7,000,000 shares), Mr M. O'Leary (8,333,333 shares), Osmetti Pty Ltd (8,333,333 shares), Mr G. Turnville-Ince (1,666.666 shares), Mr & Mrs S. Riley (2,000 shares) and

Merrill Lynch Australia (Nominees) Pty Ltd (16,666,666 shares).

- (E) The company raised \$126,006 from the share issue.
- (F) The funds raised were used for Reservoir engineering leading to a prospective resource statement for Vic/P47.

Board Recommendation

The Board unanimously recommends that the Shareholders vote in favour of Resolution 3.

Voting Exclusions

The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if 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 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.

Resolution 4: Placement or Issue of Securities to a Related Party

Background

At the time of issuing this Notice of Annual General Meeting, there was no specific plan to issue any securities to any Director, including Mr Dumbrell. However, your Board is mindful of adding value for Shareholders and in this regard is constantly looking for opportunities and possible acquisitions and worthwhile investments that would complement the Company's current business. While no agreements or decisions have yet been reached in respect to any acquisitions or investments, should such an opportunity arise within one month of the Annual General Meeting or such later date as the ASX may permit at its discretion, the right to issue the Shares to Mr Dumbrell to raise funds in a timely manner for such acquisition or investment would allow the transaction to be considered quickly and the opportunity to be taken advantage of. Mr Dumbrell has the capacity to assist the Company with a placement of Shares to him should the need arise.

It should be noted that where approval is granted under Listing Rule 10.11 no approval is necessary under Listing Rule 7.1. In accordance with ASX Listing Rule 10.13 the following additional information is also provided:

The securities referred to in Resolution 4 may be issued to Mr Dumbrell, his nominee or to anyone else as directed by him.

The maximum number of securities that may be issued under Resolution 4 is 20,000,000.

The Company will issue the securities within one month of the date of this Annual General Meeting, or such later date as the ASX permits at its discretion.

The issue price of the securities, in the case of ordinary shares, will be \$0.004.

The Company intends to use the funds raised by the issue of the securities for working capital purposes and expansion of operations, retiring any debt, for the acquisition of any investments considered worthwhile by Directors, or issue such Shares in lieu of outstanding fees and/or monies owing to the Director or his associates.

Where securities are issued to raise working capital, the Company will issue the Shares to either sophisticated or professional investors or otherwise in accordance with Section 708 of the Act.

The terms of the securities issued, if ordinary shares, are as detailed above in respect to their issue price and in respect to their rights are the same as all other ordinary shares issued by the Company as specified in the constitution of the Company.

As stated in the voting exclusion statement, the Company will disregard any votes cast on Resolution 4 by Mr Dumbrell or a person who is his associate.

The non-associated Directors, other than Mr Dumbrell, who abstains from making a recommendation because of his interest in the Resolution, recommend that Shareholders vote in favour of Resolution 4.

Voting Exclusions

The Company will disregard any votes cast on the subject resolution by Mr Dumbrell and/or his associates.

However the Company need not disregard a vote if:

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

Resolution 5: Placement or Issue of Securities to a Related Party

Background

At the time of issuing this Notice of Annual General Meeting, there was no specific plan to issue any securities to any Director, including Mr Hovanessian. However, your Board is mindful of adding value for Shareholders and in this regard is constantly looking for opportunities and possible acquisitions and worthwhile investments that would complement the Company's current business. While no agreements or decisions have yet been reached in respect to any acquisitions or investments, should such an opportunity arise within one month of the Annual General Meeting or such later date as the ASX may permit at its discretion, the right to issue the Shares to Mr Hovanessian to raise funds in a timely manner for such acquisition or investment would allow the transaction to be considered quickly and the opportunity to be taken advantage of. Mr Hovanessian has the capacity to assist the Company with a placement of Shares to him should the need arise.

It should be noted that where approval is granted under Listing Rule 10.11 no approval is necessary under Listing Rule 7.1. In accordance with ASX Listing Rule 10.13 the following additional information is also provided:

The securities referred to in Resolution 5 may be issued to Mr Hovanessian, his nominee or to anyone else as directed by him.

The maximum number of securities that may be issued under Resolution 5 is 20,000,000.

The Company will issue the securities within one month of the date of this Annual General Meeting, or such later date as the ASX permits at its discretion.

The issue price of the securities, in the case of ordinary shares, will be \$0.004.

The Company intends to use the funds raised by the issue of the securities for working capital purposes and expansion of operations, retiring any debt, for the acquisition of any investments considered worthwhile by Directors, or issue such Shares in lieu of outstanding fees and/or monies owing to the Director or his associates.

Where securities are issued to raise working capital, the Company will issue the Shares to either sophisticated or professional investors or otherwise in accordance with Section 708 of the Act.

The terms of the securities issued, if ordinary shares, are as detailed above in respect to their issue price and in respect to their rights are the same as all other ordinary shares issued by the Company as specified in the constitution of the Company.

As stated in the voting exclusion statement, the Company will disregard any votes cast on Resolution 5 by Mr Hovanessian or a person who is his associate.

The non-associated Directors, other than Mr Hovanessian, who abstains from making a recommendation because of his interest in the Resolution, recommend that Shareholders vote in favour of Resolution 5.

Voting Exclusions

The Company will disregard any votes cast on the subject resolution by Mr Hovanessian and/or his associates.

However the Company need not disregard a vote if:

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

Resolution 6: Placement or Issue of Securities to a Related Party

Background

At the time of issuing this Notice of Annual General Meeting, there was no specific plan to issue any securities to any Director, including Mr Peters. However, your Board is mindful of adding value for Shareholders and in this regard is constantly looking for opportunities and possible acquisitions and worthwhile investments that would complement the Company's current business. While no agreements or decisions have yet been reached in respect to any acquisitions or investments, should such an opportunity arise within one month of the Annual General Meeting or such later date as the ASX may permit at its discretion, the right to issue the Shares to Mr Peters to raise funds in a timely manner for such acquisition or investment would allow the transaction to be considered quickly and the opportunity to be taken advantage of. Mr Peters has the capacity to assist the Company with a placement of Shares to him should the need arise.

It should be noted that where approval is granted under Listing Rule 10.11 no approval is necessary under Listing Rule 7.1. In accordance with ASX Listing Rule 10.13 the following additional information is also provided:

The securities referred to in Resolution 6 may be issued to Mr Peters, his nominee or to anyone else as directed by him.

The maximum number of securities that may be issued under Resolution 6 is 20,000,000.

The Company will issue the securities within one month of the date of this Annual General Meeting, or such later date as the ASX permits at its discretion.

The Company intends to use the funds raised by the issue of the securities for working capital purposes and expansion of operations, retiring any debt, for the acquisition of any investments considered worthwhile by Directors, or issue such

Shares in lieu of outstanding fees and/or monies owing to the Director or his associates.

Where securities are issued to raise working capital, the Company will issue the Shares to either sophisticated or professional investors or otherwise in accordance with Section 708 of the Act.

As stated in the voting exclusion statement, the Company will disregard any votes cast on Resolution 6 by Mr Peters or a person who is his associate.

The non-associated Directors, other than Mr Peters, who abstains from making a recommendation because of his interest in the Resolution, recommend that Shareholders vote in favour of Resolution 6.

Voting Exclusions

The Company will disregard any votes cast on the subject resolution by Mr Peters and/or his associates.

However the Company need not disregard a vote if:

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

SPECIAL BUSINESS

Resolution 7 – Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively seeking to increase work on its current exploration assets and reviewing new potential projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new assets or investments, to conduct further work on its current projects or to meet additional working capital requirements.

Board Recommendation

The Board of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

Voting Exclusions

The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the

capacity of a holder of ordinary shares, and any associate of such person.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Shares and unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 287,806,332 Shares and therefore has a capacity to issue:

- (i) 31,251,570 Equity Securities under Listing Rule 7.1; and

- (ii) subject to Shareholder approval being obtained under Resolution 8, a further 27,744,165 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). Shareholders may be exposed to economic risk and voting dilution, including the following:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2	Dilution			
		Issue Price of \$0.002 (half the current market price)	Issue Price of \$0.004 (current market price)	Issue Price of \$0.008 (double the current market price)
Current Variable A 907,859,728 Shares	90,785,972 shares issued (10% dilution)			
	<i>Funds raised</i>	\$181,517	\$363,035	\$726,071
50% increase in current Variable A 1,361,789,592 Shares*	136,178,952 shares issued (10% dilution)			
	<i>Funds raised</i>	\$272,357	\$544,715	\$1,089,431
100% increase in current Variable A 1,815,719,456 Shares*	181,571,945 shares issued (10% dilution)			
	<i>Funds raised</i>	\$363,143	\$726,287	\$1,452,575

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is **\$0.004** (0.4 cents), being the closing price of the Shares on ASX on **19 October 2018**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking). AND A DATE THAT IS 12 MONTHS AFTER THE DATE OF THE AGM UPON WHICH APPROVAL IS OBTAINED.
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration - in such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

Information under Listing Rule 7.3A.6(a):

The table below shows the total number of equity securities issued in the past 12 months preceding the date of the AGM and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period with all numbers noted on a post-consolidation basis.

Equity securities issued in the prior 12 month period	620,053,396
Equity securities issued in the prior 12 month period*	262,268,561
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	42.29%

* For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Annexure A. Included in this Appendix is a summary of the amount of funds raised as a result of the capital raisings during the previous 12 month period.

Glossary

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 8;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 11;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2018;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHESS approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDST**” means Australian Eastern Daylight Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHESS**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Emperor Energy Limited ABN 56 006 024 764;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Convertible Security**” means a security of the Company which is convertible into shares;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means 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 the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Emperor Energy Limited for the financial year ended 30 June 2018 and which is set out in the 2018 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

“**VWAP**” means volume weighted average price.

Annexure A

Non-Cash Issue

Date:	24 November 2017
Number of securities:	60,000,000
Security type:	Fully paid ordinary
Terms:	Fully paid ordinary
Description:	Settlement of outstanding Directors fees payable in accordance with Resolutions 5, 6 and 7 approved at the Company's 2017 Annual General Meeting of shareholders.
Party:	Directors
Price:	\$0.0024322
Discount to 15 day VWAP:	N/A
Total Consideration:	N/A

Cash Issue

Date:	30 April 2018
Number of securities:	42,001,998
Security type:	Fully paid ordinary
Terms:	Fully paid ordinary
Description:	Issue of new shares
Party:	Mr. C. Hoffman (7,000,000 shares), Mr M. O'Leary (8,333,333 shares), Osmetti Pty Ltd (8,333,333 shares), Mr G. Turnville-Ince (1,666,666 shares), Mr & Mrs S. Riley (2,000 shares) and Merrill Lynch Australia (Nominees) Pty Ltd (16,666,666 shares).
Price:	\$0.003
Discount to 15 day VWAP:	N/A
Total Consideration:	\$125,006



EMPEROR ENERGY
LIMITED

EMPEROR ENERGY LIMITED | ABN 56 006 024 764

AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Vote by Proxy: EMP

Your proxy voting instruction must be received by **12.00PM (AEDT), Tuesday 20 November 2018**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



