



## Planet Gas Limited

ACN: 098 952 035

### Notice of Extraordinary General Meeting

An Extraordinary General Meeting of Planet Gas Limited will be held at:

- Level 4, 60 Carrington Street, Sydney NSW 2000;
- 10 am (AEDT) on Thursday 6 December 2018.

This notice of general meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

Please contact the Company Secretary on + 61 2 9300 3322 or [mmora@planetgas.com](mailto:mmora@planetgas.com) if you wish to discuss any matter concerning the Meeting.

**Planet Gas Limited** ABN 46 098 952 035

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**W** [www.planetgas.com](http://www.planetgas.com)

**Planet Gas Limited**  
**ACN 098 952 035**

**Notice of General Meeting**

Notice is hereby given that a General Meeting of the Shareholders of Planet Gas Limited will be held at Level 4, 60 Carrington Street, Sydney NSW 2000 on Thursday 6 December 2018 at 10 am (AEDT) (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 10 am (AEDT) on 4 December 2018.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (AEDT) on 4 December 2018.

**AGENDA**

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**RESOLUTION - SALE OF INTEREST IN PLANET GAS USA**

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

*“That, for the purposes of Listing Rule 11.2, and for all other purposes, approval is given for the disposal of all of the Company's interest in Planet Gas USA, in accordance with the terms of the Sale and Purchase Agreement, a summary of which is contained in the Explanatory Statement (Sale).”*

A voting exclusion statement is set out below.

The Sale is subject to Shareholder approval and will not proceed if Shareholders vote against the Resolution.

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**VOTING PROHIBITION AND EXCLUSION STATEMENTS**

**Listing Rule 14.11**

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of the following persons and their associates:

Resolution	Persons excluded from voting
Resolution - Sale of interest in Planet Gas USA	any person who may participate in the Sale and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities.

However, the Company need not disregard a vote if:

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

By order of the Board of Directors



Mr Marcelo Mora  
Company Secretary  
2 November 2018

# Explanatory Statement

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## 1 INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 4, 60 Carrington Street, Sydney NSW 2000 on Thursday 6 December 2018 at 10 am (AEDT). The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolution set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

1	INTRODUCTION .....	4
2	ACTION TO BE TAKEN BY SHAREHOLDERS .....	4
3	RESOLUTION - SALE OF SALE ASSETS IN PLANET GAS USA.....	5

A Proxy Form is located at the end of this Explanatory Statement.

ASX takes no responsibility for the contents of the Notice or Explanatory Memorandum.

Please contact the Company Secretary on + 61 2 9300 3322 or mmora@planetgas.com if you wish to discuss any matter concerning the Meeting.

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## 2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolution.

### 2.1 Voting in person

All Shareholders are invited and encouraged to attend the Meeting.

To vote in person, attend the Meeting at the time, date and place set out in the Notice.

### 2.2 Voting by Proxy

If a Shareholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has the right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and

- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 10 am (AEDT) on 4 December 2018. Any Proxy Form received after that time will not be valid for the Meeting.

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

### 2.3 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate'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.

### 2.4 Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (AEDT) on 4 December 2018

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

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## 3 RESOLUTION - SALE OF SALE ASSETS IN PLANET GAS USA

### 3.1 Introduction

As announced on 15 October 2018, the Company has entered into a sale and purchase agreement (**Sale and Purchase Agreement**) with High Peak Royalties Limited (**High Peak**) for the sale of the Company's entire interest (debt and equity) (**Sale Assets**) in Planet Gas USA Inc (**PGS USA**) (**Sale**). The Sale is subject to approval by the Company's Shareholders, due diligence and High Peak and Macquarie finalising certain financing terms.

PGS USA assets consist of a 3% overriding royalty interest over established oil and gas production assets in Kansas, Pennsylvania and New York State, USA. The Company

acquired the royalty interest through a 5 year conditional loan facility provided by Macquarie Bank Limited (**MBL**) and secured by (amongst other things) a guarantee from the Company (**MBL Security**).

At 30 June 2018, the outstanding principal was US\$2,750,000 and outstanding interest was US\$34,252. The loan was repayable in tranches over 5 years with 5 equal instalments of US\$150,000 payable annually on the anniversary date of the drawdown amount with a final instatement of US\$2,450,000 payable in February 2020. Interest accrues quarterly and is calculated each quarter using the LIBOR + 5.5% per annum (7.87% as at 30 June 2018).

As a result of depressed oil prices, the Company is currently not in compliance with the terms of the MBL loan.

The Sale Assets are the Company's sole asset, and their disposal requires prior Shareholder approval under Listing Rule 11.2.

The Resolution seeks Shareholder approval for the Sale on the terms set out in the Sale and Purchase Agreement.

### **3.2 Key terms of the Sale**

A summary of the terms of the Sale and Purchase Agreement is as follows:

- (a) Consideration: the consideration for the Sale Assets is \$1.
- (b) Conditions Precedent: completion of the Sale is conditional upon the satisfaction or waiver of the following conditions precedent:
  - (i) MBL consenting to the Sale and releasing the Company from the MBL Security (subject only to completion occurring) such that the Company will have no further liability to MBL;
  - (ii) the Company obtaining all necessary approvals to perform its obligations under the agreement (including but not limited to obtaining shareholder approval under Listing Rule 11.2);
  - (iii) PGS USA signing a power of attorney to facilitate the sale by the Company of certain immaterial assets excluded from the Sale; and
  - (iv) High Peak undertaking due diligence on PGS USA and the Royalty to its satisfaction by no later than 11 November 2018.
- (c) There are also material adverse change and warranty conditions typically found in a transaction of this nature.

Completion of the Sale is expected to occur shortly after Shareholders approve the Resolution.

### **3.3 Listing Rule 11.2**

Listing Rule 11.2 provides that a company may not dispose of its main undertaking (that is, its main asset or business) without the approval of its shareholders. The Sale constitutes the Company disposing of its main undertaking and accordingly,

Shareholder approval is sought for the proposed Sale for the purposes of Listing Rule 11.2.

The approval is by way of an ordinary resolution.

High Peak is not a related party of the Company, and Shareholder approval for the Sale is not required for the purposes of Listing Rule 10.1.

### **3.4 Reason for sale of main undertaking**

The Sale will dispose of an asset which exposes the Company to a significant liability and is not generating any return for the Company, and allow the Company to pursue potential acquisitions which may enhance Shareholder value. The Directors believe that, following an assessment of the advantages and disadvantages disclosed below, the Sale is in the best interests of the Company.

### **3.5 Potential advantages of disposal of main undertaking**

The potential advantages to the Shareholders of approving the Resolution are:

- (a) the Sale will allow the Company to consider other acquisitions which may increase Shareholder value;
- (b) the Sale relieve the Company of its obligations under the MBL Loan, and reduce its debts by US\$2,784,252 (as at 30 June 2018);
- (c) the Company's investment in PGA USA loses approximately US\$98,000 annually.

### **3.6 Potential disadvantages of disposal of main undertaking**

The potential disadvantages to the Shareholders of approving the Resolution are:

- (a) the Company will no longer have the royalty interest over established oil and gas production assets in Kansas, Pennsylvania and New York State, USA;
- (b) the Company will be disposing its major asset, which may not be consistent with the investment objectives of all Shareholders;
- (c) the Sale may affect the Company's ability to remain listed on the ASX, as it may no longer meet the trading activity requirements. As a result of the Sale, the size of the Company's asset base and operating activities will reduce significantly; and
- (d) it will reduce the Company's exposure to oil and gas. Shareholders that elected to invest in the Company for exposure primarily to oil and gas will need to seek exposure through other investments.

### **3.7 Financial effect of the Sale on the Company**

An indicative pro-forma unaudited statement of financial position of the Company, that has been prepared to enable Shareholders to make an assessment of the

potential effect of the Sale (the subject of the Resolution) on the financial position of the Company (as at 30 June 2018), is included in SCHEDULE 2.

At completion of the Sale, High Peak will pay to the Company the purchase price of \$1 and cause the Company to be released from the MBL Facility (with a reduction in liabilities of \$3,759,962 as at 30 June 2018).

There will be no impact on the number of Shares on issue as a result of the Sale.

### **3.8 The Company's intentions post Completion**

The Company has for some time assessed a range of acquisition and investment opportunities. It will continue to do so regardless of whether Shareholders approves the Sale, although and for the reasons set out above, disposing PGS USA simplifies the acquisition of an asset that may increase Shareholder value.

The Sale will not result in any changes to the Company's management and it is not anticipated that there will be any immediate impact the Company's status as a listed entity. Any future acquisition will require Shareholder approval and re-compliance with Chapters 1 and 2 of the Listing Rules for re-admission. Re-admission is at the discretion of ASX, and may be outside the Company's control.

In accordance with Guidance Note 12, ASX is likely to suspend the Company's securities from quotation if the Company does not, within 6 months of completing the Sale, announce an acquisition.

### **3.9 Other information**

The Directors are not aware of any other commercial information that is material to the question of whether Shareholders should approve the Resolution.

### **3.10 Directors' recommendation**

For the reasons set out above, the Directors recommend that Shareholders vote in favour of the Resolution.

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## SCHEDULE 1 GLOSSARY

**\$** means Australian dollars.

**AEDT** means Australian Eastern Daylight Time.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means Planet Gas Limited (ACN 098 952 035).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Official Quotation** means official quotation of the Company's Shares on ASX.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

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**SCHEDULE 2 INDICATIVE PRO-FORMA STATEMENT OF FINANCIAL POSITION****Statement of Financial Position****As At 30 June 2018**

	<b>Actual</b>	<b>Sale of</b>	<b>Proposed</b>	<b>Pro Forma</b>
	<b>30-Jun-18</b>	<b>interests in</b>	<b>sale</b>	<b>30-Jun-18</b>
	<b>\$</b>	<b>Cooper Basin</b>	<b>PGS USA</b>	<b>\$</b>
		<b>\$</b>	<b>\$</b>	
<b>Current assets</b>				
Cash and cash equivalents	18,010	400,000	(6,013)	411,997
Trade and other receivables	37,381	-	(37,381)	-
Other assets	1,947	-	-	1,947
<b>Total current assets</b>	<b>57,338</b>	<b>400,00</b>	<b>(43,394)</b>	<b>413,944</b>
<b>Non-current assets</b>				
Investments	230	-	-	230
Exploration and evaluation expenditure	1,188,845	(1,188,845)	-	-
Intangibles assets	2,372,914	-	(2,372,914)	-
<b>Total non-current assets</b>	<b>3,561,989</b>	<b>(1,188,845)</b>	<b>(2,372,914)</b>	<b>230</b>
<b>Total assets</b>	<b>3,619,327</b>	<b>(788,845)</b>	<b>(2,416,308)</b>	<b>414,174</b>
<b>Current liabilities</b>				
Trade and other payables	1,488,792	-	(5,294)	1,483,498
Loans and borrowings	3,759,962	-	(3,759,962)	-
<b>Total current liabilities</b>	<b>5,248,754</b>	<b>-</b>	<b>(3,765,256)</b>	<b>1,483,498</b>
<b>Total liabilities</b>	<b>5,248,754</b>	<b>-</b>	<b>(3,765,256)</b>	<b>1,483,498</b>
<b>Net liabilities</b>	<b>(1,629,427)</b>	<b>(788,845)</b>	<b>1,348,948</b>	<b>(1,069,324)</b>
<b>Equity</b>				
Issued capital	49,781,972	-	(1)	49,781,971
Fair value reserve	230	-	-	230
Foreign currency translation reserve	(2,650,174)	-	2,650,174	-
Accumulated profit / (losses)	(48,761,455)	(788,845)	(1,301,225)	(50,851,525)
<b>Total deficiency</b>	<b>(1,629,427)</b>	<b>(788,845)</b>	<b>1,348,948</b>	<b>(1,069,324)</b>



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

**Lodge your vote:**



**By mail:**  
Planet Gas Limited  
Level 2, 66 Hunter Street  
Sydney NSW 2000

Alternatively you can fax your form to  
(within Australia) (02) 9221 6333  
(outside Australia) +61 2 9221 6333

**For all enquiries call:**  
(within Australia) (02) 9300 3322  
(outside Australia) +61 2 9300 3322

**Proxy Form**

**XX**

**For your vote to be effective it must be received by 10 am on Tuesday, 4 December 2018**

**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**

**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.

**Turn over to complete the form →**

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View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

*Your secure access information is:*

**SRN/HIN: I999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

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

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



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# 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 Planet Gas Limited hereby appoint

the Chairman of the meeting

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s)

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Planet Gas Limited to be held at Level 4, 60 Carrington Street, Sydney, NSW, 2000 on Thursday, 6 December 2018 at 10.00 am (AEDT) and at any adjournment or postponement of that Meeting.

## STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution - Sale of Interest in Planet Gas USA Inc.	<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 / /



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