



Falcon Oil & Gas Australia Limited
ACN 132 857 008

Notice of Annual General Meeting and Explanatory Memorandum

Date: 15 May 2015
Time: 10.00 am
Place: Shang Room, Mezzanine Level
3 Spring Street
Sydney NSW 2000
Australia

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you do not understand or are in any doubt about the action which you are required to take you should consult your legal, financial or other professional adviser immediately.

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Chairman's Letter to Shareholders



8 April 2015

Dear Shareholders

It is with pleasure that I invite you to attend the forthcoming Annual General Meeting of Falcon Oil & Gas Australia Limited ("**Falcon Australia**").

Enclosed is your Notice of Meeting for the Annual General Meeting of Falcon Australia and the Financial statements for the year ended 31 December 2014.

The Annual General Meeting will be held on Friday 15 May 2015 commencing at 10.00 am Sydney time at the Shang Room, Mezzanine Level, 3 Spring Street, Sydney NSW 2000, Australia.

The items of ordinary business for this year's Annual General Meeting include motions to receive and consider the Financial Report for the year ending 31 December 2014 and the re-election of Directors.

After the formal business I will make a short informal presentation as to progress over the past year detailing the Company's farm-out of its Beetaloo Basin Permits and hopefully provide you with some insight as to future potential developments for your company.

You are encouraged to attend the Annual General Meeting in person. However, if you are unable to do so, then kindly complete the enclosed proxy form and return it to the Company according to the instructions in the Notice of Annual General Meeting.

If I, or any of the other Directors, are appointed as a proxy we will, of course, vote in accordance with any instructions given. If given discretion as to how to vote, we will vote in favour of each of the items of business to be considered.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Philip O'Quigley".

Philip O'Quigley
Chairman

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the Shareholders of Falcon Oil & Gas Australia Limited (“**Falcon Australia**” or “**the Company**”) will be held on Friday 15 May 2015 commencing at 10.00 am Sydney time at the Shang Room, Mezzanine Level, 3 Spring Street, Sydney NSW 2000, Australia.

To comply with section 250N(2) of the Corporations Act, public companies must hold an Annual General Meeting at least once in each calendar year and within five months after the end of their financial year. Falcon Australia has a financial year end date of 31 December. Falcon Australia’s previous annual general meeting was held on 30 May 2014.

The accompanying Explanatory Memorandum and proxy form provide additional information relating to the matters to be considered at the Annual General Meeting, and form part of this Notice of Annual General Meeting.

Business

- **General Business**
- **Discussion of Financial Statements and Reports**

To receive and consider the Financial Report, the Directors’ Report and Auditor’s Report for the year ended 31 December 2014.

- **Ordinary Resolutions**

To consider and, if thought fit, pass the following ordinary resolutions:

1. **Re-election of Philip O’Quigley as a Director**

“That, for the purpose of clause 12.11 of the Constitution and for all other purposes, Philip O’Quigley, who was appointed as a Director with effect on and from 30 May 2012, is removed and, being eligible, is re-elected as a Director.”

2. **Re-election of Michael Gallagher as a Director**

“That, for the purpose of clause 12.7(b) of the Constitution and for all other purposes, Michael Gallagher, a Director who was appointed as a Director by the Board to fill a casual vacancy with effect on and from 7 January 2015, is removed and, being eligible, is re-elected as a Director.”

8 April 2015,

By order of the Board



Stephen Peterson
Company Secretary

Voting and Proxies

Voting

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the holders of Shares recorded in the Company's register at 7.00 pm on Wednesday, 13 May 2015, will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time.

Proxies

A Shareholder who is entitled to attend and vote at the Annual General Meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder.

If a Shareholder holds more than two Shares, that Shareholder may appoint two proxies, the appointment of the proxies must specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes.

Where a Shareholder appoints more than one proxy, only the first named proxy is entitled to vote on a show of hands.

A proxy need not be a Shareholder of the Company.

To be effective, the Company must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 10.00 am on Wednesday, 13 May 2015.

Proxies may only be lodged as follows:

by mail to: Stephen Peterson
 Company Secretary
 Falcon Oil & Gas Australia Limited
 Suite 4, Level 10
 3 Spring Street
 Sydney, NSW 2000
 Australia

by facsimile to: Stephen Peterson
 Company Secretary
 Falcon Oil & Gas Australia Limited
 +61 (0) 2 8249 4001

by email to: speterson@falconoilandgas.com

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by either two directors or a director and the company secretary or a duly authorised officer or attorney.

A proxy may decide whether to vote on the motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy must vote as directed on that item. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

Explanatory Memorandum

Important Notice

This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions to be considered at the Annual General Meeting, which are set out in the accompanying Notice of Annual General Meeting dated 8 April 2015 (“**Notice**”), to assist Shareholders to determine how they wish to vote on the Resolutions.

Shareholders should read this Explanatory Memorandum in full because individual sections do not give a comprehensive review of the Resolutions. This Explanatory Memorandum forms part of the accompanying Notice and should be read together with the Notice.

If you are in doubt about what to do in relation to the Resolutions contemplated in this Explanatory Memorandum, you should consult your financial or other professional advisor.

This Explanatory Memorandum is dated 8 April 2015.

Capitalised terms used in this Explanatory Memorandum have the meaning given to them in the Glossary.

Annual Report

The Corporations Act requires the Company to place the Annual Report, which includes the financial statements, Directors’ declaration, the Directors’ Report and the Auditor’s Report, before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution for Shareholders to approve the Financial Report, the Directors’ Report or the Auditor’s Report. Accordingly, the Annual Report is placed before Shareholders for discussion and no voting is required for this item of business.

Shareholders will be provided with a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports and on the business and operations of the Company.

1. Re-election of Philip O’Quigley as a Director

Pursuant to clause 12.11 of the Constitution, at each annual general meeting, one third of the Directors and any Director who, if that Director did not retire at that annual general meeting, would at the next annual general meeting, have held office for more than three years, automatically retire and are eligible for re-election.

Philip O’Quigley, under compulsory retirement, is removed as a Director, and being eligible, offers himself for re-election.

Mr. O’Quigley brings 20 years’ experience in senior management positions in the oil and gas industry. His career, which spans a number of London and Dublin listed exploration and production companies, includes experience working in countries such as Argentina, the United States, Algeria, the UK and Ireland. Most recently, he served as Finance Director for Providence Resources, an Irish oil and gas exploration and production company and he remains on the board of Providence Resources as a non-executive director. Mr. O’Quigley is a Fellow of the Institute of Chartered Accountants in Ireland and qualified as a Chartered Accountant with Ernst & Young in Dublin. Mr O’Quigley is also President and CEO of Falcon Oil & Gas Ltd, the parent company of Falcon Oil & Gas Australia Ltd

The Board (excluding Mr. O’Quigley because of his interest) recommends that Shareholders vote in favour of Resolution 1.

Explanatory Memorandum

2. Re-election of Michael Gallagher as a Director

Pursuant to clause 12.7 of the Constitution, the Directors may at any time appoint any person to be a Director to fill a casual vacancy. Any Director so appointed must retire at the next following annual general meeting of the Company and will then be eligible for re-election.

Mr. Gallagher was appointed by the Directors as a Director of Falcon Australia to fill a casual vacancy with effect on and from 7 January 2015. Consequently, Mr. Gallagher, under compulsory retirement, is removed as a Director, and being eligible, offers himself for re-election.

Mr. Gallagher was appointed Finance Director of Falcon Australia in January 2015. Mr Gallagher is also Chief Financial Officer of Falcon Oil & Gas Ltd ("Falcon") the parent company of Falcon Australia. Mr Gallagher joined Falcon in October 2012 as Group Financial Controller with responsibility for the Group's Dublin, Hungarian and Australian finance and commercial functions following 11 years working with PricewaterhouseCoopers ("PWC") in Ireland and the USA. At PWC, Mr Gallagher had previously worked with and advised both quoted and unquoted oil & gas exploration and production companies. Mr Gallagher qualified as a Chartered Accountant with PWC Dublin and is a Fellow of Chartered Accountants Ireland

The Board (excluding Mr. Gallagher because of his interest) recommends that Shareholders vote in favour of Resolution 2.

Recommendations of the Board in respect of Resolutions

Specifically, and pursuant to the Corporations Act, all Directors have unanimously approved the proposal to put the Resolutions set out in the Notice to Shareholders and the provision of this Explanatory Memorandum.

Glossary

Recommendations of the Board in respect of Resolutions

In the Notice of Meeting and Explanatory Memorandum, unless the context otherwise requires:

Annual General Meeting means the meeting convened by the Notice of Meeting.

Board means the current board of directors of the Company.

Company or **Falcon Australia** means Falcon Oil & Gas Australia Limited (ACN 132 857 008).

Constitution means the Company's constitution.

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

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Notice, Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Memorandum.

Resolution means a resolution set out in the Notice of Meeting.

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

Shareholder means a holder of a Share.