



Falcon Oil & Gas Australia Limited
ACN 132 857 008

Notice of Annual General Meeting and Explanatory Memorandum

Date: 30 May 2014
Time: 10.30 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



29 April 2014

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 2013.

The Annual General Meeting will be held on Friday 30 May 2014 commencing at 10.30 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 2013 and the re-election of Directors.

After the formal business I will make a short informal presentation as to progress over the past year 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

"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 30 May 2014 commencing at 10.30 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 31 May 2013.

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 2013.

- **Ordinary Resolutions**

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

1. **Re-election of John Craven as a Director**

“That, for the purpose of clause 12.11 of the Constitution and for all other purposes, John Craven, 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 Stephen Peterson as a Director**

“That, for the purpose of clause 12.7(b) of the Constitution and for all other purposes, Stephen Peterson, a Director who was appointed as a Director by the Board to fill a casual vacancy with effect on and from 17 February 2014, is removed and, being eligible, is re-elected as a Director.”

29 April 2014,

By order of the Board

“Stephen Peterson”

Stephen Peterson
Company Secretary

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 29 April 2014 (“**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 29 April 2014.

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 John Craven 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.

John Craven, under compulsory retirement, is removed as a Director, and being eligible, offers himself for re-election.

Mr. Craven has over 35 years of experience in technical, commercial, financial and leadership roles at major international upstream oil companies and junior independents. Mr. Craven is currently CEO of Discover Exploration and his career has been noted for a series of successful new venture negotiations, the exploration of which led to major discoveries in Mozambique, Algeria, Colombia, offshore Ghana and Indonesia. Along with his co - directors, he led Ardmore Petroleum, Dana Petroleum, Petroceltic International and recently Cove Energy through the acquisition of major upstream assets and key exploration and developmental milestones. During this time Mr. Craven has been actively involved in corporate finance and was responsible for raising initial capital through private sources and floating Petroceltic International on the Irish Stock Exchange and Cove Energy on AIM. Mr. Craven holds an MSc in Petroleum Geology from the Royal School of Mines in London and an MBA from Queen’s University in Belfast.

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

Explanatory Memorandum

2. Re-election of Stephen Peterson 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. Peterson was appointed by the Directors as a Director of Falcon Australia to fill a casual vacancy with effect on and from 17 February 2014. Consequently, Mr. Peterson, under compulsory retirement, is removed as a Director, and being eligible, offers himself for re-election.

Mr. Peterson who was appointed a director on 17 February 2014, has held the position of Company Secretary since the Company was established. His qualifications include a Bachelor of Economics with Honours from Sydney University and a Master of Commerce from the University of New South Wales. Mr. Peterson has over 30 years of experience in senior financial roles and as company secretary with listed public companies primarily in the Australian resources industry. Since 2005 he has operated a financial and administrative services business providing services on a long term contract basis to a number of companies in the resources industry. From 1997 to 2005 Mr. Peterson was the Chief Financial Officer of Austral Coal Limited, an underground coking coal producer located south of Sydney. Mr. Peterson has experience in the oil and gas industry having held a senior planning role with Delhi Petroleum Limited which operated in the Cooper Basin of South Australia.

The Board (excluding Mr. Peterson 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.

Proxy Form
Annual General Meeting

Shareholder name: _____

Address Line 1: _____

Address Line 2: _____

Address Line 3: _____

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions at the bottom of the page.

I/We being a Shareholder/Shareholders of Falcon Oil & Gas Australia Limited ("**Company**") pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the Meeting (mark with an "X") **OR**

Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting.

or failing him/her

Write here the name of the other person you are appointing.

or failing him/her, (or if the box is not ticked and no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held on Friday 30 May 2014 commencing at 10.30 am Sydney time at the Shang Room, Mezzanine Level, 3 Spring Street, Sydney NSW 2000, Australia and at any adjournment of that meeting.

This proxy is to be used in respect of ____% of the ordinary shares I/we hold.

Voting directions to your proxy – please mark to indicate your directions

RESOLUTION	For	Against	Abstain*
1. Re-election of John Craven as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Stephen Peterson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

PLEASE SIGN HERE

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

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Company Secretary

Dated this _____ day of _____ 2014

Contact Name

Contact Business Telephone / Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Complete your Shareholder name (as it appears on the Company's register) and address details where indicated at the top of the page overleaf.
2. Completion of a proxy form will not prevent individual Shareholders from attending the Annual General Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Annual General Meeting.
3. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointments do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a Shareholder.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company Shareholder is to attend the Annual General Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Annual General Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a Shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. **Signing Instructions**

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

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 indicate the office held by signing in the appropriate place.

9. **Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 10.30 am Sydney time on Wednesday, 28 May 2014 (48 hours before the commencement of the meeting).

Any Proxy Form received after that time will not be valid for the Annual General Meeting.

Postal address: Stephen Peterson
Company Secretary
Falcon Oil & Gas Australia Limited
Suite 13, Level 3
3 Spring Street
Sydney, NSW 2000, Australia

By facsimile to: Stephen Peterson

Company Secretary
Falcon Oil & Gas Australia Limited
+61 (0) 2 8249 4001