



OIL BASINS LIMITED

ABN 56 006 024 764

Notice of Annual General Meeting and Explanatory Statement

The Annual General Meeting of

OIL BASINS LIMITED

ABN 56 006 024 764

will be held at

11:00 am (AEDST) on Wednesday, 28 November 2012

at

Institute of Chartered Accountants

Level 3, 600 Bourke Street, Melbourne, Victoria 3000

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

OIL BASINS LIMITED

ABN 56 006 024 764

Registered office: Level 4, 100 Albert Road, South Melbourne Victoria 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Oil Basins Limited (the "Company") will be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria 3000 at 11.00 am (AEDST) on Wednesday, 28 November 2012.

AGENDA

The Explanatory Statement and proxy form 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 form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2012.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2012 be adopted."

Voting Exclusion

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (d) the person is the Chairman and the appointment of the Chairman as proxy:
 - i. does not specify the way the proxy is to vote on Resolution 1; and
 - ii. expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

Notes: 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.

The Chairman will vote undirected proxies in favour of Resolution 1. By not 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. If you appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking one of the voting boxes for Resolution 1.

Resolution 2: Re-election of Mr Nigel Harvey

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

"That Mr Nigel Harvey, 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."

Notes: The non-candidate Directors unanimously support the re-election of Mr Nigel Harvey. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Nigel Harvey's re-election.

By order of the Board

A handwritten signature in black ink, appearing to read 'Melanie J. Leydin', with a stylized flourish at the end.

Melanie J. Leydin
Company Secretary
Melbourne
26 October 2012

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2012 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost 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 (03) 9692 7222, 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.

Resolution 1: Adoption of Remuneration Report

The *Corporations Act 2001* requires that at a listed company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, section 250R(3) of the *Corporations Act 2001* expressly provides that the vote on such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company (described as "**Key Management Personnel**"). The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2012.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Pursuant to the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which amended the *Corporations Act 2001* from 1 July 2011, if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings (effectively, "two strikes"), shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election. The spill resolution requirements will only be triggered where both strikes occur after 1 July 2012. On this basis, while votes on the Remuneration Report at this Annual General Meeting will be counted towards the two strikes, the first spill resolution can only potentially occur following the Company's 2013 Annual General Meeting.

Also, the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* has introduced new prohibitions on key management personnel ("KMP") and their closely related parties from voting or voting undirected proxies on, amongst other things, remuneration matters. Accordingly, any undirected proxies held by Directors or by other Key Management Personnel or their closely related parties for the purposes of Resolution 1 will not be voted on Resolution 1. This prohibition does not apply the Chairman of the meeting who may vote directed and undirected proxies in favour of the resolution, providing that the shareholder expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the relevant entity.

The Company encourages all Shareholders to cast their votes in relation to Resolution 1 and if Shareholders choose to appoint a proxy, Shareholders are encouraged to direct their proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form. The Chairman of the meeting will vote undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of Mr Nigel Harvey

The Constitution of the Company requires that at every Annual General Meeting one-third of the Directors shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Harvey has been a non-executive Director since 2 July 2009 and was elected as a Director at the Company's 2009 Annual General Meeting. He retires by rotation and, being eligible, offers himself for re-election.

Mr Harvey has worked two decades in the financial and commodity markets for the international energy banks The Chase Manhattan Bank, Barclays Bank and JPMorganChase (Director - Head of Asia Pacific Energy Derivatives) and more recently Macquarie Bank (Division Director - Energy Markets). He worked initially in credit and corporate finance but mainly in treasury divisions. There he gained extensive crude oil and energy products markets, derivatives, risk management and wider commodity and financial derivatives and markets experience. He focussed on delivering tailored risk management and hedging solutions for producers, airlines and other clients across the Asia Pacific. He has since developed an independent market risk consulting practice. His previous background of almost a decade in business journalism covering the Middle East, its oil sector and related topics, equipped him with strong industry knowledge. He is a member of the Australian Institute of Company Directors and the Society of Petroleum Engineers (SPE).

GLOSSARY

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

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited or the Australian Securities Exchange, as the context requires;

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

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

“**Company**” means Oil Basins Limited ABN 56 006 024 764;

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

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

“**Listing Rules**” means the Listing Rules of the ASX;

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

“**Remuneration Report**” means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 30 June 2012 and which is set out in the 2012 Annual Report.

PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the *Corporations Act 2001*, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00 pm (AEDST) 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.
2. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and forms part of this Notice of 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 appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the Company Secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. Key Management Personnel and their closely related parties will not be able to vote your proxy on Resolution 1 unless you direct them how to vote. If you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on Resolution 1. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for Resolution 1 or by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business).
11. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Computershare Investor Services Pty Ltd in accordance with the instructions set out in the proxy form by no later than 11:00 am (AEDST) on 26 November 2012.

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to:

(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Relevant custodians may lodge their proxy forms online by visiting www.intermediaryonline.com

Oil Basins Limited

ACN 006 024 764

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

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

Proxy Form

For your vote to be effective it must be received by 11:00am (AEDST) Monday 26 November 2012

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 as they choose. 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 under the information tab, "Downloadable 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 ➔



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

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



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.



I 9999999999

I ND

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 Oil Basins Limited hereby appoint

☐

the Chairman
of the Meeting OR



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 Annual General Meeting of Oil Basins Limited to be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne on Wednesday, 28 November 2012 at 11:00am (AEDST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2 below.

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
Item 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of Mr Nigel Harvey as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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

PRINT NAME

PRINT NAME

PRINT NAME

Contact
Name

Contact
Daytime
Telephone

Date

/ /

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Computershare +