

Notice of General Meeting

Triangle Energy (Global) Limited

ACN 110 411 428

Notice is hereby given that a General Meeting of the shareholders of Triangle Energy (Global) Limited (**Company**) will be held at 589 Stirling Highway, Cottesloe, Western Australia on Tuesday 14 February 2012 at 2:00 pm (WST) for the purpose of transacting the business referred to in this Notice of General Meeting.

The Explanatory Memorandum that accompanies and forms a part of this Notice of General Meeting describes the business to be considered. Shareholders should read the Explanatory Memorandum in full.

BUSINESS

To consider, and if thought fit, to pass, with or without modification, the following resolutions as **ordinary resolutions**:

1. Ratification of 3,500,000 Convertible Unsecured Notes issued 8 December 2011

That, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes:

- *the Company ratifies and approves the previous issue of 3,500,000 Convertible Unsecured Notes for an aggregate subscription amount of US\$3.5 million to Standard Chartered Private Equity (Singapore) Pte Ltd on 8 December 2011, as contemplated in the Company's announcement to the ASX on 8 December 2011; and*
- *the Company approves the issue of the maximum number of Shares that may be required to be issued on conversion of the Convertible Unsecured Notes, on the terms set out or described in the Explanatory Statement accompanying this Notice of General Meeting.*

2. Ratification of 16,666,667 Options issued 29 November 2011

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company approves the previous issue of 16,666,667 options issued to Ucan Nominees Pty Ltd on 29 November 2011, on the terms set out or described in the Explanatory Statement accompanying this Notice of General Meeting.

3. Approval of issue of 6,500,000 Convertible Unsecured Notes

That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the Company approves:

- *the proposed issue of 6,500,000 Convertible Unsecured Notes for an aggregate subscription amount of US\$6.5 million to Standard Chartered Private Equity (Singapore) Pte Ltd; and*
- *the issue of the maximum number of Shares that may be required to be issued on conversion of those Convertible Unsecured Notes, on the terms set out or described in the Explanatory Statement accompanying this Notice of General Meeting.*

EXPLANATORY NOTES

Explanatory notes appear on the following pages.

VOTING ENTITLEMENTS

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 8.00am (Sydney time) on Monday 13 February 2012.

PROXIES

A shareholder who is entitled to attend and vote at the General Meeting may appoint up to two proxies to attend and vote on behalf of the shareholder. If two proxies are appointed, and a shareholder does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a shareholder of the Company.

In order to vote at the meeting on behalf of a company that is a shareholder of the Company, a valid Power of Attorney or appointment of corporate representative in the name of the attendee must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the Company's Registry at Security Transfer Registrars Pty Limited, 770 Canning Highway, Applecross, Western Australia 6153 or sent by facsimile to the Registry on +61 (08) 9315 2233, not less than 48 hours before the time of the Meeting or resumption of the adjourned Meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

1. must be in writing under the hand of the appointer or of his attorney, or if the appointer is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
2. may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
3. is deemed to confer authority to demand or join in demanding a poll; and
4. must be in such form as the Directors determine and which complies with Section 250A of the Corporations Act.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on:

- Resolution 1 by Standard Chartered Private Equity (Singapore) Pte Ltd and any of its associates;
- Resolution 2 by Ucan Nominees Pty Ltd and any of its associates; and

- Resolution 3 by Standard Chartered Private Equity (Singapore) Pte Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and associates of those persons.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- 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).

ENQUIRIES

All enquiries in relation to the contents of the Notice of General Meeting or Explanatory Statement should be directed to the Company Secretary, Rae Clark.

By order of the Board of Directors



Rae Clark
Company Secretary
10 January 2012

EXPLANATORY STATEMENT

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the General Meeting of Shareholders to be held on Tuesday 14 February 2012 at 589 Stirling Highway, Cottesloe, Western Australia. It has been prepared to provide Shareholders with a brief explanation of Agenda Items 1, 2 and 3 in the Notice and details as to why the Company is seeking these Shareholder approvals.

This Explanatory Statement should be read in conjunction with the accompanying Notice. It is an important document and should be read carefully by all Shareholders. Capitalised terms in this Explanatory Statement have the meaning given in this Explanatory Statement or in the Glossary.

GENERAL BACKGROUND

The General Meeting referred to in the accompanying Notice is being held so the Company's Shareholders can consider the resolutions set out in the Notice, in accordance with ASX Listing Rules 7.1 and 7.4.

Resolutions 1 and 3 are in relation to the Convertible Note Subscription Agreement entered into with SCPE on 7 December 2011 and announced to the ASX on 8 December 2011.

SCPE is indirectly wholly-owned by Standard Chartered Bank and is an investment holding vehicle of the private equity arm of Standard Chartered Bank.

The Board considers the transaction with SCPE as extremely positive for the Company, bringing numerous benefits including:

- enabling the Company to continue with the development of Pase field and exploration on the Pase PSC area;
- the addition of a renowned, cornerstone investor; and
- strategic and financial advice from a highly experienced and internationally active private equity team through Board representation. In this regard, Alastair Morrison was appointed to the Board on 7 December 2011. Mr Morrison is the global head of the private equity arm of Standard Chartered Bank

RATIFICATION OF PREVIOUS ISSUE OF THE CONVERTIBLE UNSECURED NOTES (RESOLUTION 1)

Resolution 1 seeks Shareholder ratification and approval of the previous issue of 3,500,000 Convertible Unsecured Notes (**Tranche 1 Notes**) to SCPE on 8 December 2011 for an aggregate subscription amount of US\$3.5 million. A summary of the principal features of the Convertible Unsecured Notes is attached as Annexure 1 to this Explanatory Statement.

Shareholder approval under ASX Listing Rule 7.1 was not required for the issue by the Company of the Tranche 1 Notes. The Company confirms that it was not in breach of ASX

Listing Rule 7.1 at the time of the issue. However, the Company is now seeking that the issue of the Tranche 1 Notes be treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1, pursuant to ASX Listing Rule 7.4.

If Shareholder approval is obtained under Resolution 1, the issue of Tranche 1 Notes and the issue of Shares on conversion of the Tranche 1 Notes will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1. This will provide the Company with flexibility during the next 12-month period to issue further equity securities without seeking further shareholder approval.

The following information is required by ASX Listing Rule 7.5 for the purposes of Shareholder approval under ASX Listing Rule 7.4:

- The Tranche 1 Notes comprising 3,500,000 Notes with a face value of US\$1.00 each were issued to SCPE on 8 December 2011 for a total subscription price of US\$3.5 million (less an arrangement fee of US\$70,000 paid to SCPE).
- The Tranche 1 Notes are convertible into Shares. The maximum number of Shares that may be issued upon conversion of the Tranche 1 Notes is 116,666,667 Shares, based on the current conversion price of A\$0.03 per Share. However, the current conversion price is subject to adjustment in certain circumstances (such as a capital reorganisation). The maximum number of Shares that may be issued will vary according to the conversion price as adjusted in accordance with the Terms and Conditions of the Convertible Unsecured Notes. Refer to Annexure 1 for additional details.
- A summary of the principal terms of the Convertible Unsecured Notes is attached as Annexure 1 to this Explanatory Statement.
- Shares issued on the conversion of Convertible Unsecured Notes will have the same terms and rank equally in all respects with existing Shares in the Company and will be quoted on the ASX.
- Funds raised by the issue of the Tranche 1 Notes are to be used to provide funding for continued operations and general corporate purposes including potential acquisitions and associated due diligence costs.

Board Recommendation

The Board believes that the ratification of this issue is beneficial for the Company, and in the best interests of Shareholders. It allows the Company the flexibility to issue the maximum number of equity securities permitted under ASX Listing Rule 7.1 without Shareholder approval during the next 12 months, providing the Company with the flexibility to respond in a timely manner to any funding requirements that may arise.

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

RATIFICATION OF PREVIOUS ISSUE OF OPTIONS (RESOLUTION 2)

Resolution 2 seeks Shareholder ratification and approval for the previous issue of 16,666,667 Options to Ucan Nominees Pty Ltd on 29 November 2011. The Options were issued for no consideration in connection with the issue of 66,666,667 Shares at A\$0.03 per share for total consideration of A\$2 million. The Options expire on 30 June 2012 and have an exercise price of A\$0.03 per Share. A summary of the principal features of the Options is attached as Annexure 2 to this Explanatory Statement.

Shareholder approval under ASX Listing Rule 7.1 was not required for the issue by the Company of the Options. The Company confirms that it was not in breach of ASX Listing Rule 7.1 at the time of the issue. However, the Company is now seeking that the issue of the Options be treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1, pursuant to ASX Listing Rule 7.4.

If Shareholder approval is obtained under Resolution 2, the issue of the Options and the issue of Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1. This will provide the Company with flexibility during the next 12-month period to issue further equity securities without seeking further shareholder approval.

The following information is required by ASX Listing Rule 7.5 for the purposes of shareholder approval under ASX Listing Rule 7.4:

- 16,666,667 Options were issued on 29 November 2011 for no consideration.
- The Options were issued to Ucan Nominees Pty Ltd
- The Options are exercisable into Shares on a 1:1 basis. The maximum number of Shares that may be issued upon conversion of the Options is 16,666,667 Shares.
- The Options have an exercise price of A\$0.03 per Share.
- The Options expire on 30 June 2012.
- Shares issued on exercise of the Options will have the same terms and rank equally in all respects with existing Shares in the Company and will be quoted on the ASX.
- A summary of the principal features of the Options is attached as Annexure 2 to this Explanatory Statement.

Board Recommendation

The Board believes that the ratification of this issue is beneficial for the Company, and in the best interests of Shareholders. It allows the Company the flexibility to issue the maximum number of equity securities permitted under ASX Listing Rule 7.1 without Shareholder approval during the next 12 months, providing the Company with the flexibility to respond in a timely manner to any funding requirements that may arise.

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

APPROVAL OF PROPOSED ISSUE OF SECURITIES (RESOLUTION 3)

Resolution 3 seeks Shareholder approval for the issue of 6,500,000 Convertible Unsecured Notes (**Tranche 2 Notes**) to SCPE for an aggregate subscription amount of US\$6.5 million for the purposes of ASX Listing Rule 7.1 and for all other purposes. A summary of the principal terms of the Convertible Unsecured Notes is attached as Annexure 1 to this Explanatory Statement.

ASX Listing Rule 7.1 limits the number of equity securities (including shares and convertible securities) that a company can issue in any 12 month period without shareholder approval to 15% of the company's existing issued capital, subject to certain exceptions.

If Shareholder approval is obtained under Resolution 3, the issue of the Tranche 2 Notes and the issue of Shares on conversion of the Tranche 2 Notes will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.

The issue of the Tranche 2 Notes to SCPE is also subject to Foreign Investment Review Board approval and the Pase PSC being renewed, along with certain other conditions precedent.

If Shareholder approval is not obtained under Resolution 3 or any of the other conditions precedent to the issue of the Tranche 2 Notes is not satisfied, the Tranche 2 Notes will not be issued by the Company. In addition, the Tranche 1 Notes will be redeemable by SCPE requiring payment of the Tranche 1 subscription monies and an IRR payment. Annexure 3 shows that this payment would total US\$5,250,000 at an indicative date of 6 February 2012 in the event that shareholder approval is not obtained. The amount of the payment required if other conditions precedent are not satisfied is shown in Annexure 3.

Once issued, all Tranche 2 Notes may be converted into Shares without further approval from Shareholders.

The following information is required by ASX Listing Rule 7.3 for the purposes of shareholder approval under ASX Listing Rule 7.1:

- The Company proposes to issue the Tranche 2 Notes comprising 6,500,000 Convertible Unsecured Notes with an issue price of US\$1.00 each to SCPE for a total subscription price of US\$6.5 million (less an arrangement fee of US\$130,000 payable to SCPE).
- If Shareholders approve Resolution 3, the Company will issue the Tranche 2 Notes to SCPE on the satisfaction of certain conditions precedent as outlined above. As agreed between the Company and SCPE, the conditions precedent must be satisfied on or before 30 June 2012 (unless extended by agreement between the Company and SCPE). If the Tranche 2 Notes are not issued on or before 7 May 2012 (being 3 months after the date of the Meeting) and it is still possible that they are issued after that date (that is, the conditions precedent may still be achieved after 7 May 2012), the Company will again seek shareholder approval for the issue of the Tranche 2 Notes under ASX Listing Rule 7.1. If the Conditions Precedent are not satisfied the Tranche 1 Notes will be redeemable by SCPE requiring payment of the Tranche 1 subscription monies and an IRR payment. Annexure 3 shows that this payment would total US\$3,785,808 at an indicative date of 30 June 2012.
- The Tranche 2 Notes are convertible into Shares. The maximum number of Shares that may be issued upon conversion of the Tranche 2 Notes is 216,666,667 Shares, based on the current conversion price of A\$0.03 per Share. However, the current conversion price is subject to adjustment in certain circumstances (such as a capital reorganisation). The maximum number of Shares that may be issued will vary according too the conversion price as adjusted in accordance with the Terms and Conditions of the Convertible Unsecured Notes
- The Tranche 2 Notes will be issued and allotted to SCPE.
- A summary of the principal terms of the Convertible Unsecured Notes is attached as Annexure 1 to this Explanatory Statement.

- Shares issued on the conversion of Convertible Unsecured Notes will have the same terms and rank equally in all respects with existing Shares in the Company and will be quoted on the ASX.
- Funds raised by the issue of the Tranche 2 Notes are to be used to provide funding for continued operations including costs associated with renewal of the Pase PSC.

Assuming that the Tranche 2 Notes are issued and that all of the Tranche 1 Notes and Tranche 2 Notes are converted into Shares, SCPE would have an approximate 18.3% shareholding interest in the Company (based on the Company's current issued share capital and assuming that all options and performance rights currently on issue are converted or exercised into Shares).

Board Recommendation

The Board believes that the proposed issue is beneficial for the Company, and in the best interests of Shareholders. It allows the Company the flexibility to issue the maximum number of equity securities permitted under ASX Listing Rule 7.1 without Shareholder approval during the next 12 months, providing the Company with the flexibility to respond in a timely manner to any funding requirements that may arise.

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

GLOSSARY OF TERMS

In this Explanatory Statement the following terms have the meaning set out below:

associate	Has the meaning set out in sections 11 and 13 to 17 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
ASX Listing Rules	The Official Listing Rules of the ASX, as amended from time to time.
Board	The board of directors of the Company.
Company	Triangle Energy (Global) Limited (ACN 110 411 428).
Constitution	The Company's constitution.
Convertible Note Subscription Agreement	Means the agreement of that name entered into between the Company and SCPE on 7 December 2011.
Convertible Unsecured Note <i>or</i> Note	Means a convertible unsecured note with a face value of US\$1.00 issued or to be issued by the Company pursuant to the Convertible Note Subscription Agreement.
Corporations Act	The <i>Corporations Act 2001</i> (Commonwealth).
Director	Means a director of the Company.
Explanatory Statement	Means this explanatory statement accompanying the Notice of General Meeting.
IRR	Means the rate of return to the holders of the Convertible Unsecured Notes in respect of the Subscription Price of each Note, being expressed as an annualised rate and calculated on an annual compounding basis which, when applied to the series of outflows and inflows in respect of each Note, would give a net present value of zero.
Meeting	The Extraordinary General Meeting of the Company to be held on Tuesday 14 February 2012 at 2pm (WST).
Minimum Holding Requirement	Will be satisfied if the aggregate of: <ul style="list-style-type: none"> • the number of Notes which are held by SCPE; and • the number of Notes which have been converted into Shares where SCPE remains the holder of those Shares, exceed 50% of the total number of Notes which have been issued.
Noteholder	Means the entity whose name appears in a register maintained by the Company which evidences title to the Convertible Unsecured Notes.
Notice <i>or</i> Notice of General Meeting	The notice convening the Meeting, which accompanies this Explanatory Statement.
Pase PSC	The Pase Production Sharing Contract relating to the Pase Field in Aceh Province, North Sumatra, Indonesia, which is an arrangement between Triangle Pase Inc (a wholly-owned subsidiary of the Company) and BPMIGAS.
Resolutions	The resolutions set out in the Notice of General Meeting.

SCPE	Standard Chartered Private Equity (Singapore) Pte Ltd.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The registered holder of a Share.
Subscription Price	Means the amount of US\$1.00 per Note.
WST	Means Western Standard Time.

ANNEXURE 1

Summary of the Note Terms and Conditions

This is a summary of the key principal features of the Convertible Unsecured Notes.

Issuer	Triangle Energy (Global) Limited
Subscriber	Standard Chartered Private Equity (Singapore) Pte Ltd
Face Value	US\$1.00 per Note
Maturity Date	8 December 2014
Coupon	8% pa, paid annually in arrears
Security	The Notes are unsecured obligations of Triangle Energy.
Quotation	The Notes are not quoted on the ASX.
Conversion	Notes are convertible, at the conversion price, into Shares at any time post renewal of the Pase PSC and FIRB approval, and prior to maturity.
Conversion price	A\$0.03 per Share, subject to standard adjustment mechanisms for: <ul style="list-style-type: none">• consolidations, subdivisions or other reclassifications of the Shares;• issues of Shares by way of capitalisation of profits or reserves;• capital distributions;• discounted rights issues in respect of Shares or rights to acquire Shares;• discounted rights issues in respect of other securities, other than Shares;• issues of Shares or rights to acquire Shares at a discount (other than by way of rights);• issues of convertible or exchangeable securities;• modification of rights of convertible or exchangeable securities;• issues of securities in connection with an offer by or on behalf of the Issuer; or• any other event which would have an effect on the position of the Noteholders compared with the position of the holders of Shares.
Redemption at maturity	If not previously converted or redeemed, the Notes will be redeemed on the Maturity Date to provide an IRR of 15% per annum on the face value of the notes to the Noteholder. A worked example of how the 15% IRR is determined is set out in Annexure 3.
Early redemption	Noteholder and/or SCPE (as applicable) will have rights to require early redemption of Notes as follows. <ul style="list-style-type: none">• If the Pase PSC is not renewed on the terms agreed between the Issuer and SCPE, or if FIRB approval is not

obtained by 30 June 2012, or if ASX does not grant a waiver of ASX Listing Rule 6.18 in relation to the participation rights (see below), then SCPE may require early redemption of the Tranche 1 Notes by the payment to SCPE of an amount representing an IRR of 15% per annum on the face value of the Tranche 1 Notes.

- If Issuer shareholder approval for the Tranche 2 Notes is not obtained, SCPE will have a right to require redemption of the Tranche 1 Notes by the payment to SCPE of an amount representing 1.5x multiple on the face value of the Tranche 1 Notes.
- If there is an event of default, a Noteholder may require early redemption of the Notes by the payment to the Noteholder of an amount representing an IRR of 15% per annum on the face value of the Notes. The "events of default" include:
 - the Issuer defaulting on a payment or other condition in respect of the Notes, or any obligation under the Convertible Note Subscription Agreement;
 - the Issuer is in default under another debt arrangement;
 - any representation and warranty given by the Issuer to SCPE in the Convertible Note Subscription Agreement is incorrect;
 - the Issuer is in breach of its "Covenants" (see below);
 - a third party acquires Voting Power (as defined in the Corporations Act) in 40% or more of the Issuer;;
 - the Issuer or a controlling shareholder enters into an agreement which would result in a third party acquiring Voting Power in 40% or more of the Issuer;
 - John Towner ceasing to hold, directly or indirectly, at least 15% of the Shares.
- If there is a change in tax law which results in a material tax liability (being an increase in tax liability of 5% more than would otherwise be the case) on a Noteholder in respect of the Notes, any Noteholder may require early redemption of the Notes by the payment to the Noteholder of an amount representing an IRR of 15% per annum on the face value of the Notes.

Issuer may require early redemption of the Notes if, generally speaking, SCPE does not consent to the terms of any proposed agreement for the acquisition of ExxonMobil's assets in Aceh, Indonesia, or any related financing arrangement (no such agreement has, at this stage, been

	<p>proposed by TEG). In this case, redemption would occur by the payment to SCPE of an amount representing an IRR of 15% per annum on the face value of the Notes. In addition, the Tranche 2 Notes would not be issued if they have yet to be issued.</p> <p>A worked example of how the 15% IRR is determined is set out in Annexure 3.</p>
Covenants	<p>The Issuer must not, and must ensure that none of its subsidiaries, takes certain actions without the prior consent of SCPE (for so long as it satisfies the Minimum Holding Requirement) and, where SCPE does not satisfy the Minimum Holding Requirement, any Noteholder who individually holds more than half of the Notes on issue. The actions requiring such consent include:</p> <ul style="list-style-type: none"> • issuing any equity securities, other than pursuant to the Issuer's employee incentive scheme; • related party transactions; • the appointment or removal of the Issuer's CEO, Chairperson, COO, CFO and Country Manager Indonesia; • adoption of annual budget; • acquisitions or disposals which have a value which exceeds the higher of: 10% of the Issuer group's net assets and A\$1,000,000; • disposal of any interest in the Pase PSC; and • capital expenditure or financial indebtedness other than in accordance with the annual budget.
Transferability	<p>Notes are freely transferable, except that in the first 12 months following their issue they can only be transferred in accordance with section 708 of the Corporations Act.</p>
Board representation	<p>For so long as the Minimum Holding Requirement is satisfied, and provided FIRB approval has been obtained, SCPE has the right to nominate one person for appointment to the Issuer's board of directors.</p>
Participation rights	<p>Certain participation rights are granted to SCPE in relation to any equity capital raisings during the period of 18 months after the date of issue of the Tranche 1 Notes, subject to certain conditions including issues under an employee incentive scheme or conversion of convertible securities. The issue of securities pursuant to the participation rights is subject to a waiver of ASX Listing Rule 6.18, and will lapse if the Minimum Holding Requirement is not satisfied.</p>
Financial information and access rights	<p>For so long as the Minimum Holding Requirement is satisfied, SCPE has certain rights to receive financial information from the Issuer and to have access to the Issuer's premises, officers, employees, books and records.</p>

ANNEXURE 2

Summary of the Option Terms and Conditions

Issuer	Triangle Energy (Global) Limited
Subscriber	Ucan Nominees Pty Ltd
Issue Date	29 November 2011
Number of Options	16,666,667 Options
Quotation	The Options are not quoted on the ASX
Consideration on issue	Nil
Expiry Date	30 June 2012
Maximum number of Shares that may be issued on exercise of Options	16,666,667 Shares. The Options are convertible into Shares on a 1:1 basis
Exercise Price	A\$0.03 per Option
Ranking of Shares issued on exercise of Options	Shares issued on exercise of the Options will have the same terms and rank equally in all respects with existing Shares and will be quoted on the ASX.
Reconstruction	If at any time the issued capital of the Company is reconstructed, all rights of the option holder will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of reconstruction.
Participation Rights	No participation rights are attached to the Options. An option holder will not be entitled to participate in new issues of capital offered to existing Shareholders during the option period. However, the Company will ensure that the record date for determining entitlements to any new issue of shares to existing Shareholders will be at least 7 business days after the issue is announced. That will give the option holder the opportunity to exercise to exercise all or some of the Options prior to the date for determining entitlements to participate in any new issue.
Change in exercise price or number of underlying securities	An option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.

Annexure 3

Worked example of IRR

This is a worked example of how the 15% IRR is determined.

Annexure 2 Worked IRR Examples (in USD)

	Tranche 1 Subscription Amount	Tranche 2 Subscription Amount	Interest Payment	Interest Payment	Interest Payment	Principal Repayment	Additional Payment
Prescribed Interest Rate			8.00%	8.00%	8.00%		
Interest Payments^{1,2}	08/12/11 (3,500,000)	23/02/12 (6,500,000)	07/12/12 690,301	07/12/12 800,000	07/12/13 800,000	07/12/1 4	07/12/1 800,000
Interest Payments if Notes are converted prior to Maturity^{1,2,3}	08/12/11 (3,500,000)	23/02/12 (6,500,000)	07/12/12 690,301	07/12/12 800,000	07/12/13 800,000	11/04/1 4	11/04/1 273,973
Redemption upon Maturity^{1,2}	08/12/11 (3,500,000)	23/02/12 (6,500,000)	07/12/12 690,301	07/12/12 800,000	07/12/13 800,000	07/12/1 4	07/12/14 10,000,000 2,288,611
	15.00%						

Target IRR	15.00%									
Discount Factor	1.00	1.03	1.15	1.32	1.52	1.52	1.52	1.52	1.52	1.52
Present Value of Cash Flows	(3,500,000)	(6,311,152)	600,262	604,915	526,013	6,575,162	6,575,162	6,575,162	6,575,162	1,504,799
NPV (at same discount rate)	--									

Redemption if renewal of the Pase PSC, FIRB approval or Participation Rights conditions are not satisfied^{1,4}										
Target IRR	15.00%									
Discount Factor	1.00	1.03	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Present Value of Cash Flows	(3,500,000)	--	157,260	--	--	3,500,000	3,500,000	3,500,000	3,500,000	128,548
NPV (at same discount rate)	--									

Redemption if shareholder approval for the issue of the Tranche 2 Notes is not satisfied^{1,5}										
Target IRR	1.50x									
Discount Factor	1.50x									
Present Value of Cash Flows	(3,500,000)	--	46,027	--	--	3,500,000	3,500,000	3,500,000	3,500,000	1,703,973
NPV (at same discount rate)	--									
Target multiple	1.50x									

1. Figures are shown from the Investor's perspective and are net of any additional amounts to account for withholdings or deductions.
2. Assumes all Conditions Precedent for Tranche 2 are satisfied or waived, and Tranche 2 is issued on 23 February 2012.
3. For illustration purposes only, assumes notes are converted on 11 April 2014.
4. Assumes redemption of Tranche 1 on the Conditions Precedent End Date of 30 June 2012.
5. Assumes redemption of Tranche 1 on the Shareholder Approval End Date of 6 February 2012.

