

# **European Gas Limited**

**ACN 075 760 655**

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## **NOTICE OF ANNUAL GENERAL MEETING**

### **EXPLANATORY MEMORANDUM**

#### **PROXY FORM**

Date of Meeting: **16 November 2009**  
Time of Meeting: **9.30 am EST**  
Place of Meeting: **Sofitel Sydney Wentworth Hotel**  
**61 – 101 Phillip Street,**  
**Sydney NSW 2000, AUSTRALIA**

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# European Gas Limited

ACN 075 760 655

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of European Gas Limited ACN 075 760 655 (**Company**) will be held in the Canberra Room of the Sofitel Sydney Wentworth Hotel, 61 – 101 Philip St, Sydney NSW, on 16 November 2009 at 9.30am EST.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting (**Notice**):

- provides additional information concerning matters to be considered at the annual general meeting; and
- contains a glossary of defined terms used in this Notice and in the Explanatory Memorandum.

## AGENDA

### ANNUAL REPORT

To receive and consider the Financial Report together with the Directors' Report (including the Remuneration Report) and Auditor's Report for the financial year ended 30 June 2009.

### RESOLUTIONS

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

**1. Adoption of Remuneration Report**

To consider, and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2009 be adopted."*

**2. Re-election of Mr Gauthier De Potter as a Director of the Company**

To consider, and if though fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That Mr Gauthier De Potter, who was appointed as a Director since the last Annual General Meeting of the Company, and who retires in accordance with Rule 7.3(g) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**3. Re-election of Mr Julien Moulin as a Director of the Company**

To consider, and if though fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That Mr Julien Moulin, who was appointed as a Director since the last Annual General Meeting of the Company, and who retires in accordance with Rule 7.3(g) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**4. Re-election of Mr Rod Bresnehan as a Director of the Company**

To consider, and if though fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That Mr Rod Bresnehan, who was appointed as a Director since the last Annual General Meeting of the Company, and who retires in accordance with Rule 7.3(g) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**5. Re-election of Mr Sebastian Hempel as a Director of the Company**

To consider, and if though fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That Mr Sebastian Hempel, who was appointed as a Director since the last Annual General Meeting of the Company, and who retires in accordance with Rule 7.3(g) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**6. Ratification of Prior Issue of Equity Securities**

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 14,200,000 Shares pursuant to the Placement announced on 29<sup>th</sup> September 2009 and conducted on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

**Voting exclusion statement**

The Company will disregard any votes cast on resolution 6 by any person who participated in the issue and any associate of that person (or those persons).

However, the Company will not disregard a vote if:

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

**BY ORDER OF THE BOARD**



Mark Pitts  
Company Secretary  
**16<sup>th</sup> October 2009**

## PROXY INSTRUCTIONS

A proxy form is attached to this Notice. Shareholders are advised that:

- each shareholder has a right to appoint a proxy to attend and vote for them;
- the proxy need not be a shareholder of the Company; and
- a shareholder who is entitled to cast two or more votes may appoint either one or two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for two proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The shareholder may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his or her discretion.

In accordance with section 250BA of the Corporations Act, the Company specifies that the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be:

- posted or delivered to the Company's Share Registry:  
**Computershare Investor Services Pty Limited**  
**GPO Box 242 Melbourne, Victoria 3001 Australia.**
- sent by facsimile to:  
**(within Australia) 1800 783 447**  
**(outside Australia) +61 3 9473 2555**

Those documents must be received by the Company at least 48 hours before the time for holding the annual general meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a body corporate, in a manner permitted by the Corporations Act. In the case of Shares jointly held by two or more persons, at least one joint holder must sign the proxy form.

## VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the annual general meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 5.00pm [(Sydney time)] on **14<sup>th</sup> November 2009**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the annual general meeting.

## GLOSSARY

Words which are defined in the Explanatory Memorandum have the same meaning when used in this Notice unless the context requires otherwise. For assistance in considering the Notice, the following words are defined here:

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

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Rule** means a rule of the Constitution.

# European Gas Limited

ACN 075 760 655

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice.

The Directors recommend that shareholders read this Explanatory Memorandum in full before deciding how to vote on the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice:

### 1. Annual Report

Section 317 of the Corporations Act requires the Directors to lay before the annual general meeting the financial report, the Directors' report (including the remuneration report) and the auditor's report for the last financial year that ended before the annual general meeting.

The Company's 2009 annual report is available at [www.europeangas.fr](http://www.europeangas.fr). Those holders that elected to receive a printed copy of the annual report will have received a copy with this Notice.

In accordance with sections 250S and 250A of the Corporations Act, shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to the management of the Company and the remuneration report but no formal resolution to adopt the reports will be put to shareholders at the annual general meeting (save for resolution 1 for the adoption of the remuneration report).

In accordance with section 250T of the Corporations Act, the chairman of the annual general meeting will allow a reasonable opportunity for the shareholders as a whole to ask the auditor questions at the annual general meeting about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

### 2. Resolution 1 - Adoption of Remuneration Report

Section 300A of the Corporations Act specifies certain information be included in the remuneration report of the Company's Annual Report. Section 250R(2) of the Corporations Act requires that a resolution that the remuneration report be adopted be put to a vote of shareholders at the Company's annual general meeting. The vote on this resolution is advisory to the Company only and does not bind the Board.

The remuneration report is set out in the Directors' Report within the 2009 Annual Report of the Company.

Under section 250SA of the Corporations Act, shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the remuneration report. This is in addition to any questions or comments that shareholders may have in relation to the management of the Company.

**3. Resolution 2 - Re-election of Mr Gauthier De Potter as a Director of the Company**

In accordance with Rule 7.3(g) of the Constitution, Mr Gauthier De Potter retires as a Director and, being eligible, offers himself for re-election as a Director.

***Details of Director standing for election***

**Mr Gauthier De Potter (Non-Executive Director)**

Mr De Potter is based in Brussels and is currently an Executive Director of Transcor Astra Group (“Transcor”). Transcor was founded in 1947 with principal businesses including the refining, storage, distribution and trading of crude oil, oil products, natural gas coal and coke. Transcor is a subsidiary of Compagnie Nationale à Portèfeuille S.A. and is controlled by Baron Albert Frere and his family.

Mr De Potter is a qualified Electro-Mechanical Engineer and Certified Financial Analyst, and has held senior positions at JP Morgan, Tractabel (now GDF-Suez) and Bechtel Enterprises/Intergen.

***The Directors (with Mr De Potter abstaining) recommend that you vote in favour of this resolution.***

**4. Resolution 3 - Re-election of Mr Julien Moulin as a Director of the Company**

In accordance with Rule 7.3(g) of the Constitution, Mr Julien Moulin retires as a Director and, being eligible, offers himself for re-election as a Director.

***Details of Director standing for election***

**Mr Julien Moulin (Non-Executive Director)**

Mr Moulin is co-founder of Maoming Investment Manager Ltd, an investment management company investing globally in listed and unlisted companies with a significant focus on China. He has served as Managing Partner of the Company since February 2006.

Prior appointments include investment adviser of the Global China Fund, a European based investment fund; an Investment Manager at SKI Capital, a London-based market neutral fund; and an Investment Analyst at UBS Global Asset Management in charge of the European telecommunications sector.

Mr Moulin holds a BA in Economics and Business School (hons) from Sorbonne University and a Masters Degree in Asset Management and Financial Markets (hons) from the University of Paris-Dauphine.

Mr Moulin has served on the boards of several listed and unlisted companies and is currently on the Board of Envision Energy, a leading Chinese wind turbine manufacturer, and Legend Media Inc, a Chinese media company listed in the United States.

***The Directors (with Mr Moulin abstaining) recommend that you vote in favour of this resolution.***

**5. Resolution 4 - Re-election of Mr Rod Bresnehan as a Director of the Company**

In accordance with Rule 7.3(g) of the Constitution, Mr Rod Bresnehan retires as a Director and, being eligible, offers himself for re-election as a Director.

***Details of Director standing for election***

**Mr Rod Bresnehan** (Non-Executive Director)

Mr Bresnehan is a Petroleum Reservoir Engineer with 35 years experience in the oil and gas industry in both upstream resources and reserves development; and in downstream commercial and marketing areas, with specific recent emphasis on coal bed methane projects.

Mr Bresnehan has held various senior management positions in major Australian hydrocarbon exploration and production companies, including Santos Limited and Oil Company of Australia Limited (Origin Energy Limited), and has been a principal consultant to many coal bed methane projects and groups in Australia and internationally.

Mr Bresnehan is presently Chairman of the Australian Council of the Society of Petroleum Engineers and is Principal of Bresnehan and Associates. He is also a director of Clean Energy Australasia and Energy Resource Development; and previously a Non-Executive Director of Anzoil.

Mr Bresnehan holds a Bachelor of Applied Science (Chemistry).

***The Directors (with Mr Bresnehan abstaining) recommend that you vote in favour of this resolution.***

**6. Resolution 5 - Re-election of Mr Sebastian Hempel as a Director of the Company**

In accordance with Rule 7.3(g) of the Constitution, Mr Sebastian Hempel retires as a Director and, being eligible, offers himself for re-election as a Director.

***Details of Director standing for election***

**Mr Sebastian Hempel** (Independent Non-Executive Director)

Mr Hempel is a corporate lawyer with over 18 years of advisory experience in the listed company area with specialities in capital raisings and Australian Securities Exchange ("ASX") listings, and in the resources sector. He was with commercial law firm Minter Ellison from late 1996 to early 2008 (partner since July 2000) after a period in investment banking at Macquarie Bank and working at the ASX from early 1991 to mid 1995.

Mr Hempel is a Non-Executive Director of Prosperity Resources Ltd, a member of the Council of The Armidale School, an Executive Director of Sydney law practice Greenwich Legal, and a Director of Conchita Nominees Pty Ltd.

Mr Hempel holds a Graduate Diploma in Applied Corporate Governance (awarded by Chartered Secretaries Australia in 2008) and has Science and Law degrees from Sydney University.

***The Directors (with Mr Hempel abstaining) recommend that you vote in favour of this resolution.***

## 7. Resolution 6 – Ratification of Prior Issue of Equity Securities

On 29<sup>th</sup> September 2009, the Company announced that it had agreed terms to place 14,200,000 Shares at a subscription price of \$0.17 to raise \$2,414,000 before the costs of the issue.

The terms of the Placement call for two equal tranches of 7,100,000 Shares each. The first tranche was completed on 6<sup>th</sup> October 2009 and the second tranche was completed on the 16<sup>th</sup> of October raising a total of \$2,414,000 before the costs of the issue. The Share issue is well within the Company's 15% existing placing facility provided in Listing Rule 7.1 ("Placement").

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of Shareholders to be ratified by Shareholders, in order to refresh the 15% capacity under Listing Rule 7.1, provided at the time the issue was made, the issue was made within the Company's existing 15% capacity under Listing Rule 7.1.

Shareholder approval is therefore now sought pursuant to Listing Rule 7.4 to ratify the Placement so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without first requiring Shareholder approval for those future issues.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued was 14,200,000 Shares;
- (b) the Shares were issued at a price of \$0.17 per Share;
- (c) the Shares issued rank equally with existing Shares on issue;
- (d) the Shares were issued to Maoming Fund an existing substantial holder and institutional investor. Maoming Fund is not a related Party;
- (e) the Shares are to be quoted on ASX, and
- (f) the funds raised will be used for additional working capital purposes including exploration, drilling and capital works at the Company's hydrocarbon exploration and production operations in France and elsewhere in Europe.

In addition to the above disclosures it is noted that Mr Julien Moulin is a Board appointee of Maoming Fund

***The Directors recommend that you vote in favour of this resolution.***

# European Gas Limited

ABN 75 075 760 655

000001 000 EPG  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## 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](http://www.intermediaryonline.com)

### For all enquiries call:

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

## Proxy Form

For your vote to be effective it must be received by 9:30am (AEDT) Saturday 14 November 2009

### 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.

### 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 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 the Annual Report:

[www.europeangas.fr](http://www.europeangas.fr)

Update your securityholding, 24 hours a day, 7 days a week:

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

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 European Gas 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, as the proxy sees fit) at the Annual General Meeting of European Gas Limited to be held at Sofitel Sydney Wentworth Hotel, 61 - 101 Phillip Street, Sydney NSW 2000 on Monday, 16 November 2009 at 9:30am (AEDT) and at any adjournment 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 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Gauthier De Potter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Julien Moulin as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Mr Rod Bresnehan as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Re-election of Mr Sebastian Hempel as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of Prior Issue of Equity Securities	<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.

## 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 \_\_\_\_/\_\_\_\_/\_\_\_\_