

21 November 2011

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

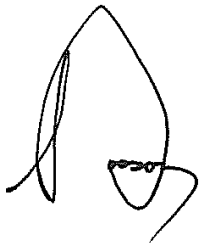
Dear Sir/Madam

NOTICE OF GENERAL MEETING, EXPLANATORY STATEMENT & PROXY FORM

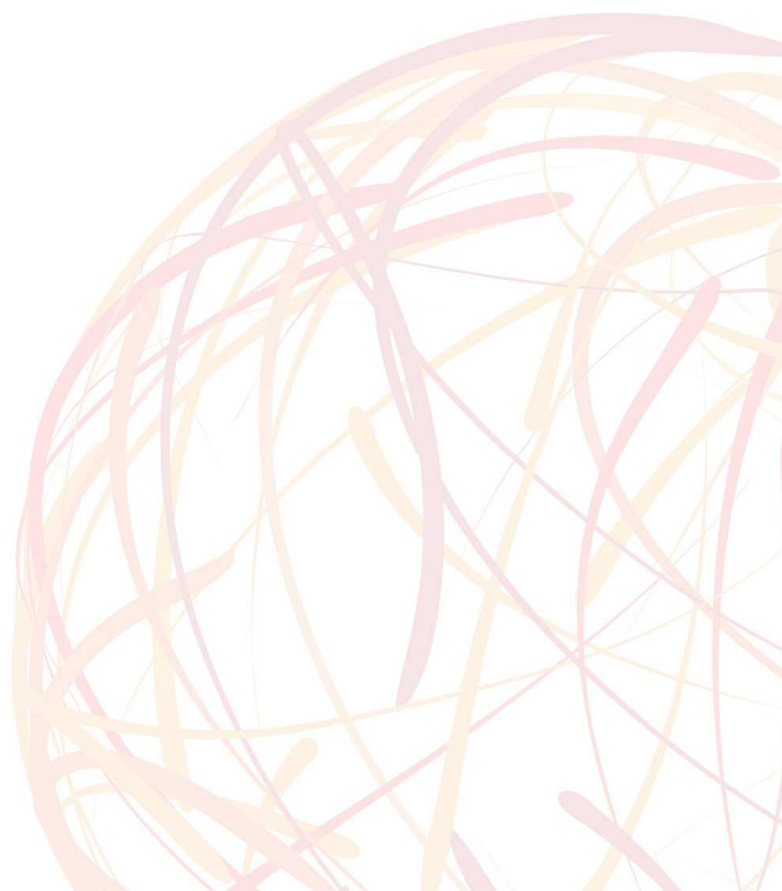
We advise that the Company's Notice of General Meeting, Explanatory Statement and Proxy Form were despatched to Shareholders today.

We attach a copy of the Notice of General Meeting, Explanatory Statement and Proxy Form.

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary



NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

Thursday, 22 December 2011 at 11.00am

TO BE HELD AT

The offices of BDO

38 Station Street, Subiaco, Western Australia

CONTENTS

- A. Notice of General Meeting
- B. Explanatory Statement
- C. Proxy Form

IMPORTANT NOTE

This booklet sets out information to assist Shareholders to assess the Resolutions to be considered at the General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of General Meeting, Explanatory Statement, Proxy Form and Appointment of Corporate Representative Form are included in this booklet. Shareholders are urged to complete and return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Meeting.

QUESTIONS

If you have any queries regarding the contents of this booklet or in relation to the General Meeting, please contact the Company Secretary, Mr Craig Basson, on (08) 9345 4100.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Sun Resources NL will be held on:

Thursday, 22 December 2011 commencing at 11:00am

at:

BDO
38 Station Street
Subiaco, Western Australia

HOW TO VOTE

You may vote by attending the Meeting in person, by proxy or authorised representative.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 11:00am.

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- email the proxy to the Company Secretary, Mr Craig Basson, at the following email address: proxies@ricgroup.com.au; or
- send the proxy by facsimile to the Company Secretary, Mr Craig Basson on facsimile number (08) 9345 4541 (International: + 618 9345 4541); or
- deliver to the Company Secretary, at 5 Bendsten Place, Balcatta, WA, 6021; or
- post to PO Box 332, Greenwood, WA, 6924,

so that it is received not later than 11.00am WST on Tuesday, 20 December 2011.

Your Proxy Form is enclosed

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Sun Resources NL will be held on Thursday, 22 December 2011 at 11.00am, at the office of BDO, 38 Station Street, Subiaco, Western Australia.

The following Resolutions are to be considered at the Meeting and are discussed in the Explanatory Statement which forms part of this Notice of Meeting.

AGENDA

1. RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS TO ADVISORS

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

That, in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 7,000,000 Shares and 30,000,000 Advisor Options to various advisors of the Company (or their nominees) on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

2. APPROVAL OF ISSUE OF ACQUISITION SECURITIES TO CARINA ENERGY LLC

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

That, for the purposes of ASX Listing Rules 7.1 and for all other purposes, approval is given for the issue of:

- (a) up to 58,823,529 Shares;
- (b) up to 50,000,000 Vendor Options;
- (c) up to 75,000,000 Class B Performance Options;
- (d) up to 40,000,000 Class C Performance Options;
- (e) up to 65,000,000 Class D Performance Options;
- (f) up to 65,000,000 Class E Performance Options; and
- (g) up to 75,000,000 Class F Performance Options,

to Carina Energy LLC (or its nominees) as part consideration for the acquisition of the Delta Oil Project on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast 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.*

3. APPROVAL OF ISSUE OF SHARES TO MR MATTHEW ARTHUR BATTRICK

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of 294,117 Shares at an issue price of 1.7 cents each to Mr Matthew Arthur Battrock (or his nominee) on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by Mr Battrock or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Meeting.

VOTING ENTITLEMENT

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

For the purposes of determining voting entitlements at the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 11:00am WST on Tuesday, 20 December 2011. Accordingly, transactions registered after that time may be disregarded in determining entitlements to vote at the meeting in the event of a poll.

PROXIES

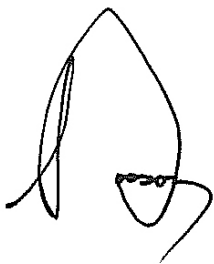
A Proxy Form with related information and instructions accompanies this Notice of Meeting.

CORPORATE REPRESENTATIVE

If a representative of a Shareholder corporation is to attend the meeting, the attached Appointment of Corporate Representative Form should be completed and produced prior to the meeting commencing.

Dated at Perth this 10th day of November 2011

By order of the Board of Directors



Craig Basson
Company Secretary

EXPLANATORY STATEMENT

INTRODUCTION AND BACKGROUND

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting to be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Thursday, 22 December 2011 commencing at 11.00am.

Shareholders at the General Meeting will be asked to consider:

- (a) a resolution to ratify the prior issue of the Advisor Securities to various parties;
- (b) a resolution to issue the Acquisition Securities to Carina Energy LLC (or its nominees); and
- (c) a resolution to issue 294,117 Shares to Mr Matthew Battrick, a director of the Company.

All three Resolutions relate to the Company's acquisition of the Delta Oil Project as announced on ASX on 26 August 2011.

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the Resolutions.

The Directors recommend that Shareholders read this Explanatory Statement before determining whether to support the resolutions or otherwise. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. ACQUISITION OF DELTA OIL PROJECT

As announced by the Company on ASX on 26 August 2011, the Company has entered into an agreement with a Houston based private oil and gas company, Carina Energy LLC (**Carina Energy**), to acquire up to 10,000 net acres of oil and gas leases within the oil zone of the Eagle Ford Shale trend in Texas, USA (**Delta Oil Project**). The Company will acquire a 100% working interest in all of the leases, each with a minimum 75% net revenue interest, a three year lease term and, in most instances, a 2 year option to extend the lease term. The Company will work with Carina Energy to acquire up to 10,000 acres of oil and gas leases, however, less than 10,000 acres may ultimately be acquired. The numbers throughout this Notice of Meeting are based on the acquisition of the full 10,000 acres.

The Company will acquire the oil and gas leases in up to four tranches. The acquisition of the first three tranches of leases (of approximately 4,442 net acres) has already occurred and, subject to a number of conditions precedent including due diligence, and receipt of all necessary regulatory and Shareholder approvals, the acquisition of the remaining tranche is expected to be completed by 15 December 2011.

Carina Energy (or its nominees) will receive a mixture of cash and securities as consideration for the sale of Delta Oil Project, including:

- (a) up to 58,823,529 Shares;
- (b) up to 50,000,000 Vendor Options, each of which may be converted into one Share in the Company at any time prior to 31 March 2014 at an exercise price of 2.5 cents per Share (and otherwise on the terms and conditions detailed in Schedule 2); and

- (c) up to 320,000,000 Performance Options, each of which may be converted into one Share in the Company in the event certain performance milestones are achieved by certain dates as detailed in Schedule 3 (and otherwise on the terms and conditions detailed in Schedule 3),

(together, the **Acquisition Securities**).

The number of Acquisition Securities to be issued to Carina Energy (or its nominees) will be reduced proportionately if the Company ultimately acquires less than the full 10,000 acres in the Delta Oil Project.

The Company has already issued 7,000,000 Shares and 30,000,000 Advisor Options (together, the **Advisor Securities**) to two stockbroking firms as consideration for services rendered to the Company in relation to the acquisition of the Delta Oil Project.

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS TO ADVISORS

2.1 Introduction

On 27 October 2011, the Company issued the Advisor Securities to two stockbroking firms (or their nominees) as consideration for services rendered in relation to the acquisition of the Delta Oil Project. Resolution 1 seeks Shareholder ratification of the issue of the Advisor Securities.

Each of the Directors intends to vote in favour of Resolution 1 and recommends that Shareholders vote in favour of this Resolution.

2.2 ASX Listing Rule 7.4

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without shareholder approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1, thereby 'refreshing' the Company's ability to issue shares within the 15% limit, and restoring the Company's ability to make placements within that limit (if that is thought desirable) without the need for shareholder approval.

While the Advisor Securities described in this Resolution 1 were issued within the 15% limit, the Company seeks Shareholder ratification of the issue of those securities for the purpose of Listing Rule 7.4 so that the Company's ability to issue securities will be 'refreshed'. By ratifying the issue of the Advisor Securities under ASX Listing Rule 7.4, the Company will retain the flexibility to issue equity securities in the future of up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.3 Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.4.

For the purposes of ASX Listing Rule 7.5, the following information is provided to allow Shareholders to assess the ratification of the issue and allotment of the Advisor Securities the subject of Resolution 1:

- (a) the total Advisor Securities issued and allotted by the Company was 7,000,000 Shares and 30,000,000 Advisor Options;
- (b) the Advisor Securities were issued for nil consideration in lieu of cash fees;
- (c) the Shares were ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Advisor Options were issued on the terms and conditions set out in Schedule 1;
- (e) the Advisor Securities were allotted to the following parties:

Allottee	Shares	Advisor Options
JP Morgan Nominees Australia Limited ¹	1,400,000	6,300,000
Cunningham Peterson Sharbanee Securities Pty Ltd	600,000	2,700,000
Zenix Nominees Pty Ltd ²	5,000,000	21,000,000
Total	7,000,000	30,000,000

- 1. Nominee of Cunningham Peterson Sharbanee Securities Pty Ltd.
- 2. Nominee of Hartleys Limited.

- (a) no funds were raised from the issue of the Advisor Securities as they were issued as consideration for services rendered to the Company in relation to the acquisition of the Delta Oil Project. However, if all of the Advisor Options are exercised, total funds of \$750,000 will be received by the Company; and
- (b) a voting exclusion statement is included in the Notice.

3. RESOLUTION 2 – ISSUE OF ACQUISITION SECURITIES TO CARINA ENERGY LLC

3.1 Introduction

As noted in Section 1, Carina Energy (or its nominees) will be issued with the Acquisition Securities as partial consideration for the sale of Delta Oil Project to the Company.

The Acquisition Securities will be issued progressively as the various tranches of leases are acquired by the Company and the number of Acquisition Securities to be issued to Carina Energy (or its nominees) will be reduced proportionately if the Company ultimately acquires less than the full 10,000 acres in the Delta Oil Project.

A list of Carina Energy's nominees, including their entitlement to receive the Acquisition Securities, is set out in section 3.4. Neither Carina Energy nor any of its nominees will be related parties of the Company and none will hold (either alone or in aggregate) 20% or more of the Shares in the Company upon the issue of the Acquisition Securities.

Each of the Directors intends to vote in favour of Resolution 2 and recommends that Shareholders vote in favour of this Resolution.

3.2 ASX Listing Rule 7.1

Resolution 2 is required to be approved in accordance with ASX Listing Rule 7.1. ASX Listing Rule 7.1 limits the number of equity securities which a listed company may issue in any 12 month period without shareholder approval (subject to certain exceptions, for example, a pro rata issue to all shareholders). The limit is, generally speaking, no more than 15% of the total number of equity securities on issue at the beginning of the 12 month period, plus the number of equity securities issued with the approval of shareholders or under one of the exceptions to ASX Listing Rule 7.1 during the previous 12 months.

Accordingly, the Company is seeking approval under ASX Listing Rule 7.1 for the issue of the Acquisition Securities on the terms and conditions set out in this Explanatory Statement.

3.3 Information required by ASX Listing Rule 7.3

ASX Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided to allow Shareholders to assess the issue of the Acquisition Securities the subject of Resolution 2:

- (a) the maximum number of securities to be issued to the nominees of Carina Energy is:
 - (i) 58,823,529 Shares;
 - (ii) 50,000,000 Acquisition Options;
 - (iii) 75,000,000 Class B Performance Options;
 - (iv) 40,000,000 Class C Performance Options;
 - (v) 65,000,000 Class D Performance Options;
 - (vi) 65,000,000 Class E Performance Options; and
 - (vii) 75,000,000 Class F Performance Options,
- (b) the Acquisition Securities will be issued progressively as the various tranches of leases are acquired by the Company but, in any event, no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Acquisition Securities will be issued for nil cash consideration;
- (d) the Acquisition Securities will be issued and allotted to the nominees of Carina Energy set out in section 3.4;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Acquisition Options will be issued on the terms and conditions set out in Schedule 2;
- (g) the Performance Options will be issued on the terms and conditions set out in Schedule 3; and
- (h) the Company will not be raising any funds from the issue of the Acquisition Securities as they are being issued in part consideration for the acquisition of the Delta Oil Project. However, if all of the Vendor Options and the Performance Options are issued and subsequently exercised, total funds of \$1,570,000 will be received by the Company.

3.4 Nominees

Assuming all 10,000 acres of the Delta Oil Project are acquired by the Company, the following Acquisition Securities will be issued to the following nominees of Carina Energy:

Recipient	Shares	Vendor Options	Class B Perform. Options	Class C Perform. Options	Class D Perform. Options	Class E Perform. Options	Class F Perform. Options
JDK Nominees Pty Ltd atf the Kenny Capital Trust	6,111,765	8,900,000	11,250,000	6,000,000	9,750,000	9,750,000	11,250,000
Berenes Nominees Pty Ltd atf the Berenes Super Fund	2,000,000	2,000,000	-	-	-	-	-
PF Petroleum Pty Ltd	13,945,735	10,752,500	17,531,250	9,350,000	15,193,750	15,193,750	17,531,250
Nefco Nominees Pty Ltd	36,766,029	28,347,500	46,218,750	24,650,000	40,056,250	40,056,250	46,218,750
Total	58,823,529	50,000,000	75,000,000	40,000,000	65,000,000	65,000,000	75,000,000

4. RESOLUTIONS 3 - ISSUE OF SHARES TO MR MATTHEW ARTHUR BATTRICK

4.1 Introduction

Resolution 3 seeks Shareholder approval for the issue of 294,117 Shares at an issue price of \$0.017 each to Mr Matthew Arthur Battrick, a Director of the Company, to raise \$5,000.00.

The Company has agreed to issue these Shares to Mr Battrick in lieu of a similar number of Shares which Mr Battrick was allocated under the Company's recent Shortfall Offer and which Mr Battrick relinquished to allow another Shareholder of the Company to take up this allocation.

Mr Battrick has an interest in Resolution 3 and therefore believes it inappropriate to make a recommendation. Each of the other Directors intends to vote in favour of Resolution 3 and recommends that Shareholders vote in favour of Resolution 3.

4.2 ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act

The Company seeks Shareholder approval for the purpose of Listing Rule 10.11 and under Chapter 2E of the Corporations Act to enable the Company to issue the Shares to Mr Battrick.

Subject to certain exceptions, Listing Rule 10.11 restricts a company from issuing or agreeing to issue equity securities to a related party without shareholder approval. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies or shareholder approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

- (a) obtain the approval of members in the way set out in sections 217 to 227; and
- (b) give the benefit within 15 months after the approval.

For the purpose of this Meeting and in accordance with section 228 of the Corporations Act a related party of the Company includes:

- (a) a Director; and
- (b) an entity controlled by a Director.

Accordingly, Resolution 3 also seeks Shareholder approval for the issue the Shares to Mr Battrick (or his nominees) for the purposes of Chapter 2E of the Corporations Act.

4.3 Information required by ASX Listing Rule 10.13 and section 219 of the Corporations Act

ASX Listing Rule 10.13 and section 219 of the Corporations Act set out a number of matters which must be included in a notice of meeting seeking approval under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act.

For the purposes of Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the issue of the Shares the subject of Resolution 3:

- (a) the Shares are to be issued to Mr Battrick (or his nominee);
- (b) the total number of Shares to be issued and allotted to Mr Battrick is 294,117;
- (c) the Company will issue and allot the Shares no later than 1 month after the date of the Meeting (or such longer period as ASX may, in its discretion, allow);
- (d) the Shares will have an issue price of 1.7 cents (\$0.017) per Share;
- (e) the Shares will be ordinary shares in the capital of the Company and will issued on the same terms and conditions as the Company's existing Shares;

- (f) the \$5,000 to be raised through the issue of the Shares will be used to used to partly fund the acquisition of the Delta Oil Project and for working capital purposes;
- (g) a voting exclusion is included in the Notice;
- (h) Mr Battrick has an interest in Resolution 3 and therefore believes it inappropriate to make a recommendation. The other Directors of the Company recommend that Shareholders vote in favour of Resolution 3;
- (i) Mr Battrick currently has an interest in 2,000,000 Options;
- (j) Mr Battrick received \$381,618 in remuneration from the Company for the year ended 30 June 2011 and it is expected that he will receive a similar amount from the Company in the current financial year;
- (k) in the twelve months before the date of this Notice, the highest, lowest and last trading price of the Shares on ASX were as follows:

	Price	Date
Highest	\$0.110	24 January 2011 and 2 February 2011
Lowest	\$0.017	8 and 11 August 2011
Last	\$0.025	9 November 2011

- (l) the Shares are being issued to Mr Battrick in lieu of a similar number of Shares which Mr Battrick was allocated under the Shortfall Offer and which Mr Battrick relinquished to allow another Shareholder of the Company to take up this allocation;
- (m) the Shares are being issued to Mr Battrick at the same price as those issued to other investors under the Shortfall Offer. As such, the Directors of the Company do not consider there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Shares to Mr Battrick; and
- (n) other than the information above and otherwise contained in this Explanatory Statement, the Company believes that there is no other information that would reasonably be required by the Shareholders to pass Resolution 3.

5. GLOSSARY

In the Notice of Meeting and this Explanatory Statement:-

- (a) "Acquisition" means the acquisition by the Company of the Delta Oil Project as detailed in the Company's announcement dated 26 August 2011.
- (b) "Acquisition Securities" means up to:
 - (i) 58,823,529 Shares;
 - (ii) 50,000,000 Vendor Options;
 - (iii) 75,000,000 Class B Performance Options;

- (iv) 40,000,000 Class C Performance Options;
- (v) 65,000,000 Class D Performance Options;
- (vi) 65,000,000 Class E Performance Options; and
- (vii) 75,000,000 Class F Performance Options,

to be issued to Carina Energy (or its nominees) as part consideration for the Acquisition.

- (c) "Advisor Options" mean the options whose issue is to be ratified pursuant to Resolution 1 the terms of which are set out in Schedule 1 of this Explanatory Statement.
- (d) "Advisor Securities" means the 7,000,000 Shares and 30,000,000 Advisor Options already issued to various advisors of the Company on 27 October 2011 as consideration for services rendered in relation to the Acquisition.
- (e) "ASIC" means Australian Securities & Investments Commission.
- (f) "ASX" means ASX Limited or the Australian Securities Exchange, as the context requires.
- (g) "Board" means the Directors of the Company as at the date of this Notice of Meeting.
- (h) "Carina Energy" means Carina Energy LLC of Suite 300 East, 4801 Woodway Drive, Houston TX 77056, USA.
- (i) "Class B Performance Options" means the Class B Performance Options, the terms of which are set out in Schedule 3 of this Explanatory Statement.
- (j) "Class C Performance Options" means the Class C Performance Options, the terms of which are set out in Schedule 3 of this Explanatory Statement.
- (k) "Class D Performance Options" means the Class D Performance Options, the terms of which are set out in Schedule 3 of this Explanatory Statement.
- (l) "Class E Performance Options" means the Class E Performance Options, the terms of which are set out in Schedule 3 of this Explanatory Statement.
- (m) "Class F Performance Options" means the Class F Performance Options, the terms of which are set out in Schedule 3 of this Explanatory Statement.
- (n) "Company" means Sun Resources NL ABN 69 009 196 810.
- (o) "Corporations Act" means the Corporations Act 2001 (Cth).
- (p) "Delta Oil Project" means up to 10,000 net acres of oil and gas leases within the oil zone of the Eagle Ford Shale trend in Texas, USA as detailed in the Company's announcement to ASX dated 26 August 2011.
- (q) "Director" means a director of the Company.
- (r) "Explanatory Statement" means the explanatory statement to the Notice of Meeting.
- (s) "General Meeting" or "Meeting" means the General Meeting of the Company the subject of the Notice of Meeting

- (t) "Listing Rules" means the Listing Rules of the ASX.
- (u) "Notice" or "Notice of Meeting" means this notice of general meeting
- (v) "Option" means an option to subscribe for a Share including, but is not limited to, an Advisor Option, a Vendor Option or a Performance Option.
- (w) "Optionholder" means a holder of an Option.
- (x) "Performance Options" means, collectively, the Class B Performance Options, the Class C Performance Options, the Class D Performance Options, the Class E Performance Options and the Class F Performance Options.
- (y) "Proxy Form" means the proxy form attached to the Notice of Meeting.
- (z) "Resolution" means a resolution contained in this Notice of Meeting.
- (aa) "Share" means a fully paid ordinary share in the capital of the Company.
- (bb) "Shareholder" means a shareholder of the Company.
- (cc) "Shortfall Offer" means the offer of those Shares in the Company not subscribed for by existing Shareholders of the Company under the recent entitlement issue of 111,092,433 Shares in the Company at the price of \$0.017 per Share to raise \$1,888,571.
- (dd) "Vendor Options" means the options to be issued to Carina Energy (or its nominees) pursuant to Resolution 2, the terms of which are set out in Schedule 2 of this Explanatory Statement.
- (ee) "WST" means the time in Perth, Western Australia.

SCHEDULE 1

TERMS OF BROKER OPTIONS

1. The terms of the Advisor Options are as follows:
 - (a) Each Advisor Option is exercisable on or before 31 March 2014;
 - (b) the exercise price of each Advisor Option is 2.5 cents (\$0.025) payable in cash;
 - (c) the Advisor Options can be exercised in whole or in part;
 - (d) an Advisor Option cannot be exercised if the exercise would result in the Optionholder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act;
 - (e) any Advisor Option not exercised by the end of 31 March 2014 will automatically lapse;
 - (f) each Advisor Option will carry the right to subscribe for one Share in the Company which will rank pari passu with existing Shares;
 - (g) a certificate will be issued for the Advisor Options;
 - (h) the Advisor Options will not be quoted on the ASX;
 - (i) the Company will make an application to the ASX for the quotation of Shares issued on exercise of Advisor Options. The Company will not be under any obligation to ensure that such Shares will be quoted on ASX;
 - (j) the Advisor Options can only be exercised by notice in writing to the Company (in such form as the Company may prescribe from time to time) together with payment in cash of the exercise price of the Advisor Options;
 - (k) any notice of exercise of an Advisor Option received by the Company shall be deemed to be a notice of the exercise of the Advisor Option on the first business day after the date of receipt of the notice;
 - (l) the Optionholder will only be permitted to participate in any pro-rata issue of securities of the Company on prior exercise of the Advisor Options, in which case the Optionholder will be afforded the period of at least 5 business days prior to and inclusive of the record date to determine entitlements to the issue to exercise the Advisor Options;
 - (m) the Advisor Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Advisor Options;
 - (n) the Advisor Options are transferrable;
 - (o) in the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Advisor Options will be reorganised in accordance with the ASX Listing Rules and in any case in a manner which will not result in any benefits being conferred on the Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Advisor Options in such manner as may be necessary to comply with the ASX Listing Rules;

- (p) the number of Shares to be issued pursuant to the exercise of the Advisor Options will be adjusted for bonus issues made prior to exercise of the Unlisted Options so that, upon exercise of the Advisor Options, the number of Shares received by the Optionholder will include the number of bonus Shares that would have been issued if the Advisor Options had been exercised prior to the record date for the bonus issues. The exercise price of the Advisor Options will not change as a result of any such bonus issues;
- (q) Shares issued pursuant to the exercise of the Advisor Options will be granted following the receipt of all relevant documentation and payments; and
- (r) Shares issued pursuant to the exercise of the Advisor Options will be issued within 10 business days of receipt of all relevant documentation and payments by the Company.

SCHEDULE 2

TERMS OF VENDOR OPTIONS

1. The terms of the Vendor Options are as follows:
 - (a) Each Vendor Option is exercisable on or before 31 March 2014;
 - (b) the exercise price of each Vendor Option is 2.5 cents (\$0.025) payable in cash;
 - (c) the Vendor Options can be exercised in whole or in part;
 - (d) a Vendor Option cannot be exercised if the exercise would result in the Optionholder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act;
 - (e) any Vendor Option not exercised by the end of 31 March 2014 will automatically lapse;
 - (f) each Vendor Option will carry the right to subscribe for one Share in the Company which will rank pari passu with existing Shares;
 - (g) a certificate will be issued for the Vendor Options;
 - (h) the Vendor Options will not be quoted on the ASX;
 - (i) the Company will make an application to the ASX for the quotation of Shares issued on exercise of Vendor Options. The Company will not be under any obligation to ensure that such Shares will be quoted on ASX;
 - (j) the Vendor Options can only be exercised by notice in writing to the Company (in such form as the Company may prescribe from time to time) together with payment in cash of the exercise price of the Vendor Options;
 - (k) any notice of exercise of a Vendor Option received by the Company shall be deemed to be a notice of the exercise of the Vendor Option on the first business day after the date of receipt of the notice;
 - (l) the Optionholder will only be permitted to participate in any pro-rata issue of securities of the Company on prior exercise of the Vendor Options, in which case the Optionholder will be afforded the period of at least 5 business days prior to and inclusive of the record date to determine entitlements to the issue to exercise the Vendor Options;
 - (m) the Vendor Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Vendor Options;
 - (n) the Vendor Options are transferrable;
 - (o) in the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Vendor Options will be reorganised in accordance with the ASX Listing Rules and in any case in a manner which will not result in any benefits being conferred on the Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Vendor Options in such manner as may be necessary to comply with the ASX Listing Rules;
 - (p) the number of Shares to be issued pursuant to the exercise of the Vendor Options will be adjusted for bonus issues made prior to exercise of the Unlisted Options so that,

upon exercise of the Vendor Options, the number of Shares received by the Optionholder will include the number of bonus Shares that would have been issued if the Vendor Options had been exercised prior to the record date for the bonus issues. The exercise price of the Vendor Options will not change as a result of any such bonus issues;

- (q) Shares issued pursuant to the exercise of the Vendor Options will be granted following the receipt of all relevant documentation and payments;
- (r) Shares issued pursuant to the exercise of the Vendor Options will be issued within 10 business days of receipt of all relevant documentation and payments by the Company; and
- (s) Shares that are issued as a result of the exercise of the Vendor Options may be held in the name of the Optionholder's nominee.

SCHEDULE 3

TERMS OF PERFORMANCE OPTIONS

1. The terms of the Class B Performance Options (**Class B Performance Options**) are as follows:
 - (a) Each Class B Performance Option can only be exercised by the holder if the Eaglebine oil play (Woodbine tight sands) of the Delta Oil Project has been farmed out by the Company to a reputable third party (which farm-out will include drilling obligations and be on terms acceptable to the Company, acting reasonably) by no later than 5.00pm WST on 31 August 2012 (**Class B Performance Milestone**);
 - (b) the Company will provide written notice to all Class B Performance Optionholders if the Class B Performance Milestone is satisfied (including the date of satisfaction);
 - (c) the exercise price of each Class B Performance Option is one tenth of one cent (\$0.001), payable in cash;
 - (d) the Class B Performance Options can be exercised in whole or in part;
 - (e) a Class B Performance Option cannot be exercised if the exercise would result in the Class B Performance Optionholder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act;
 - (f) each Class B Performance Option must be exercised within 120 days of the date the Class B Performance Milestone is satisfied or, if a Class B Performance Optionholder advises the Company in writing within the 120 day period that the prohibition set out in section 606 of the Corporations Act applies to the Class B Performance Optionholder, then within 30 days of the date of any relevant shareholders' meeting held by the Company to obtain approval for the purposes of item 7 of section 611 of the Corporations Act (**Class B Expiry Date**) provided always that the Class B Expiry Date will be no later than 5:00pm on 30 April 2013;
 - (g) any Class B Performance Option not exercised by 5.00pm WST on the Class B Expiry Date will automatically lapse;
 - (h) each Class B Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company;
 - (i) the Class B Performance Options will not be quoted on the ASX;
 - (j) a certificate will be issued for the Class B Performance Options;
 - (k) the Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Class B Performance Options. The Company will not be under any obligation to ensure that such Shares will be quoted on ASX;
 - (l) the Class B Performance Options can only be exercised by notice in writing to the Company (in such form as the Company may prescribe from time to time) together with payment in cash of the exercise price of the Class B Performance Options;
 - (m) any notice of exercise of a Class B Performance Option received by the Company will be deemed to be a notice of the exercise of the Class B Performance Option on the first business day after the date of receipt of the notice;

- (n) a Class B Performance Optionholder will only be permitted to participate in a new issue of securities of the Company on the prior exercise of the Class B Performance Options. The Class B Performance Optionholder will be afforded a period of at least 5 business days prior to and inclusive of the record date to determine entitlements to the new issue to exercise the Class B Performance Options;
- (o) the Class B Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Class B Performance Options;
- (p) the Class B Performance Options are transferrable;
- (q) in the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Class B Performance Options will be reorganised in accordance with the ASX Listing Rules and in any case in a manner which will not result in any benefits being conferred on Class B Performance Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Class B Performance Options in such manner as may be necessary to comply with the ASX Listing Rules;
- (r) the number of Shares to be issued pursuant to the exercise of Class B Performance Options will be adjusted for bonus issues made prior to exercise of the Class B Performance Options so that, upon exercise of the Class B Performance Options, the number of Shares received by the Class B Performance Optionholder will include the number of bonus Shares that would have been issued if the Class B Performance Options had been exercised prior to the record date for the bonus issues. The exercise price of the Class B Performance Options shall not change as a result of any such bonus issues;
- (s) Shares that are issued as a result of the exercise of Class B Performance Options may be held in the name of the Class B Performance Optionholder's nominee; and
- (t) Shares issued pursuant to the exercise of the Class B Performance Options will be issued within 10 business days of receipt of all relevant documentation and payments by the Company.

2. The terms and conditions of the Class C Performance Options (**Class C Performance Options**) are as follows:

- (a) Each Class C Performance Option can only be exercised by the holder if a deeper than 10,000 foot horizon (i.e. Travis Peak or Cotton Valley or Bossier horizon) of the Delta Oil Project is farmed out to a reputable third party (which farm-out will include shooting 3D seismic and/or drilling obligations and be on terms acceptable to the Purchaser, acting reasonably) by 5.00pm WST on 31 August 2012 (**Class C Performance Milestone**);
- (b) the Company will provide written notice to all Class C Performance Optionholders if the Class C Performance Milestone is satisfied (including the date of satisfaction);
- (c) the exercise price of each Class C Performance Option is one tenth of one cent (\$0.001), payable in cash;
- (d) the Class C Performance Options can be exercised in whole or in part;

- (e) a Class C Performance Option cannot be exercised if the exercise would result in the Class C Performance Optionholder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act;
- (f) each Class C Performance Option must be exercised within 120 days of the date the Class C Performance Milestone is satisfied or, if a Class C Performance Optionholder advises the Company in writing within the 120 day period that the prohibition set out in section 606 of the Corporations Act applies to the Class C Performance Optionholder, then within 30 days of the date of any relevant shareholders' meeting held by the Company to obtain approval for the purposes of item 7 of section 611 of the Corporations Act (**Class C Expiry Date**) provided always that the Class C Expiry Date will be no later than 5:00pm on 30 April 2013;
- (g) any Class C Performance Option not exercised by 5.00pm WST on the Class C Expiry Date will automatically lapse;
- (h) each Class C Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company;
- (i) the Class C Performance Options will not be quoted on the ASX;
- (j) a certificate will be issued for the Class C Performance Options;
- (k) the Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Class C Performance Options. The Company will not be under any obligation to ensure that such Shares will be quoted on ASX;
- (l) the Class C Performance Options can only be exercised by notice in writing to the Company (in such form as the Company may prescribe from time to time) together with payment in cash of the exercise price of the Class C Performance Options;
- (m) any notice of exercise of a Class C Performance Option received by the Company will be deemed to be a notice of the exercise of the Class C Performance Option on the first business day after the date of receipt of the notice;
- (n) a Class C Performance Optionholder will only be permitted to participate in a new issue of securities of the Company on the prior exercise of the Class C Performance Options. The Class C Performance Optionholder will be afforded a period of at least 5 business days prior to and inclusive of the record date to determine entitlements to the new issue to exercise the Class C Performance Options;
- (o) the Class C Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Class C Performance Options;
- (p) the Class C Performance Options are transferrable;
- (q) in the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Class C Performance Options will be reorganised in accordance with the ASX Listing Rules and in any case in a manner which will not result in any benefits being conferred on Class C Performance Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Class C Performance Options in such manner as may be necessary to comply with the ASX Listing Rules;

- (r) the number of Shares to be issued pursuant to the exercise of Class C Performance Options will be adjusted for bonus issues made prior to exercise of the Class C Performance Options so that, upon exercise of the Class C Performance Options, the number of Shares received by the Class C Performance Optionholder will include the number of bonus Shares that would have been issued if the Class C Performance Options had been exercised prior to the record date for the bonus issues. The exercise price of the Class C Performance Options shall not change as a result of any such bonus issues;
 - (s) Shares that are issued as a result of the exercise of Class C Performance Options may be held in the name of the Class C Performance Optionholder's nominee; and
 - (t) Shares issued pursuant to the exercise of the Class C Performance Options will be issued within 10 business days of receipt of all relevant documentation and payments by the Company.
3. The terms and conditions of the Class D Performance Options (**Class D Performance Options**) are as follows:
- (a) Each Class D Performance Option can only be exercised by the holder if the Company acquires at least 5,000 net acres of additional oil and gas leases (which have been introduced to the Company by Carina Energy LLC and which have purchase terms acceptable to the Company, acting reasonably) by 5.00pm WST on 28 February 2013 (**Class D Performance Milestone**);
 - (b) the Company will provide written notice to all Class D Performance Optionholders if the Class D Performance Milestone is satisfied (including the date of satisfaction);
 - (c) the exercise price of each Class D Performance Option is one tenth of one cent (\$0.001), payable in cash;
 - (d) the Class D Performance Options can be exercised in whole or in part;
 - (e) a Class D Performance Option cannot be exercised if the exercise would result in the Class D Performance Optionholder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act;
 - (f) each Class D Performance Option must be exercised within 120 days of the date the Class D Performance Milestone is satisfied or, if a Class D Performance Optionholder advises the Company in writing within the 120 day period that the prohibition set out in section 606 of the Corporations Act applies to the Class D Performance Optionholder, then within 30 days of the date of any relevant shareholders' meeting held by the Company to obtain approval for the purposes of item 7 of section 611 of the Corporations Act (**Class D Expiry Date**) provided always that the Class D Expiry Date will be no later than 5:00pm on 31 October 2013;
 - (g) any Class D Performance Option not exercised by 5.00pm WST on the Class D Expiry Date will automatically lapse;
 - (h) each Class D Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company;
 - (i) the Class D Performance Options will not be quoted on the ASX;

- (j) a certificate will be issued for the Class D Performance Options;
- (k) the Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Class D Performance Options. The Company will not be under any obligation to ensure that such Shares will be quoted on ASX;
- (l) the Class D Performance Options can only be exercised by notice in writing to the Company (in such form as the Company may prescribe from time to time) together with payment in cash of the exercise price of the Class D Performance Options;
- (m) any notice of exercise of a Class D Performance Option received by the Company will be deemed to be a notice of the exercise of the Class D Performance Option on the first business day after the date of receipt of the notice;
- (n) a Class D Performance Optionholder will only be permitted to participate in a new issue of securities of the Company on the prior exercise of the Class D Performance Options. The Class D Performance Optionholder will be afforded a period of at least 5 business days prior to and inclusive of the record date to determine entitlements to the new issue to exercise the Class D Performance Options;
- (o) the Class D Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Class D Performance Options;
- (p) the Class D Performance Options are transferrable;
- (q) in the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Class D Performance Options will be reorganised in accordance with the ASX Listing Rules and in any case in a manner which will not result in any benefits being conferred on Class D Performance Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Class D Performance Options in such manner as may be necessary to comply with the ASX Listing Rules;
- (r) the number of Shares to be issued pursuant to the exercise of Class D Performance Options will be adjusted for bonus issues made prior to exercise of the Class D Performance Options so that, upon exercise of the Class D Performance Options, the number of Shares received by the Class D Performance Optionholder will include the number of bonus Shares that would have been issued if the Class D Performance Options had been exercised prior to the record date for the bonus issues. The exercise price of the Class D Performance Options shall not change as a result of any such bonus issues;
- (s) Shares that are issued as a result of the exercise of Class D Performance Options may be held in the name of the Class D Performance Optionholder's nominee; and
- (t) Shares issued pursuant to the exercise of the Class D Performance Options will be issued within 10 business days of receipt of all relevant documentation and payments by the Company.

4. The terms and conditions of the Class E Performance Options (**Class E Performance Options**) are as follows:
- (a) Each Class E Performance Option can only be exercised by the holder if the Company attains 2P Reserves (net to the Company) of 10,000,000 barrels of oil and average daily oil production (net to the Company) of 500 barrels of oil per day (from assets introduced to the Company by Carina Energy LLC) by 5.00pm WST on 31 August 2016 (**Class E Performance Milestone**);
 - (b) the Company will provide written notice to all Class E Performance Optionholders if the Class E Performance Milestone is satisfied (including the date of satisfaction);
 - (c) the exercise price of each Class E Performance Option is one tenth of one cent (\$0.001), payable in cash;
 - (d) the Class E Performance Options can be exercised in whole or in part;
 - (e) a Class E Performance Option cannot be exercised if the exercise would result in the Class E Performance Optionholder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act;
 - (f) each Class E Performance Option must be exercised within 120 days of the date the Class E Performance Milestone is satisfied or, if a Class E Performance Optionholder advises the Company in writing within the 120 day period that the prohibition set out in section 606 of the Corporations Act applies to the Class E Performance Optionholder, then within 30 days of the date of any relevant shareholders' meeting held by the Company to obtain approval for the purposes of item 7 of section 611 of the Corporations Act (**Class E Expiry Date**) provided always that the Class E Expiry Date will be no later than 5:00pm on 30 April 2017;
 - (g) any Class E Performance Option not exercised by 5.00pm WST on the Class E Expiry Date will automatically lapse;
 - (h) each Class E Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company;
 - (i) the Class E Performance Options will not be quoted on the ASX;
 - (j) a certificate will be issued for the Class E Performance Options;
 - (k) the Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Class E Performance Options. The Company will not be under any obligation to ensure that such Shares will be quoted on ASX;
 - (l) the Class E Performance Options can only be exercised by notice in writing to the Company (in such form as the Company may prescribe from time to time) together with payment in cash of the exercise price of the Class E Performance Options;
 - (m) any notice of exercise of a Class E Performance Option received by the Company will be deemed to be a notice of the exercise of the Class E Performance Option on the first business day after the date of receipt of the notice;

- (n) a Class E Performance Optionholder will only be permitted to participate in a new issue of securities of the Company on the prior exercise of the Class E Performance Options. The Class E Performance Optionholder will be afforded a period of at least 5 business days prior to and inclusive of the record date to determine entitlements to the new issue to exercise the Class E Performance Options;
- (o) the Class E Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Class E Performance Options;
- (p) the Class E Performance Options are transferrable;
- (q) in the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Class E Performance Options will be reorganised in accordance with the ASX Listing Rules and in any case in a manner which will not result in any benefits being conferred on Class E Performance Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Class E Performance Options in such manner as may be necessary to comply with the ASX Listing Rules;
- (r) the number of Shares to be issued pursuant to the exercise of Class E Performance Options will be adjusted for bonus issues made prior to exercise of the Class E Performance Options so that, upon exercise of the Class E Performance Options, the number of Shares received by the Class E Performance Optionholder will include the number of bonus Shares that would have been issued if the Class E Performance Options had been exercised prior to the record date for the bonus issues. The exercise price of the Class E Performance Options shall not change as a result of any such bonus issues;
- (s) Shares that are issued as a result of the exercise of Class E Performance Options may be held in the name of the Class E Performance Optionholder's nominee; and
- (t) Shares issued pursuant to the exercise of the Class E Performance Options will be issued within 10 business days of receipt of all relevant documentation and payments by the Company.

5. The terms and conditions of the Class F Performance Options (**Class F Performance Options**) are as follows:

- (a) Each Class F Performance Option can only be exercised by the holder if the Company attains 2P Reserves (net to the Company) of 20,000,000 barrels of oil and average daily oil production (net to the Company) of 1,000 barrels of oil per day (from assets introduced to the Company by the Carina Energy LLC) by 5.00pm WST on 31 August 2016 (**Class F Performance Milestone**);
- (b) the Company will provide written notice to all Class F Performance Optionholders if the Class F Performance Milestone is satisfied (including the date of satisfaction);
- (c) the exercise price of each Class F Performance Option is one tenth of one cent (\$0.001), payable in cash;
- (d) the Class F Performance Options can be exercised in whole or in part;

- (e) a Class F Performance Option cannot be exercised if the exercise would result in the Class F Performance Optionholder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act 2001 (Cth);
- (f) each Class F Performance Option must be exercised within 120 days of the date the Class F Performance Milestone is satisfied or, if a Class F Performance Optionholder advises the Company in writing within the 120 day period that the prohibition set out in section 606 of the Corporations Act applies to the Class F Performance Optionholder, then within 30 days of the date of any relevant shareholders' meeting held by the Company to obtain approval for the purposes of item 7 of section 611 of the Corporations Act (**Class F Expiry Date**) provided always that the Class F Expiry Date will be no later than 5:00pm on 30 April 2017;
- (g) any Class F Performance Option not exercised by 5.00pm WST on the Class F Expiry Date will automatically lapse;
- (h) each Class F Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company;
- (i) the Class F Performance Options will not be quoted on the ASX;
- (j) a certificate will be issued for the Class F Performance Options;
- (k) the Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Class F Performance Options. The Company will not be under any obligation to ensure that such Shares will be quoted on ASX;
- (l) the Class F Performance Options can only be exercised by notice in writing to the Company (in such form as the Company may prescribe from time to time) together with payment in cash of the exercise price of the Class F Performance Options;
- (m) any notice of exercise of a Class F Performance Option received by the Company will be deemed to be a notice of the exercise of the Class F Performance Option on the first business day after the date of receipt of the notice;
- (n) a Class F Performance Optionholder will only be permitted to participate in a new issue of securities of the Company on the prior exercise of the Class F Performance Options. The Class F Performance Optionholder will be afforded a period of at least 5 business days prior to and inclusive of the record date to determine entitlements to the new issue to exercise the Class F Performance Options;
- (o) the Class F Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Class F Performance Options;
- (p) the Class F Performance Options are transferrable;
- (q) in the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Class F Performance Options will be reorganised in accordance with the ASX Listing Rules and in any case in a manner which will not result in any benefits being conferred on Class F Performance Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Class F Performance Options in such manner as may be necessary to comply with the ASX Listing Rules;

- (r) the number of Shares to be issued pursuant to the exercise of Class F Performance Options will be adjusted for bonus issues made prior to exercise of the Class F Performance Options so that, upon exercise of the Class F Performance Options, the number of Shares received by the Class F Performance Optionholder will include the number of bonus Shares that would have been issued if the Class F Performance Options had been exercised prior to the record date for the bonus issues. The exercise price of the Class F Performance Options shall not change as a result of any such bonus issues;
- (s) Shares that are issued as a result of the exercise of Class F Performance Options may be held in the name of the Class F Performance Optionholder's nominee; and
- (t) Shares issued pursuant to the exercise of the Class F Performance Options will be issued within 10 business days of receipt of all relevant documentation and payments by the Company.

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Lodge your vote:



By Mail:

Sun Resources NL
PO Box 3332
GREENWOOD WA 6924

Alternatively you can fax your form to
(within Australia) 08 9345 4541
(outside Australia) + 61 8 9345 4541

For all enquiries call:

(within Australia) 08 9345 4100
(outside Australia) + 61 8 9345 4100

By Email:

Email a PDF of your completed proxy form to
the Company Secretary, Mr Craig Basson, at the following email
address: craig@ricgroup.com.au.

Proxy Form

 **For your vote to be effective it must be received by 11:00 am Tuesday 20 December 2011**

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 security holder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged a Power of Attorney with the Share 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 security holder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Corporate Representative" prior to admission. A form of the certificate is attached to the back of this notice.

Comments and 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.

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. I.e. no later than 11.00am WST on Tuesday, 20 December 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

- **This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at 5 Bendsten Place, Balcatta, WA, 6021 or PO Box 332, Greenwood, WA, 6924 or sent by facsimile to the registered office on (08) 9345 4541 or emailed to the Company Secretary, Mr Craig Basson, at the following email address: proxies@ricgroup.com.au.**

Please mark to indicate your directions

PROXY FORM

Shareholder Details

Name: _____

Address: _____

Contact Telephone No: _____

Contact Name (if different from above): _____

Appoint A Proxy to Vote on Your Behalf

I/We being a shareholder/s of Sun Resources NL 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 person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and 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 General Meeting of Members of Sun Resources NL to be held at the office of BDO, 38 Station Street, Subiaco, Western Australia, on Thursday the 22nd day of December 2011 at 11.00am WST and at any adjournment of that meeting.

IMPORTANT INFORMATION IF APPOINTING THE CHAIRMAN AS YOUR PROXY

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called.

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

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 - Issue of Advisor Options to various parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Issue of Acquisition Securities to Carina Energy LLC (or nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Issue of Shares to Mr Matthew Arthur Battrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appointment of a second proxy

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

 %

Signature of Security holder (s) *This section must be completed*

Individual or Security Holder 1

Security Holder 2

Security Holder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Contact Name: _____

Contact Daytime Telephone: _____

Date: ____/____/____

APPOINTMENT OF CORPORATE REPRESENTATIVE FORM

Shareholder Details

This is to certify that by a resolution of the Directors of:

(Company)

(Insert name of shareholder company)

The Company has appointed:

(Authorised corporate representative)
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(Insert name of corporate representative)

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at the General Meeting of Sun Resources NL to be held on Thursday the 22nd day of December 2011 at 11.00am WST and at any adjournments of that meeting.

DATED ____ / ____ / ____

Please sign here

Executed by the Company

in accordance with its constituent documents

Signed by authorised representative

Signed by authorised representative

Name of authorised representative (print)

Name of authorised representative (print)

Position of authorised representative (print)

Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointer Company and the name or position of the appointee (e.g. "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each Company officer who signs this Certificate on behalf of the Company.
4. Insert the date of execution where indicated.
5. The certificate must be produced prior to admission to the Meeting. This certificate may be sent or delivered to the Company's registered office at 5 Bendsten Place, Balcatta, WA, 6021 or PO Box 332, Greenwood, WA, 6924 or sent by facsimile to the registered office on (08) 9345 4541 or emailed to the Company Secretary, Mr Craig Basson, at the following email address: proxies@ricgroup.com.au