

**OIL AND GAS  
in  
TASMANIA**

**AN INVESTMENT  
OPPORTUNITY**

**MICROFILMED**  
FICHE No.014155-

**GREAT SOUTHLAND MINERALS PTY LTD**  
ACN 068 650 386

October 1996

**CONTENTS**

**The Investment Proposal  
The Taxation Benefit  
Details of the Company  
Memorandum and Articles  
Financial Statements  
The Exploration Agreement  
The Agency Agreement  
The Application for Approval  
Application for Shares**

96-3950

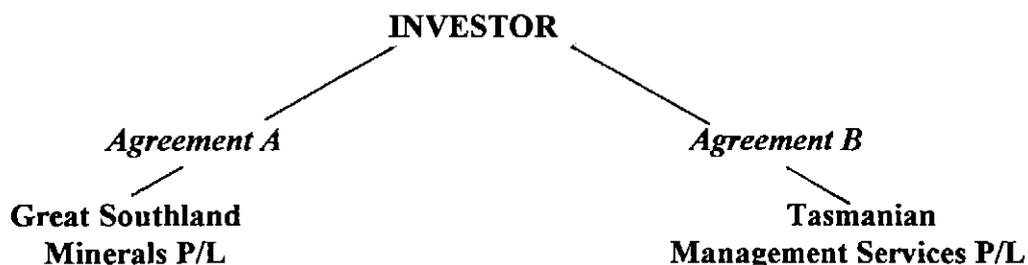
OIL & GAS IN TAS.  
INVESTMENT OPPORTUNITY  
EL1/88 - GR SOUTHLAND MIN.

The following information explains in some detail our proposal for participants wishing to capitalise on an oil and gas exploration program in Tasmania and at the same time receive a substantial tax deduction

The principal objective of this proposal is to raise sufficient capital for the company "Great Southland Minerals P/L" to complete its exploration program.

The company is seeking ten investors, each contributing \$250,000, to fund its on-going exploration program.

#### THE PROPOSAL



#### HOW TO INVEST

- 1 The investor enters into an agreement (Agreement A) with Great Southland Minerals P/L which enables him/her to carry out exploration for oil and gas under the company's licences
- 2 The investor enters into an agreement (Agreement B) with Tasmanian Management Services P/L for it to carry out and administer the exploration and drilling program on behalf of the investor.
- 3 The investor deposits on trust \$250,000 with Tasmanian Management Services P/L, which - on behalf of the investor - then contracts a seismic company and a drilling company to carry out the exploration program, arranges all associated works, and organises the interpretation of the data.
- 4 The investor will be entitled to receive 5% of all nett income derived from this exploration program for a maximum period of 5 years
- 5 The investor will be entitled to purchase 2.5% of the issued share capital of Great Southland Minerals P/L, at \$3 per share, totalling \$5,576

Therefore the total amount invested is \$255,576, of which \$250,000 is a tax deduction

NB Tasmanian Management Services P/L is presently contracted to Great Southland Minerals P/L (GSM) to provide management expertise.  
 Its directors are  
 Dr Julian Amos (Managing Director, GSM)  
 Mr David Walker (Company Solicitor, GSM)

## PRIVATE OFFER

We must stress that this is a **private offer**, and will not be offered to the general public or more than twenty (20) people. The offer is only open for a limited period. The company is currently continuing exploration work and may withdraw this offer at any time.

## THE COMPANY

Great Southland Minerals Pty Ltd ACN 068 650 386 is a private company dedicated to the exploration for oil and gas in the onshore Tasmanian Basin

## ATTACHMENTS

Attached to this proposal are the company articles and company certificate, financial statements and balance sheet, copies of Agreements A and B, an application for Ministerial Approval, and an Application Form for shares.

Also attached are two documents: a company profile detailing activity to date, and details of the company's on-going exploration program.

## INVITATION

Interested parties or investors are invited to inspect the current drilling program.

## DISCLAIMER

### Note:

Exploration is considered to be a speculative activity. Therefore investing in exploration has to be considered as a speculative investment. The company, its directors and shareholders **do not guarantee the return of capital or performance of this investment offer**. Investors must clearly understand the nature of this investment offer and that total loss of capital invested is a possibility.

The company believes the investment in this offer to be an appropriate tax deduction and has obtained advice to this effect. However taxation advice should be sought and obtained by the investor to confirm whether the taxation deductibility applies to their particular circumstances.



361004

GARITY HURD & PARTNERS PTY LTD  
A.C.N. 009 562 878

CHARTERED ACCOUNTANTS

2nd September, 1996.

JIH/JMD

The Directors  
Great Southland Minerals Pty Ltd  
24 Jackson Street  
GLENORCHY TAS 7010

Dear Sirs,

RE: TAXATION DEDUCTION  
OIL & GAS EXPLORATION

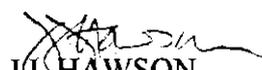
The Income Tax Assessment Act (ITAA) provides for significant income tax concessions for those engaged in oil and gas exploration pursuant to Division 10AA.

Specifically Section 124AH of the ITAA allows for a deduction from income from any source of expenditure incurred in exploration and prospecting. Such expenditure can include geological, geophysical and geochemical surveys and exploration and appraisal drilling (S124AH(7)).

To qualify for a deduction you must be engaged in prescribed petroleum operations which are defined as operations carried out for the purpose of obtaining petroleum products for the purpose of gaining or producing assessable income. As this is the company's dominant purpose, Great Southland Minerals Pty Ltd would qualify for deductions.

Further, where a person sublets a petroleum right to another person in a "farm out" arrangement and that right entitles the sublessee to a proportion of the product of the exploration then the sublessee would be engaged in prescribed petroleum operations and entitled to a deduction for any qualifying exploration expenditure. It is appropriate however, that any person who "farms in" on your operation seek their own advice in this regard.

Yours faithfully,  
GARITY HURD & PARTNERS PTY. LTD.

  
J. HAWSON  
DIRECTOR

## THE COMPANY STRUCTURE

### Board of Directors

The company is run by an 8 member Board. Officers include:

<b>Chairman</b>	Dr Gordon Wise
<b>Managing Director</b>	Dr Julian Amos
<b>Company Secretary</b>	Jason Slot

<b>Accountants</b>	Garity Hurd, Chartered Accountants
<b>Solicitors</b>	Barnett and Walker, Solicitors

It has eleven shareholders.

## FINANCIAL STRUCTURE

Great Southland Minerals P/L has

- a nominal capital of \$1 million, made up of 1 million shares at a par value of \$1 each
- presently on issue 55,866 fully paid shares

## COMPANY ASSETS

The assets of the company are the exploration licences and the data collected

### Exploration Licences

The company owns three exploration licences covering most of the prospective part of the Tasmanian Basin. These are EL 1/88, EL 9/95 and EL 21/95

The Tasmanian Mines Department automatically renews these licences, subject to an annual works program being completed to its satisfaction. The Department has agreed to a proposal from the company to regard the works program for all licences as though they are the one licence

### Data

Research conducted by the company, either directly or through sponsorship, and the drilling program undertaken to date has proven the prospectivity of the Tasmanian Basin. For further details, see the attached company profile.

- **Quantities of natural gas have been found in the exploration wells drilled to date**
- **An oil seep has been discovered by the Mines Department within the company's licence area**

## FINANCIAL POSITION

The company is free of debt. All capital raised will be spent on ongoing activities

## EXPENDITURE TO DATE

Prior to the establishment of the company, money spent on the project amounted to over \$4.5 million. Company shareholders have spent an additional \$1.5 million. Other companies, organisations and groups that have been involved in the project include

BHP	Shell
AGSO	BMR
Tasmanian Mines Department	CSIRO
Condor Oil	University of Tasmania

## PRESENT ACTIVITY

The company has presently contracted GOMICK Drilling P/L to drill an exploratory hole at Bruny Island, in the south of Tasmania. Quantities of natural gas, comprising methane and hydrogen, have been encountered. The Premier of Tasmania, Tony Rundle MHA, has inspected the site, and expressed enthusiasm and support for the company's activities

An oil seep has recently been discovered in the Huon area by the Tasmanian Mines Department, showing all of the "fingerprints" of a significant oil show. The seep falls within the company's licence boundaries. The company is excited by this find and has proposed a drilling program to further investigate this discovery

## THE TASMANIAN MARKET FOR OIL AND GAS

Commercial quantities of gas will find a ready market in Tasmania.

- The state is presently considering its future power options
- Major companies presently operating in Tasmania have expressed great interest in the company's exploration program
- The HEC has commented that it would wish to enter into negotiations with the company, on the discovery of commercial quantities of gas

## CAPITAL REQUIREMENTS

The company is seeking an amount up to \$2.5 million to assist it in its ongoing exploration program. This funding will provide sufficient capital to carry out appropriate seismic work, to drill a further 6 exploration holes, and to provide appropriate administrative and technical support.

Such a program will go a long way to prove up the extent of prospectivity and the commercial opportunities of the Tasmanian Basin

# Certificate of Registration on Change of Name

Corporations Law Sub-section 171 (12)

This is to certify that

**GREAT SOUTH LAND OIL PTY. LTD.**

Australian Company Number 068 650 386

did on the third day of April 1995 change its name to

**GREAT SOUTH LAND MINERALS PTY LTD**

Australian Company Number 068 650 386

The company is a proprietary company.

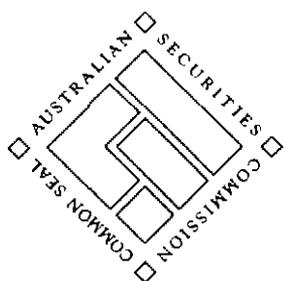
The company is limited by shares.

The company is registered under the Corporations Law of  
Tasmania and the date of commencement of registration  
is the fifteenth day of March, 1995.



AUSTRALIAN  
SECURITIES  
COMMISSION

Given under the seal of the  
Australian Securities Commission  
on this third day of April, 1995.



Alan Cameron  
Chairman

Corporations Law  
A Company Limited by Shares

---

MEMORANDUM AND ARTICLES OF ASSOCIATION

- OF -

---

**GREAT SOUTH LAND OIL PTY. LTD.**

**A.C.N. 068 650 386**

---

COMPANIES EXPRESS PTY. LTD.

A.C.N. 007 030 051

4th Floor, 18 Queen Street

Melbourne 3000

DX 524 Melbourne

Tel: 629-7300 Fax: 629-8137

COMPANIES EXPRESS PTY LTD (LB 45)  
ATTN: RODNEY CARRUTHERS  
4TH FL  
18 QUEEN ST  
MELBOURNE VIC 3000

remove this top section if desired before printing

## Certificate of Registration of a Company

Corporations Law Sub-section 121(1)

This is to certify that

**GREAT SOUTH LAND OIL PTY. LTD.**

Australian Company Number 068 650 386

is a registered company under Division 1 of Part 2.2 of the  
Corporations Law of Tasmania and because  
of its registration it is an incorporated company.

The company is limited by shares.

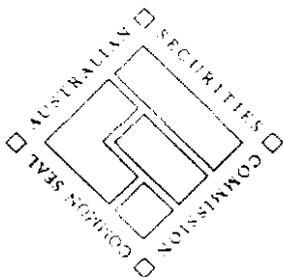
The company is a **proprietary** company.

The day of commencement of registration is  
the fifteenth day of March 1995.



AUSTRALIAN  
SECURITIES  
COMMISSION

Given under the seal of the  
Australian Securities Commission  
on this fifteenth day of March, 1995.



*Alan Cameron*

Alan Cameron  
Chairman

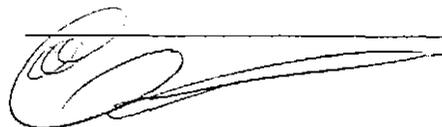
CORPORATIONS LAW  
A COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF  
GREAT SOUTH LAND OIL PTY. LTD.

- I. THE name of the Company is GREAT SOUTH LAND OIL PTY. LTD.
- II. THE liability of the members is limited.
- III. THE capital of the Company is \$1,000,000 divided into 1,000,000 shares of \$1.00 each. The Company shall have the power to increase or reduce its capital and to divide the shares in the capital or increased capital for the time being into several or different classes and to issue any part or parts of the capital or increased capital for the time being with such deferred qualified guaranteed preferred or other special rights privileges conditions restrictions or limitations whether in regard to dividend voting return of capital distribution of assets or otherwise whosoever as may from time to time be determined in accordance with the Articles of Association for the time being of the Company.

WE the several persons whose names addresses and occupations are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

SUBSCRIBER, NAMES, ADDRESSES,  
OCCUPATIONS AND SIGNATURES

NUMBER OF SHARES TAKEN  
BY EACH SUBSCRIBER



Rodney David  
Carruthers  
95 Overport Road  
Frankston Vic 3199  
Company Director

One  
(1) Ordinary



Nylma  
Carruthers  
95 Overport Road  
Frankston Vic 3199  
Company Director

One  
(1) Ordinary

TOTAL NUMBER OF SHARES TAKEN

Two  
(2) Ordinary

DATED - 16/03/1995

WITNESS TO THE ABOVE SIGNATURES:



Kathrine Clare  
Waller  
4th Floor, 18 Queen Street  
Melbourne Vic 3000  
Secretary

361011

CORPORATIONS LAW  
A COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
OF  
GREAT SOUTH LAND OIL PTY. LTD.

*Preliminary*

1. The regulations contained in "Table A" in Schedule 1 of the Corporations Law shall not apply to the Company but these Articles shall apply.

*Interpretation*

2. (1) In these Articles:
- "Law" means the Corporations Law;
- "Seal" means the common seal of the Company and includes any official seal of the Company;
- "Secretary" means any person appointed to perform the duties of a Secretary of the Company.
- (2) Division 10 of Part 1.2 of the Law applies in relation to these Articles as if they were an instrument made under that Law as in force on the day when these Articles become binding on the Company.
- (3) Except so far as the contrary intention appears in these Articles, an expression has, in a provision of these Articles that deals with a matter dealt with by a particular provision of the Law, the same meaning as in that provision of the Law.

*Proprietary Company*

3. THE Company is a proprietary Company and accordingly the following provisions apply:-
- (i) the right to transfer shares in the Company is restricted except at the absolute discretion of the Directors without the assignment of any reason and whether or not the transfer is voluntary or by operation of law.
- (ii) the number of members of the Company is limited to not more than fifty (counting joint holders of shares as one person and not counting any person in the employment of the Company or of its subsidiary or any person who while previously in the employment of the Company or of its subsidiary was and thereafter has continued to be a member of the Company).
- (iii) the Company shall not make any invitation to the public to subscribe for and any offer to the public to accept subscriptions for any shares in or debentures of the Company.
- (iv) the Company shall not make any invitation to the public to deposit money with and any offer to the public to accept deposits of money with the Company whether for fixed periods or payable at call and whether bearing or not bearing interest.

*Share Capital and Variation of Rights*

4. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Law, shares in the Company may be issued by the Directors and any such share may be issued with such preferred, deferred or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors, subject to any resolution, determine.
5. Subject to the Law, any preference share may, with the sanction of a resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.
6. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class.
- (2) The provisions of these Articles relating to general meetings apply so far as they are capable of application and *mutatis mutandis* to every such separate meeting except that:
- (a) a quorum is constituted by 2 persons who, between them, hold or represent by proxy one-third of the issued shares of the class; and
- (b) any holder of shares of the class, present in person or by proxy, may demand a poll.
- (3) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally with the first-mentioned shares.
- (4) The Company may buy ordinary shares in itself.
7. (1) The Company may exercise the power to make payments by way of brokerage or commission conferred by the Law in the manner provided by the Law.
- (2) Payments by way of brokerage or commission may be satisfied by the payment of cash, by the allotment of fully or partly paid shares or partly by the payment of cash and partly by the allotment of fully or partly paid shares.

8. (1) Except as required by law, the Company shall not recognise a person as holding a share upon any trust.  
 (2) The Company is not bound by or compelled in any way to recognise (whether or not it has notice of the interest or rights concerned) any equitable, contingent, future or partial interest in any share or unit of a share or (except as otherwise provided by these Articles or by law) any other right in respect of a share except an absolute right or ownership in the registered holder.
9. (1) a person whose name is entered as a member in the register of members is entitled without payment to receive a certificate in respect of the share under the Seal of the Company in accordance with the Law but, in respect of a share or shares held jointly by several persons, the Company is not bound to issue more than one certificate.  
 (2) Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all such holders.

*Lien*

10. (1) The Company has a first and paramount lien on every share (not being a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share.  
 (2) The Company also has a first and paramount lien on all shares (other than fully paid shares) registered in the name of a sole holder for all money presently payable by him or his estate to the Company.  
 (3) The Directors may at any time exempt a share wholly or in part from the provisions of this Article.  
 (4) The Company's lien (if any) on a share extends to all dividends payable in respect of the share.
11. (1) Subject to sub-Article (2), the Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien.  
 (2) A share on which the Company has a lien shall not be sold unless:  
 (a) a sum in respect of which the lien exists is presently payable: and  
 (b) the Company has, not less than 14 days before the date of the sale, given to the registered holder for the time being of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder a notice in writing setting out, and demanding payment of, such part of the amount in respect of which the lien exists as is presently payable.
12. (1) For the purpose of giving effect to a sale mentioned in Article 11 the Directors may authorise a person to transfer the shares sold to the purchaser of the shares.  
 (2) The Company shall register the purchaser as the holder of the shares comprised in any such transfer and he is not bound to see to the application of the purchase money.  
 (3) The title of the purchaser to the shares is not affected by any irregularity or invalidity in connection with the sale.
13. The proceeds of a sale mentioned in Article 11 shall be applied by the Company in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue (if any) shall (subject to any like lien for sums not presently payable that existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

*Calls on Shares*

14. (1) The Directors may make calls upon the members in respect of any money unpaid on the shares of the members (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue of those shares made payable at fixed times, except that no call shall exceed one-quarter of the sum of nominal values of the shares or be payable earlier than one month from the date fixed for the payment of the last preceding call.  
 (2) Each member shall, upon receiving at least 14 days' notice specifying the time or times and place of payment, pay to the Company at the time or times and place so specified the amount called on his shares.  
 (3) The Directors may revoke or postpone a call.
15. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by installments.
16. The joint holders of a share are jointly and severally liable to pay all calls in respect of the share.
17. If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment of the sum to the time of actual payment at such rate not exceeding 8% per annum as the Directors determine, but the Directors may waive payment of that interest wholly or in part.
18. Any sum that, by the terms of issue of a share, becomes payable on allotment or at a fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the sum becomes payable, and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise apply as if the sum had become payable by virtue of a call duly made and notified.
19. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
20. (1) The Directors may accept from a member the whole or a part of the amount unpaid on a share although no part of that amount has been called up.

- (2) The Directors may authorise payment by the Company of interest upon the whole or any part of an amount so accepted, until the amount becomes payable, at such rate, not exceeding the prescribed rate, as is agreed upon between the Directors and the member paying the sum.
- (3) For the purposes of sub-Article (2), the prescribed rate of interest is :
- (a) if the Company has, by resolution, fixed a rate - the rate so fixed; and
  - (b) in any other case - 8% per annum.
21. (1) Subject to these Articles, a member may transfer all or any of his shares by instrument in writing in any usual or common form or in any other form that the Directors approve.
- (2) An instrument of transfer referred to in sub-Article (1) shall be executed by or on behalf of both the transferor and the transferee.
- (3) A transferor of shares remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares.
22. The instrument of transfer must be left for registration at the registered office of the Company, together with such fee (if any) not exceeding \$1.00 as the Directors require, accompanied by the certificate of the shares to which it relates and such other information as the Directors properly require to show the right of the transferor to make the transfer, and thereupon the Company shall, subject to the powers vested in the Directors by these Articles, register the transferee as a shareholder.
23. The Directors may decline to register any transfer of shares without assigning any reason therefore.
24. (i) Except as provided in this Article no share shall be transferred to a person who is not a member or a person selected by the Directors as one whom it is desirable in the interests of the Company to admit to membership and is willing to purchase the share at the fair value thereof.
- (ii) A person proposing to transfer (hereinafter called "the proposing transferor") any share or shares to a person who is not a member of the Company shall give notice in writing (hereinafter called "the transfer notice") that he desires to transfer the same. The transfer notice must specify the name and address of the proposed transferee and the sum at which the proposing transferor fixes the fair value of shares. Within 28 days after service of the transfer notice the Directors shall inform the proposing transferor whether or not they approve the transfer and if they approve it the transfer shall forthwith upon due delivery in accordance with these Articles be registered. If the Directors disapprove the transfer the transfer notice shall constitute the Company the agent of the proposing transferor for the sale of the share or shares to any member of the Company or any person selected by the Directors as one whom it is desirable in the interests of the Company to admit to membership, willing to purchase the share or shares at the fair value and the authority so conferred on the Directors shall not be revocable.
- (iii) If the Directors within three calendar months after advising the proposing transferor that they disapprove the intended transfer shall find a purchaser and give notice thereof to the proposing transferor the proposing transferor shall be bound upon full payment of the fair value of the share to transfer it to the said purchaser.
- (iv) The fair value shall unless the purchaser disagrees be the value specified in the transfer notice but if the purchaser disagrees the fair value shall be determined by the Auditor of the Company or in case there shall be no Auditor of the Company for the time being then the Secretary of the Company shall on the application of either party appoint a disinterested and competent valuer to make a valuation of the assets of the Company and the costs of such valuation shall be borne by the proposing transferor and purchaser in equal shares. The value so determined shall be the fair value and the valuer in making such a valuation shall act as an expert and not as an arbitrator and accordingly any Arbitration Act shall not apply.
- (v) If in any case the proposing transferor after having become bound as aforesaid makes default in transferring the share or shares the Directors may authorize some person to execute on behalf of and as attorney for the proposing transferor any transfers and may receive and give good discharge for the purchase moneys on behalf of the proposing transferor and the Directors may enter the name of the purchaser in the register of members as the holder by transfer of the shares in question.
- (vi) If the Directors do not within the said three calendar months find a purchaser and give notice as provided by this Article the proposing transferor shall at any time within three calendar months thereafter be at liberty subject to Article 3, to sell and transfer the share or shares to any person and at any price.
- (vii) Subject to Article 3, any share may be transferred by a member to any child or other issue son-in-law daughter-in-law father mother brother sister nephew niece wife or husband of such member and any share of a deceased member may be transferred by his executors or administrators to any of the above so described of such deceased member to whom he may have specifically bequeathed the same and shares standing in the name of the trustees of the will of any deceased member may be transferred upon any change of trustees to the trustees for the time being of such will in which even the restrictions comprised in this Article shall not apply to such transfer.
- (viii) The Company in general meeting may make and from time to time vary rules as to the mode in which any shares specified in any transfer notice shall be offered to the members and as to their rights in regard to the purchase thereof and in particular may give any member or class of members a preferential right to purchase the same. Until otherwise determined every such share shall be offered to the members in such order as shall be determined by lots drawn in regard thereto and the lots shall be drawn in such manner as the Directors think fit.
- (ix) In the event of a member or Director in any capacity and whether as creditor or otherwise presenting to the Court any petition to wind up the Company on any ground whatsoever or instituting any proceedings against the Company for the recovery of any moneys allegedly due by the Company the member and in the case of a Director any member of the Company being his wife or child or trustee for the family of such Director or a Company of which such Director is a director shall be deemed on the day prior to the presentation of the petition to have served a transfer notice pursuant to these Articles in respect of all shares owned by the member or such person or Company as the case may be.

25. The registration of transfers may be suspended at such times and for such periods as the Directors from time to time determine not exceeding in the whole 30 days in any year.

*Transmission of Shares*

26. In the case of the death of a member, the survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but this Article does not release the estate of a deceased joint holder from any liability in respect of a share that had been jointly held by him with other persons.
27. (1) Subject to the *Bankruptcy Act 1966*, a person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such information being produced as is properly required by the Directors, elect either to be registered himself as holder of the share or to have some other person nominated by him registered as the transferee of the share.
- (2) If the person becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (3) If he elects to have another person registered, he shall execute a transfer of the share to that other person.
- (4) All the limitations, restrictions and provisions of these rules relating to the right to transfer, and the registration of transfer of, shares are applicable to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
28. (1) Where the registered holder of a share dies or becomes bankrupt, his personal representative or the trustee of his estate, as the case may be, is, upon the production of such information as is properly required by the Directors, entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt.
- (2) Where 2 or more persons are jointly entitled to any share in consequence of the death of the registered holder, they shall, for the purpose of these Articles, be deemed to be joint holders of the share.

*Forfeiture of Shares*

29. (1) If a member fails to pay a call or installment of a call on the day appointed for payment of the call or installment, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest that has accrued.
- (2) The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.
30. (1) If the requirements of a notice served under Article 29 are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
- (2) Such a forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
31. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and, at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit.
32. A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares, but remains liable to pay to the Company all money that, at the date of forfeiture, was payable by him to the Company in respect of the shares (including interest at the rate of 8% per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest) but his liability ceases if and when the Company receives payment in full of all the money (including interest) so payable in respect of the shares.
33. A statement in writing declaring that the person making the statement is a Director or a Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the statement, is *prima facie* evidence of the facts stated in the statement as against all persons claiming to be entitled to the share.
34. (1) The Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the share and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (2) Upon the execution of the transfer, the transferee shall be registered as the holder of the share and is not bound to see to the application of any money paid as consideration.
- (3) The title of the transferee to the share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the share.
35. The provisions of these Articles as to forfeiture apply in the case of non-payment of any sum that, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if that sum had been payable by virtue of a call duly made and notified.

*Conversion of Shares into Stock*

36. The Company may, by resolution, convert all or any of its paid up shares into stock and reconvert any stock into paid up shares of any nominal value.
37. (1) Subject to sub-Article (2), where shares have been converted into stock, the provisions of these rules relating to the transfer of shares apply, so far as they are capable of application, to the transfer of the stock or of any part of the stock.

- (2) The Directors may fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the aggregate of the nominal values of the shares from which the stock arose.
38. (1) The holders of stock have, according to the amount of the stock held by them, the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as they would have if they held the shares from which the stock arose.
- (2) No such privilege or advantage (except participation in the dividends and profits of the Company and in the property of the Company on winding up) shall be conferred by any amount of stock that would not, if existing in shares, have conferred that privilege or advantage.
39. The provisions of these Articles that are applicable to paid up shares apply to stock, and references in those provisions to share and shareholder shall be read as including references to stock and stockholder, respectively.

*Alteration of Capital*

40. The Company may by resolution:
- (a) increase its authorised share capital by the creation of new shares of such amount as is specified in the resolution;
- (b) consolidate and divide all or any of its authorised share capital into shares of larger amount than its existing shares;
- (c) sub-divide all or any of its shares into shares of smaller amount than is fixed by the memorandum but so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was in the case of the share from which the share of a smaller amount is derived; and
- (d) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its authorised share capital by the amount of the shares so cancelled.
41. (1) Subject to any direction to the contrary that may be given by the Company in general meeting, all unissued shares shall, before issue, be offered to such persons as at the date of the offer entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances allow, to the sum of the nominal values of the shares already held by them.
- (2) The offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined.
- (3) After the expiration of that time or on being notified by the person to whom the offer is made that he declines to accept the shares offered, the Directors may issue those share in such manner as they think most beneficial to the Company.
- (4) Where, by reason of the proportion that shares proposed to be issued bear to shares already held, some of the first-mentioned shares cannot be offered in accordance with sub-Article (1), the Directors may issue the shares that cannot be so offered in such manner as they think most beneficial to the Company.
42. Subject to the Law, the Company may, by special resolution, reduce its share capital, any capital redemption reserve fund or any share premium account.

*General Meetings*

43. Any Director may whenever he thinks fit convene a general meeting.
44. (1) A notice of a general meeting shall specify the place, the day and the hour of meeting and, except as provided in sub-Article (2), shall state the general nature of the business to be transacted at the meeting.
- (2) It is not necessary for a notice of an annual general meeting to state that the business to be transacted at the meeting includes the declaring of a dividend, the consideration of accounts and the reports of the Directors and Auditors, the election of Directors in the place of those retiring or the appointment and fixing of the remuneration of the Auditors.

*Proceedings at General Meetings*

45. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) For the purpose of determining whether a quorum is present, a person attending as a proxy, or as representing a body corporate that is a member, shall be deemed to be a member.
46. If a quorum is not present within half an hour from the time appointed for the meeting:
- (a) where the meeting was convened upon the requisition of members - the meeting shall be dissolved; or
- (b) in any other case :
- (i) the meeting stands adjourned to such day, and at such time and place, as the Directors determine, or, if no determination is made by the Directors, to the same day in the next week at the same time and place; and
- (ii) if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting:
- (A) 2 members constitute a quorum; or
- (B) where 2 members are not present - the meeting shall be dissolved.

47. (1) If the Directors have elected one of their number as chairman of their meetings, he shall preside as chairman at every general meeting.
- (2) Where a general meeting is held and:
- a chairman has not been elected as provided by sub-Article (1); or
  - the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act;
- the members present shall elect one of their number to be chairman of the meeting.
48. (1) The chairman may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (3) Except as provided by sub-Article (2) it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
49. (1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded :
- by the chairman;
  - by at least 3 members present in person or by proxy;
  - by a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- (2) Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (3) The demand for a poll may be withdrawn.
50. (1) If a poll is duly demanded, it shall be taken in such manner and (subject to sub-Article (2)) either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded.
- (2) A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.
51. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, in addition to his deliberative vote (if any), has a casting vote.
52. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and
  - on a show of hands every person present who is a member or a representative of a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each share he holds.
53. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or by attorney, shall be accepted to the exclusion of the votes of other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members.
54. If a member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, his committee or trustee or such other person as properly has the management of his estate may exercise any rights of the member in relation to a general meeting as if the committee, trustee or other person were the member.
55. A member is not entitled to vote at a general meeting unless all calls and other sums presently payable by him in respect of shares in the Company have been paid.
56. (1) An objection may be raised to the qualification of a voter only at the meeting or adjourned meeting at which the vote objected to is given or tendered.
- (2) Any such objection shall be referred to the chairman of the meeting, whose decision is final.
- (3) A vote not disallowed pursuant to such an objection is valid for all purposes.
57. (1) An instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a body corporate, either under seal or under the hand of an officer or attorney duly authorised.

- (2) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote in the resolution except as specified in the instrument.
- (3) An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (4) An instrument appointing a proxy shall be in the following form or in a form that is as similar to the following form as the circumstances allow :

(NAME OF COMPANY)

I/we, \_\_\_\_\_, of \_\_\_\_\_, being a member/members of the abovenamed Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or, in his absence, of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the

\*annual general  
\*general

meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ and at any adjournment of that meeting.

\*in favour of

+ This form is to be used \*against \_\_\_\_\_ the resolution.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ .

\*Strike out whichever is not desired.

+ To be inserted if desired.

58. An instrument appointing a proxy shall not be treated as valid unless the instrument, and the power of attorney or other authority (if any) under which the instrument is signed or a notarially certified copy of that power or authority, is or are deposited, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the registered office of the Company or at such other place in Australia as is specified for that purpose in the notice convening the meeting.
59. A vote given in accordance with the terms of an instrument of proxy or of a power of attorney is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or of the authority under which the instrument was executed) or of the power, or the transfer of the share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

*Appointment, Removal and Remuneration of Directors*

60. (1) The number of Directors and the names of the first Directors are the persons named in the Schedule to these Articles and such Directors shall hold office for life subject to these Articles.
- (2) The Company may by resolution increase or reduce the number of Directors.
61. (1) The Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the number determined in accordance with these Articles.
- (2) A Director shall continue to hold office until he dies or until his office is vacated pursuant to Article 65.
62. The Company may by resolution remove any Director and may by resolution appoint another person in his stead . Any Director so appointed shall hold office for life subject to these Articles.
63. (1) The Directors shall be paid such remuneration as is from time to time determined by the Company in general meeting.
- (2) That remuneration shall be deemed to accrue from day to day.
- (3) The Directors may also be paid all travelling and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the business of the Company.
64. A Director need not hold any shares in the Company.
65. In addition to the circumstances in which the office of a Director becomes vacant by virtue of the Law, the office of a Director becomes vacant if the Director : -
- (a) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (b) resigns his office by notice in writing to the Company;
- (c) is absent without the consent of the Directors from meetings of the Directors held during a period of six months;

*Powers and Duties of Directors*

66. (1) Subject to the Law and to any other provision of these Articles, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and forming the Company, and may exercise all such powers of the Company as are not, by the Law or by these Articles, required to be exercised by the Company in general meeting.

- (2) Without limiting the generality of sub-Article (1), the Directors may exercise all the powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.
67. (1) The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for such purposes, with such powers, authorities and discretions (being powers, authorities and discretions vested in or exercisable by the Directors), for such period and subject to such conditions as they think fit.
- (2) Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in him.
68. All cheques, promissory notes, bankers drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be by any 2 Directors or in such other manner as the Directors determine.

*Proceedings of Directors*

69. (1) The Directors may meet together for the despatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (2) A Director at any time, and a Secretary shall on the requisition of a Director, convene a meeting of the Directors.
- (3) The Directors may conduct their meetings by telephone or other means of communication without a Director or Directors being in the physical presence of another Director or Directors.
70. (1) Subject to these Articles, questions arising at a meeting of Directors shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.
- (2) In case of an equality of votes, the chairman of the meeting, in addition to his deliberative vote (if any), has a casting vote.
71. No Director shall be disqualified by his office from holding any office or place of profit under the Company or under any Company in which the Company shall be a shareholder or otherwise interested or from contracting with the Company either as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director be liable to account to the Company for any profit arising from such office or realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established but it is declared that the nature of his interest must be disclosed by him in the manner required by the Law. A Director may vote in respect of any contract or arrangement in which he is interested. A Director may affix the Seal to and sign any instrument notwithstanding that he is interested in the contract or arrangement to which the instrument relates.
72. (1) A Director may, with the approval of other Directors, appoint a person (whether a member of the Company or not) to be an alternate Director in his place during such period as he thinks fit.
- (2) An alternate Director is entitled to notice of meetings of the Directors and, if the appointor is not present at such a meeting, is entitled to attend and vote in his stead.
- (3) An alternate Director may exercise any powers that the appointor may exercise and the exercise of any such power by the alternate Director shall be deemed to be the exercise of the power by the appointor.
- (4) An alternate Director is not required to have any share qualifications.
- (5) The appointment of an alternate Director may be terminated at any time by the appointor notwithstanding that the period of the appointment of the alternate Director has not expired, and terminates in any event if the appointor vacates office as a Director.
- (6) An appointment, or the termination of an appointment, of an alternate Director shall be effected by a notice in writing signed by the Director who makes or made the appointment and served on the Company.
73. At a meeting of Directors, the number of Directors whose presence is necessary to constitute a quorum is such number as is determined by the Directors, and unless so determined, is 2.
74. In the event of a vacancy or vacancies in the office of a Director or offices of Directors, the remaining Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, they may act only for the purpose of increasing the number of Directors to a number sufficient to constitute such a quorum or of convening a general meeting of the Company.
75. (1) The Directors shall elect one of their number as chairman of their meetings and may determine the period for which he is to hold office.
- (2) Where such a meeting is held and:
- (a) a chairman has not been elected as provided by sub-Article (1); or
- (b) the chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unwilling to act;
- the Directors present shall elect one of their number to be a chairman of the meeting.
76. (1) The Directors may delegate any of their powers to a committee or committees consisting of such of their number as they think fit.

- (2) A committee to which any powers have been so delegated shall exercise the powers delegated in accordance with any directions of the Directors and a power so exercised shall be deemed to have been exercised by the Directors.
- (3) The members of such a committee may elect one of their number as chairman of their meetings.
- (4) Where such a meeting is held and:
  - (a) a chairman has not been elected as provided by sub-Article (3); or
  - (b) the chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unwilling to act;

the members present may elect one of their number to be chairman of the meeting.

- (5) A committee may meet and adjourn as it thinks proper.
  - (6) Questions arising at a meeting of a committee shall be determined by a majority of votes of the members present and voting.
  - (7) In the case of an equality of votes, the chairman, in addition to his deliberative vote (if any), has a casting vote.
77. (1) If all the Directors have signed a document containing a statement that they are in favour of a resolution of the Directors in terms set out in the document, a resolution in those terms shall be deemed to have been passed at a meeting of the Directors held on the day on which the document was signed and at the time at which the document was last signed by a Director or, if the Directors signed the document on different days, on the day on which, and at the time at which, the document was last signed by a Director.
- (2) For the purposes of sub-Article (1), 2 or more separate documents containing statements in identical terms each of which is signed by one or more Directors shall together be deemed to constitute one document containing a statement in those terms signed by those Directors on the respective days on which they signed the separate documents.
  - (3) A reference in sub-Article (1) to all the Directors does not include a reference to a Director who, at a meeting of Directors, would not be entitled to vote on the resolution.
78. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be a Director or a member of the committee, or to act as, a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

#### *Managing Director*

79. (1) The Directors may from time to time appoint one or more of their number to the office of managing Director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in a particular case, may revoke any such appointment.
- (2) A Director so appointed shall have his appointment automatically terminated if he ceases from any cause to be a Director.
80. A managing Director shall, subject to the terms of any agreement entered into in a particular case, receive such remuneration (whether by way of salary, commission or participation of profits, or partly in one way and partly in another) as the Directors determine.
81. (1) The Directors may, upon such terms and conditions and with such restrictions as they think fit, confer upon a managing Director any of the powers exercisable by them.
- (2) Any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Directors.
  - (3) The Directors may at any time withdraw or vary any of the powers so conferred on a managing Director.

#### *Associate Directors*

82. (1) The Directors may from time to time appoint any person to be an associate Director and may from time to time terminate any such appointment.
- (2) The Directors may from time to time determine the powers, duties and remuneration of any person so appointed.
  - (3) A person so appointed is not required to hold any shares to qualify him for appointment but, except by the invitation and with the consent of the Directors, does not have any right to attend or vote at any meeting of Directors.

#### *Secretary*

83. A Secretary of the Company holds office on such terms and conditions, as to remuneration and otherwise, as the Directors determine.

#### *Seal*

84. (1) The Directors shall provide for the safe custody of the Seal.
- (2) The Seal shall be used only by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the Seal, and every document to which the Seal is affixed shall be signed by a Director and be countersigned by another Director, a Secretary or any person appointed by the Directors to countersign that document or a class of documents in which that document is included.

85. The Directors shall determine whether and to what extent, and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of members other than Directors, and a member other than a Director does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

*Dividends and Reserves*

86. (1) The Company in general meeting may declare a dividend if, and only if the Directors have recommended a dividend.  
 (2) A dividend shall not exceed the amount recommended by the Directors.
87. The Directors may authorise the payment by the Company to the members of such interim dividends as appear to the Directors to be justified by the profits of the Company.
88. Interest is not payable by the Company in respect of any dividend.
89. (1) The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.  
 (2) Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit.  
 (3) The Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to a reserve.
90. (1) Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid.  
 (2) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it will rank for dividend as from a particular date, that share ranks for dividend accordingly.  
 (3) An amount paid or credited as paid on a share in advance of a call shall not be taken for the purposes of this Article to be paid or credited as paid on the share.
91. The Directors may deduct from any dividend payable to a member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares in the Company.
92. (1) Any general meeting declaring a dividend may, by resolution, direct payment of the dividend wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, any other corporation, and the Directors shall give effect to such resolution.  
 (2) Where a difficulty arises in regard to such a distribution, the Directors may settle the matter as they consider expedient and fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments will be made to any members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as the Directors consider expedient.
93. (1) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque sent through the post directed to :  
 (a) the address of the holder as shown in the register of members, or in the case of joint holders, to the address shown in the register of members, as the address of the joint holder just first named in that register; or  
 (b) to such other address as the holder or joint holders in writing directs or direct.  
 (2) Any one of 2 or more joint holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as joint holders.

*Capitalisation of Profits*

94. (1) Subject to sub-Article (2), the Company in general meeting may resolve that it is desirable to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to members, and that that sum be applied, in any of the ways mentioned in sub-Article (3), for the benefit of members in the proportions to which those members would have been entitled in a distribution of that sum by way of dividend.  
 (2) The Company shall not pass a resolution as mentioned in sub-Article (1) unless the resolution has been recommended by the Directors.  
 (3) The ways in which a sum may be applied for the benefit of members under sub-Article (1) are:  
 (a) in paying up any amounts unpaid on shares held by members;  
 (b) in paying up in full unissued shares or debentures to be issued to members as fully paid; or  
 (c) partly as mentioned in paragraph (a) and partly as mentioned in paragraph (b).

- (4) The Directors shall do all things necessary to give effect to the resolution and, in particular, to the extent necessary to adjust the rights of the members among themselves, may:
- (a) issue fractional certificates or make cash payments in cases where shares or debentures become issuable in fractions; and
  - (b) authorise any person to make, on behalf of all the members entitled to any further shares or debentures upon the capitalisation, an agreement with the Company providing for the issue to them, credited as fully paid up, of any such further shares or debentures or for the payment up by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised;

and any agreement made under an authority referred to in paragraph (b) is effective and binding on all the members concerned.

#### *Notices*

95. (1) A notice may be given by the Company to any member either by serving it on him personally or by sending it by post to him at his address as shown in the register of members or the address supplied by him to the Company for the giving of notices to him.
- (2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected, in the case of a notice of a meeting, on the day after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (3) A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
- (4) A notice may be given by the Company to a person entitled to a share in consequence of the death or bankruptcy of a member by serving it on him personally or by sending it to him by post addressed to him by name, or by the title of representative of the deceased or assignee of the bankrupt, or by any like description, at the address (if any) within the Territory supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred.
96. (1) Notice of every general meeting shall be given in the manner authorised by Article 95 to:
- (a) every member;
  - (b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and
  - (c) the Auditor for the time being of the Company.
- (2) No other person is entitled to receive notices of general meetings.

#### *Liquor Licence*

97. While and so long as the Company is a holder of a licence under the Liquor Control Act 1987 or any amendment or re-enactment thereof, the Company and/or the Directors or other officers are prohibited from appointing any Directors or alternate Directors until the name, address and occupation of each person proposed to be appointed a Director has been submitted in writing to the Registrar of the Victorian Liquor Licensing Commission, and to the Licensing Inspector for the area in which the licensed premises are situate and every such person has been approved by the Liquor Licensing Commission.

#### *Winding Up*

98. (1) If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the members in kind the whole or any part of the property of the Company and may for that purpose set such value as he considers fair upon any property to be so divided and may determine how the division is to be carried out as between the members of different classes of members.
- (2) The liquidator may, with the sanction of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no member is compelled to accept any shares or other securities in respect of which there is any liability.

#### *Indemnity*

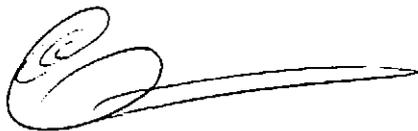
99. Every officer, Auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer, Auditor or agent in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in relation to any such proceedings in which relief is under the Law granted to him by the Court.

SCHEDULE  
FIRST DIRECTORS OF THE COMPANY

NAME	ADDRESS	OCCUPATION
Rodney David <u>Carruthers</u>	95 Overport Road Frankston Vic 3199	Company Director
Nylma <u>Carruthers</u>	95 Overport Road Frankston Vic 3199	Company Director

WE the several persons whose signatures are subscribed being subscribers to the Memorandum of Association of the Company hereby agree to the foregoing Articles of Association of the Company.

SUBSCRIBER, NAMES, ADDRESSES,  
OCCUPATIONS AND SIGNATURES



Rodney David  
Carruthers  
95 Overport Road  
Frankston Vic 3199  
Company Director



Nylma  
Carruthers  
95 Overport Road  
Frankston Vic 3199  
Company Director

WITNESS TO THE ABOVE SIGNATURES:

  
Kathrine Clare  
Waller  
4th Floor, 18 Queen Street  
Melbourne Vic 3000  
Secretary



GARITY HURD & PARTNERS PTY LTD  
A.C.N. 009 562 878

---

CHARTERED ACCOUNTANTS

**GREAT SOUTHLAND MINERALS PTY LTD**

**A.C.N. 92 092 934**

**FINANCIAL STATEMENTS**

**AS AT THE 2ND SEPTEMBER 1996**

**CONTENTS**

**Balance Sheet**  
**Notes to and forming Part of the Accounts**  
**Compilation Report**

**GREAT SOUTHLAND MINERALS PTY. LTD.**  
**A.C.N. 92 092 934**  
**BALANCE SHEET AS AT 2ND SEPTEMBER 1996**

	NOTE	\$	\$
<b><u>CURRENT ASSETS</u></b>			
Cash	3		<u>250,721</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Property, Plant and Equipment	4	4,178	
Intangible Assets	5	<u>51,131</u>	
<b>TOTAL NON-CURRENT ASSETS</b>			<u>55,309</u>
<b>TOTAL ASSETS</b>			<u>306,030</u>
<b>NET ASSETS</b>			<u>306,030</u>
<b><u>SHAREHOLDERS' EQUITY</u></b>			
Share Capital	6	55,866	
Reserves	7	<u>250,164</u>	
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<u>306,030</u>

**GREAT SOUTHLAND MINERALS PTY. LTD.****A.C.N. 92 092 934****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 2ND SEPTEMBER 1996****NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are a special purpose financial report prepared in order to meet the needs of members. The directors have determined that the company is not a reporting entity and therefore, as there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group consensus Views) in the preparation and presentation of these statements, none have been adopted.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

**NOTE 2 - EXPLORATION COSTS**

Exploration costs incurred in the search for oil or natural gas fields are carried forward as activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and significant operations in the area of interest are continuing.

The area of interest is known as the Tasmanian Basin and the company holds current rights to tenure over any discovered reserves pursuant to exploration licences. 1/88, 9/95 and 21/95 .

A farm out arrangement exists with two explorers for the completion of limited exploration works. Significant amounts have been expended to complete this work. The exploratory holes drilled have shown traces of natural gas but in non commercial quantities.

This information shows promise and accordingly continued exploration by the company is considered essential.

GREAT SOUTHLAND MINERALS PTY. LTD.A.C.N. 92 092 934NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 2ND SEPTEMBER 1996

	\$	\$
<u>NOTE 3 - Cash</u>		
Cash In Hand		<u>250,721</u>
<u>NOTE 4 - Property, Plant &amp; Equipment</u>		
Plant & Equipment - At Cost	4,398	
Less Prov'n For Depreciation	<u>220</u>	
		<u>4,178</u>
<u>NOTE 5 - Intangibles</u>		
Licences	200	
Exploration Expenditure	<u>50,931</u>	
		<u>51,131</u>
<u>NOTE 6 - Share Capital</u>		
<u>Authorised Capital</u>		
Ordinary Shares @ \$1.00 Each		<u>1,000,000</u>
<u>Share Capital</u>		
Ordinary Shares \$1.00		<u>55,866</u>
<u>NOTE 7 - Reserves</u>		
Share Premium Reserve		<u>250,164</u>

GREAT SOUTHLAND MINERALS PTY. LTD.

A.C.N. 92 092 934

02-Sep-96

Accounting Depreciation Schedule from 01-Jul-95 to 30-Jun-96

Page 1

DESCRIPTION	ORIGINAL COST	% PRIVATE	OPENING WDV	-ACQUISITION- DATE	- COST	- DEPRECIATION - RATE TYPE	AMOUNT	CLOSING WDV
Core Trays	4398			31-Aug-95	4398	6.00 PC	220	4178

## GREAT SOUTHLAND MINERALS PTY. LTD.

A.C.N. 092 092 934

## COMPILATION REPORT

On the basis of information provided by the Directors, we have compiled, in accordance with APS XX 'Statement on Compilation of Financial Reports', the special purpose financial report for the period ended 30th June 1996 as attached.

The Directors are responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the company and are appropriate to meet the needs of the members.

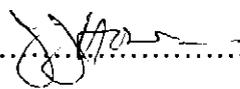
Our procedures have been limited to the classification and summarisation of information to compile this special purpose financial report from the information provided to us by our client and do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

Neither the firm nor any member or employee of our firm undertakes any responsibility or accepts liability in any way whatsoever to any person other than the company in respect of the special purpose financial report including any errors or omissions in the special purpose financial report however caused.

110 HAMPDEN ROAD  
HOBART TAS 7000

GARITY HURD &amp; PARTNERS PTY LTD

DATE: 2/9/96

DIRECTOR:  .....

Great South Land Minerals Pty Ltd  
ACN 068 650 386

1996-7 Petroleum Exploration Program

## EXPLORATION AGREEMENT

### PARTIES

GREAT SOUTH LAND MINERALS PTY LTD ACN 068 650 386 an Australian Company having its principal office in Tasmania at 24 Jackson Street Glenorchy. (GSM)

AND

THE EXPLORER so described in the Schedule to this agreement.

### BACKGROUND

- A. GSM is the owner of exploration rights under the Exploration Licences. GSM wishes to progress exploration of its licences under the exploration program and has agreed to enter into several farm-in agreements with independent principals who have agreed to participate in the exploration program.
- B. The Explorer has agreed to participate as a principal licensee in the exploration of the licence tenements, to contribute the exploration funds, and to conduct the exploration in association with other Explorers who enter similar agreements with GSM.
- C. The Explorer has agreed for the better management of the exploration program to appoint with the other Explorers a common agent to manage the exploration program and to administer the expenditure of the exploration funds.

### TERMS OF AGREEMENT

#### 1 Exploration Agreement

- 1.1 The Explorer agrees to participate in the exploration program as a principal licensee and to contribute the exploration funds. The Explorer agrees to diligently carry out the exploration program.
- 1.2 Subject to the provision of the exploration funds as provided by this agreement, GSM grants the Explorer access to and possession of the licence tenement for the purpose of carrying out exploration under the exploration program.

- 1.3 The Explorer shall have control and conduct of the exploration without interference from GSM, but in conjunction with the several other licensee participants in the program. In this regard the Explorer shall join in and concur with the resolution or decision of a majority of licensees in all matters regarding the carrying out of the exploration program and the expenditure associated with it.
- 1.4 The detail of the exploration program may be varied on recommendation of a majority of licensees and after consultation and careful consideration of advice and any recommendation of GSM. Any variation may including a decision to bring forward or to defer or discontinue any particular aspect of the exploration, or to include any new exploration or investigation.
- 1.5 This agreement shall be registered under the provisions of section 176 of the Mineral Resources Act 1995 as a farm in agreement.

## **2 Royalty**

- 2.1 In consideration of the expenditure of the exploration funds as agreed and subject to this agreement GSM grants the Explorer a prorata share in a royalty of 50 per cent of the well-head value of product recovered and saved during the royalty period and arising directly from the works undertaken under this agreement.
- 2.2 The royalty payable to the Explorer shall be in the proportion that the exploration funds of the Explorer actually expended bears to the total proposed exploration expenditure of Two Million Five Hundred Thousand Dollars. The royalty shall be calculated as at the 30th June and 31st December each year and be paid by GSM to the Explorer on the 31st March and 30th September next following in each case.

## **3 Appointment of Managing Agent**

- 3.1 The Explorer shall enter into an agreement to appoint the Manager as agent for and on behalf of the Explorer to administer and manage the exploration program and the proper expenditure of the exploration funds.
- 3.2 As principal the Explorer must get instructions, directions and authority to the Manager in all matters necessary or convenient for the expeditious conduct of the exploration program including the contract of drilling, and of seismic and associated exploration works and for the payment of associated expenses including the administration of the exploration program.

## **4 Expenditure of Exploration Funds**

- 4.1 The Explorer unconditionally commits to expend the whole of the exploration funds for the purpose of discovering, proving up and exploiting hydrocarbon deposits on the licence tenements under the exploration program.

- 4.2 The prospector must pay the exploration funds to Manager on signing the agency agreement within 21 days of the date of this agreement. The Explorer must not seek to withdraw or recover the exploration funds or any unexpended part of those monies unless the exploration program has been completed without the expenditure of the monies sought to be recovered, or has been abandoned, or the right to explore has been lost or has expired.

## **5. Conduct of the Exploration Program**

- 5.1 The Explorer shall adopt only good industry practice in the exploration of the licence tenements and must comply with all applicable statutory or industry requirements, codes and practices.
- 5.2 The Explorer must ensure that all contractors undertaking work on the exploration program have insurance protecting the Manager, the licencees and GSM with underwriters acceptable to GSM. The policy shall indemnify both the Explorer and GSM against loss, liability, damages, costs and expenses arising under all generally insurable public liability and industrial risks. GSM shall be entitled to a duplicate original policy.
- 5.3 GSM shall give assistance to the Explorer including general and technical advice, geological data and commercial information which may reasonably be expected to assist the Explorer in conducting the exploration program.
- 5.4 GSM shall be entitled to all geological, technical and commercial information arising out of carrying out the exploration program or incidental to it. The Explorer must provide such information to GSM in a timely manner which shall include regular written reports on the progress, activity and results of the exploration program. The Explorer must also produce to GSM copies of all agreements for contract and subcontract exploration work undertaken under the agreement.
- 5.5 The Explorer must keep strictly confidential all information relating to GSM and its activities and relating to the exploration program which comes to their knowledge in the course of this agreement or arising out of the exploration program, unless the information is known to be generally available public information and its disclosure is in the proper course of business, or its disclosure is required by law.

## **6. Protection of Licence**

- 6.1 GSM must do all things required by Law to maintained the validity, currency or renewal of the licence during the royalty period, and must do nothing to put the licence at risk of forfeiture or loss.
- 6.2 The Explorer must comply with all legal requirements relating to the licence and must do nothing to put the licence at risk of forfeiture of loss or to cause loss for expense to GSM in that regard.

## **7. Relationship of the Parties**

- 7.1 The relationship between the parties under this agreement shall not constitute a partnership. Neither party may pledge credit of the other, and neither party shall be obliged to contribute to the losses, debts or liabilities of the other arising under this agreement or otherwise.
- 7.2 The relationship between the Explorer and the other licensees as contemplated under this agreement shall not constitute a partnership between any of them, and shall not constitute a partnership between them jointly with GSM.

## **8 Disputes Resolution Procedure**

- 8.1 The parties must comply with the disputes resolution procedure set out below:-
- (a) No legal proceeding (other than for urgent interlocutory relief) arising out of this agreement shall be commenced or maintained by any party unless the matters in question have first been submitted to the dispute resolution procedures provided by this clause.
- (b) If at any time there is a dispute, question or difference of opinion between the parties concerning or arising out of this agreement or its construction meaning operation or effect or concerning the rights, duties or liabilities of any party and in every such case,
- (i) the parties agree to confer in good faith and to participate in the resolution process set out in this clause.
- (ii) one party shall give written notice to the other(s) briefly stating the matters in question and proposing that the parties confer within ten days in an endeavour to settle the matter.
- (c) If any party refuses or neglects to confer, or if the parties fail to agree within 30 days of the notice given, then the dispute, question or difference of opinion may at the option of any party be made the subject of a formal mediation process under an independent mediator instructed by the parties jointly, or at the request of any party, one instructed on behalf of the parties by the President for the time being of the Law Society of Tasmania.
- (d) If the matters in question cannot be resolved between the parties by the resolution process provided under this clause, then any party may have recourse to legal proceedings.

## **9 General Provisions**

### **9.1 Service of Notices -**

- (i) A notice, demand, request or consent to be given in writing between the parties under or in connection with this agreement shall be sufficiently given if delivered by facsimile transmission, by ordinary post or Australian Document Exchange service or if given by hand, either to the parties solicitor or to their personal business or residential address last known to the other party or their principal office in Tasmania, and so given, shall be deemed to be received

when in the ordinary course it would be delivered to and received at that address.

- (ii) Any notification shall be deemed to be properly given to joint parties if given to any one of them or if given to the solicitor for any one of them.
- 9.2 This Agreement, including any right title or interest in the licence, must not be assigned by the Explorer. Any purported assignment by the Explorer shall be of no force or effect.
- 9.3 The terms of this agreement expressed or implied and on the part of any party to be observed and performed shall bind them jointly and each one of them severally, and also their personal representatives, heirs and successors, administrators or receivers.
- 9.4 The respective obligations of the parties contained or implied whether positive or negative shall be construed as if each obligation is a separate and independent covenant made by one party in favour of the other.
- 9.5 If any term of this agreement or its application to any person or circumstance shall be invalid or unenforceable, the remaining terms shall be valid and enforceable to the fullest extent permitted by law.
- 9.6 This Agreement shall be governed by and construed in accordance with the laws of the State of Tasmania.
- 9.7 In the construction and interpretation of this agreement the terms defined or described in the Schedule shall have the corresponding meanings wherever used in the agreement, unless the context dictates otherwise.

## THE SCHEDULE

- Item One  
**The Explorer** .....
- of .....
- Item Two  
**The Exploration Licences  
 & Licence Tenements** Exploration Licences EL1/88, EL 9/95, EL 21/95
- Item Three  
**The Exploration Funds** the amount of \$10 000, paid on signing of this agreement and all further monies that may be provided as exploration funds under this agreement.
- Item Four  
**The Royalty Period** the period commencing on signing of this agreement and expiring on 30 June 2001, or on expiration or termination of the exploration licence, whichever is the earlier.
- Item Five  
**Licencee(s)** each of those persons or parties who may enter an registered farm-in agreement for the purpose of participating in the exploration program, or if the context suggests, all of them jointly as a group.
- Item Six  
**The Exploration Program** the 1996-7 Petroleum Exploration Program of GSM as published and supplied to the Explorer in conjunction with the signing of this agreement, and to other licencees, which provides the scope and detail of a program of exploration of the licence tenements under the Exploration Licences for the period July 1996 to June 1997.
- Item Seven  
**The Manager** Tasmanian Management Services Pty Ltd ACN 073 475 813

EXECUTED and dated the ..... day of ..... 1996.

THE COMMON SEAL of )  
GREAT SOUTH LAND MINERALS PTY LTD )  
ACN 068 650 386 was hereunto affixed in )  
accordance with the Articles of Association )  
in the presence of )

THE COMMON SEAL of )  
----- )  
ACN ----- was hereunto affixed in )  
accordance with the Articles of Association )  
in the presence of )

SIGNED SEALED AND DELIVERED by )  
----- )  
----- )

in the presence of

## Petroleum Exploration Program

**AGENCY AGREEMENT FOR ADMINISTRATION  
AND MANAGEMENT OF PETROLEUM EXPLORATION****PARTIES**

THE PRINCIPAL so described in the Schedule of this agreement

AND

TASMANIAN MANAGEMENT SERVICES PTY LTD ACN 073 475 813 an Australian company having its Principal office at 4/15 Gladstone Street, Hobart (the Manager).

**BACKGROUND**

- A. The Principal has the right of access to and possession of tenements under several exploration licences for the purpose of carrying out exploration under a registered farm-in agreement.
- B. The Principal has agreed to appoint the Manager as agent for and on behalf of the Principal to administer and manage the exploration program and administer expenditure of the exploration funds provided by the Principal to the Manager for that purpose. The Manager has agreed to accept appointment accordingly.

**TERMS OF AGREEMENT****1 Appointment**

- 1.1 The Principal appoints the Manager as agent of the Principal under the terms set out in this agreement to act for and on behalf of the Principal to administer and Manager a petroleum exploration program and to administer the proper expenditure of exploration funds provided by the Principal to the Manager for that purpose.

**2 Operation of the Agency**

- 2.1 This appointment shall be irrevocable during the continuation of the exploration program.
- 2.2 The Principal shall pay the exploration funds to the Manager to be held by the Manager for the Principal for the purpose of the exploration program. Exploration funds shall not be returned except at the written consent of the exploration licence holder Great Southland Minerals Pty Ltd.

2.3 The Manager shall report regularly to the Principal on the expenditure of the exploration funds and on the deposit or investment of the unexpended balance.

2.4 The relationship between the parties shall not be construed as a partnership. In every aspect of the operation of this agreement and anything done or agreed to be done pursuant to this agreement the Manager shall act as agent for and on behalf of the Principal on the instructions, at the direction and with the authority of the Principal.

### **3 Exploration Program**

3.1 The Manager shall manage the exploration program and administer the exploration expenditure. In that regard;

- (i) the Principal shall give instructions, directions and authority to the Manager in all matters necessary or convenient for the expeditious conduct of the exploration program including the contract of drilling and of seismic and association exploration works and for the payment of associated expenses including the administration of the exploration program.
- (ii) the Manager shall have the general authority on behalf of the Principal to enter into contracts, to incur obligations and debts, to engage and to consult advisers, professionals and experts, and carry out and conduct administration accounting, preparation of reports and associated incidental matters arising in the due course of carrying out exploration program under terms of this agreement.
- (iii) the Manager will report regularly to Great Southland Minerals Pty Ltd on the progress, activity and results of the exploration program, and on all contracts or subcontracts let or proposed to be let for exploration works.

3.2 In addition to the general authority granted to the Manager under this clause the Manager shall particularly have the following powers, duties and functions;

- (i) to implement the exploration program carrying on the business of exploration on behalf of the Principal in accordance with the farm-in agreement.
- (ii) to enter contracts, if it thinks fit without calling tenders, for the drilling, seismic and other associated exploration work, in the name of the Manager on behalf of the Principal.
- (iii) to keep and maintain proper records and books of account with respect to its financial operations including the operating expenses of the exploration program and the administrative and associated expenses. The accounts of the Manager shall be audited each year for the accounting year ended 30th June, and then shall be presented in an annual report to the Principal.
- (iv) the Manager shall prepare and make all reports to government agencies that the Principal has a duty to make in respect of the activities undertaken under this agreement.
- (v) the Manager shall assess the progress and results of the exploration program, and then in consultation with appropriate advisers will review the

work and schedule for work to be carried out under the exploration program and report to the Principal accordingly.

- 3.3 In carrying out this work on behalf of the Principal, the Manager agrees that it will use its best endeavours to carry on and conduct the business in a proper and efficient manner and to ensure that any agreement arrangement or undertaking entered into by the Manager in accordance with this agreement is carried on in a proper and efficient manner.
- 3.4 The Manager will use its best endeavours to ensure that the Principal is able to meet its obligations under the terms of the farm-in agreement, and that the Manager itself complies with and observes all of the applicable provisions of that agreement.
- 3.5 The Manager will use its best endeavours to ensure that all lawful requirements are met in relation to the work undertaken under this agreement.

#### **4 Exploration Funds and Expenditure**

- 4.1 The Manager is authorised and directed to retain and deposit the exploration funds received by it under this agreement with all other funds received by the Manager from the licencees participating in the exploration program, as part of a single fund for the purpose of carrying out the exploration program.
- 4.2 The agent is authorised and directed to spend or commit the unexpended exploration funds from time to time for the purposes of the exploration program.
- 4.3 The Manager shall maintain a proper record of the Principals individual exploration funds and shall report and account separately for the expenditure of those funds and for the balance unexpended.

#### **5 Agents Remuneration and Reimbursement**

- 5.1 As a reward for its services under his agreement the agent shall be entitled to payment as follows;-
- (i) to retain as its own property free from any trust and obligation all interest and other income from any deposit or investment of the exploration funds administered under this agreement.
  - (ii) to be paid by equal monthly instalments from the date of this agreement a fee equivalent to fifteen per cent of the anticipated exploration expenditure on behalf of the Principal for the period up to 30th June 1997, and in each year following.
- 5.2 The Manager shall meet its overhead and incidental expenses including salaries and fees to its own employees, general clerical and administrative expenses.
- 5.3 The Principal shall pay a due proportion of all proper expenses incurred by the Manager in carrying out or supervising the exploration including payment to technical and other consultants, fees for legal and other professional services including accounting services and auditors fees, and will reimburse any such amounts paid by the Manager.

## **6. Limit of Expenditure**

- 6.1 It is the intention of this agreement that the liability of the Principal for expenditure under this agreement be limited to the exploration funds provided by the Principal, and no further call will be made on the Principal for further funds, notwithstanding that the exploration program may not be completed. The Manager shall use its best endeavours to ensure that all contractual liabilities incurred on behalf of the Principal can be met in due course of business out of the exploration funds held by the Manager and available for the purpose at the time of entering such contract.

## **7. Indemnity & Confirmation of Agency**

- 7.1 The Principal agrees to indemnify and to keep indemnified at all times the Manager from all liabilities, claims, costs and expenses arising out of or incidental to anything done by the Manager in the course of this agreement.
- 7.2 The Principal must ratify and confirm in any manner reasonably required, the contractual obligations entered into by the Manager on behalf of the Principal under this agreement.

## **8 Disputes Resolution Procedure**

- 8.1 The parties must comply with the disputes resolution procedure set out below:-
- (a) No legal proceeding (other than for urgent interlocutory relief) arising out of this agreement shall be commenced or maintained by any party unless the matters in question have first been submitted to the dispute resolution procedures provided by this clause.
- (b) If at any time there is a dispute, question or difference of opinion between the parties concerning or arising out of this agreement or its construction meaning operation or effect or concerning the rights, duties or liabilities of any party and in every such case,
- (i) the parties agree to confer in good faith and to participate in the resolution process set out in this clause.
- (ii) one party shall give written notice to the other(s) briefly stating the matters in question and proposing that the parties confer within ten days in an endeavour to settle the matter.
- (c) If any party refuses or neglects to confer, or if the parties fail to agree within 30 days of the notice given, then the dispute, question or difference of opinion may at the option of any party be made the subject of a formal mediation process under an independent mediator instructed by the parties jointly, or at the request of any party, one instructed on behalf of the parties by the President for the time being of the Law Society of Tasmania.
- (d) If the matters in question cannot be resolved between the parties by the resolution process provided under this clause, then any party may have recourse to legal proceedings.

## 9 General Provisions

### 9.1 Service of Notices -

- (i) A notice, demand, request or consent to be given in writing between the parties under or in connection with this agreement shall be sufficiently given if delivered by facsimile transmission, by ordinary post or Australian Document Exchange service or if given by hand, either to the parties solicitor or to their personal business or residential address last known to the other party or their principal office in Tasmania, and so given, shall be deemed to be received when in the ordinary course it would be delivered to and received at that address.
- (ii) Any notification shall be deemed to be properly given to joint parties if given to any one of them or if given to the solicitor for any one of them.

9.2 The terms of this agreement expressed or implied and on the part of any party to be observed and performed shall bind them jointly and each one of them severally, and also their personal representatives, heirs and successors, administrators or receivers.

9.3 The respective obligations of the parties contained or implied whether positive or negative shall be construed as if each obligation is a separate and independent covenant made by one party in favour of the other.

9.4 If any term of this agreement or its application to any person or circumstance shall be invalid or unenforceable, the remaining terms shall be valid and enforceable to the fullest extent permitted by law.

9.5 This Agreement shall be governed by and construed in accordance with the laws of the State of Tasmania.

9.6 In the construction and interpretation of this agreement the terms defined or described in the Schedule shall have the corresponding meanings wherever used in the agreement, unless the context dictates otherwise.

## THE SCHEDULE

- Item One  
**The Principal** .....
- of .....
- Item Two  
**The Exploration Licences  
 & Licence Tenements** Exploration Licences EL1/88, EL 9/95, EL 21/95
- Item Three  
**The Exploration Funds** the amount of \$10 000, paid on signing of this agreement and all further monies that may be provided as exploration funds under this agreement.
- Item Four  
**The Royalty period** the period commencing on signing of this agreement and expiring on 30 June 2001, or on expiration or termination of the exploration licence, whichever is the earlier.
- Item Five  
**Licencee(s)** each of those persons or parties who may enter an registered farm-in agreement for the purpose of participating in the exploration program, or if the context suggests, all of them jointly as a group.
- Item Six  
**The Exploration Program** the 1996-7 Petroleum Exploration Program of GSM as published and supplied to the Explorer in conjunction with the signing of this agreement, and to other licencees, which provides the scope and detail of a program of exploration of the licence tenements under the Exploration Licences for the period July 1996 to June 1997.

EXECUTED and dated the ..... day of ..... 1996.

THE COMMON SEAL of )  
TASMANIAN MANAGEMENT SERVICES PTY LTD )  
ACN 073 475 813 was hereunto affixed in )  
accordance with the Articles of Association )  
in the presence of )

THE COMMON SEAL of )  
----- )  
ACN ----- was hereunto affixed in )  
accordance with the Articles of Association )  
in the presence of )

SIGNED SEALED AND DELIVERED by )  
----- )  
----- )  
in the presence of )  
in the presence of )

Dealing No. : .....  
(Office Use Only)

# Mineral Resources Tasmania

Form No. C5  
Tasmania

Mineral Resources Development Act 1995  
Section 176

## Application for Approval of a Written Instrument

Please Print Clearly

I/We hereby make application to record in the register maintained by the Registrar of Mines the following -

1. Nature of Agreement etc.  
(eg. Joint Venture, Farm In/Out etc.)

2. Parties to the Agreement etc.

3. Date of execution of Agreement etc. / /

4. In respect of	TICK	Number(s)
• Mining Lease	<input type="checkbox"/>	
• Retention Licence	<input type="checkbox"/>	
• Exploration Licence	<input type="checkbox"/>	

The following must accompany this application TICK

- Prescribed fee
- Stamp Duty at prescribed rates (if not already paid)
- Original document evidencing agreement, arrangement, dealing or interest

Signature of Applicant(s)

### Office Use Only

Cashier		Registrars Office	
Prescribed Fee:	\$ 100.00	Received at the Office of the Registrar of Mines,	
Receipt No.:	.....	this ..... day of .....	
Cost Allocation:	905.900.484	19 ..... at the hour of ..... am/pm	
- Total Amount Paid:	\$.....	Receiving Officer: .....	
Cashier (Initial & Date):	/ /	Entered in Register (Initial & Date):	/ /

**APPLICATION FOR SHARES**

**Great South Land Minerals Pty Ltd**  
**ACN 068 650 386**

.....  
of .....

(the Applicant) applies for allotment of shares in the Company under the terms of the limited issue of shares made on .....1996.

Number of Shares	Class
	Ordinary

The allotment price of \$3.00 per share, in total \$ ..... is tendered with this application, and is payable in full on allotment.

The Applicant agrees to accept the shares allotted and agrees to be bound by the Memorandum and Articles of Association of the Company, and authorises the Applicant to be placed on the Register of Members in respect of the shares allotted under this application.

SIGNED: .....  
Applicant/Authorised company officer

Date: .....

OFFICE USE ONLY	
Agreed to allot .....	Shares
as per minute dated .....	
Entered in Register of Members .....	
Share Scrip issued .....	

**APPLICATION FOR SHARES**

**Great South Land Minerals Pty Ltd  
ACN 068 650 386**

.....  
of .....

(the Applicant) applies for allotment of shares in the Company under the terms of the limited issue of shares made on .....1996.

Number of Shares	Class
	Ordinary

The allotment price of \$3.00 per share, in total \$ ..... is tendered with this application, and is payable in full on allotment.

The Applicant agrees to accept the shares allotted and agrees to be bound by the Memorandum and Articles of Association of the Company, and authorises the Applicant to be placed on the Register of Members in respect of the shares allotted under this application.

SIGNED: .....  
Applicant/Authorised company officer

Date: .....

OFFICE USE ONLY	
Agreed to allot .....	Shares
as per minute dated .....	
Entered in Register of Members .....	
Share Scrip issued .....	