

MAGNUM GAS & POWER LIMITED
ACN 107 708 305

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2:00 pm (WST)

DATE: Friday, 20 November 2015

PLACE: Suite 8, 7 The Esplanade
Mt Pleasant WA 6153

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9316 9100.

IMPORTANT INFORMATION

HOW TO VOTE

Shareholders can vote by either:

- * attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- * appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

VOTING IN PERSON (OR BY ATTORNEY)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 10 minutes prior to the time designated for the meeting. Attorneys should bring with them an original or certified copy of the power of attorney.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

PROXIES

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- * appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- * provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, section 249X of the Corporations Act takes effect so that each proxy may exercise half of the Shareholder's votes.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit. Should any Resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that Resolution as they think fit. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. A Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

A Proxy Form accompanies this Notice of Meeting and to be effective must be received at the Company's registered office **by no later than 2 pm on 18 November 2015**:

- * Magnum Gas & Power Limited, P.O. Box 374, Subiaco Western Australia 6904 **OR** 7 The Esplanade Mt Pleasant Western Australia 6153 **OR By facsimile: + 61 8 9315 5475**

NOTICE OF MEETING

AGENDA

Notice is given that the Annual General Meeting of Shareholders of Magnum Gas & Power Limited ("Company") will be held at Suite 8, 7 The Esplanade Mt Pleasant, Western Australia, at 2:00 pm (WST) on Friday, 20 November 2015.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined in accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00 pm (WST) on 18 November 2015.

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2015."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

1. The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:
 - (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
 - (b) it is not cast on behalf of a Restricted Voter.
2. Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:
 - (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
 - (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRETT MONTGOMERY

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

"That, for the purpose of clause 13.5 of the Constitution and for all other purposes, Mr Brett Montgomery, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RATIFICATION OF THE ISSUE OF PLACEMENT SECURITIES

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders ratify the issue of 20,000,000 Shares to sophisticated investors, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company, and any associate of these persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. RESOLUTION 4 – ISSUE OF SHARES TO AN ENTITY ASSOCIATED WITH DIRECTOR MR THOMAS FONTAINE

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

“That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 12,000,000 Shares to an entity associated with Mr Thomas Fontaine (a Director), or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company, and any associate of these persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL OF THE ISSUE OF SHARES UP TO 10% OF THE ISSUED CAPITAL

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

“That, for the purpose of Listing Rule 7.1A and all other purposes, the Shareholders approve the allotment and issue by the Company of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the issue of Equity Securities under the Additional 10% Placement Facility and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any person associated with those persons. However, the Company will not disregard any votes cast on this resolution by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 13 OCTOBER 2015

BY ORDER OF THE BOARD



**MARK PITTS
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the Glossary to this Explanatory Memorandum.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company's auditor will be in attendance to take questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.magnumpl.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Board is submitting its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Resolution.

The Remuneration Report forms part of the Directors' Report, included in the 2015 Annual Report. The Remuneration Report:

- * explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- * explains the relationship between the Board's remuneration policy and the Company's performance;
- * sets out remuneration details for each Director and the senior executives of the Company (who are defined as being key management personnel); and
- * details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

The vote on this Resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Following recent changes to the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution ('spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (excluding the Managing Director) must offer themselves for re-election. If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting ('spill meeting') within 90 days of the second AGM. All of the Directors who were in office when the relevant Directors' Report was approved, other than the Managing Director, will (if required) need to stand for re-election at the spill meeting.

The Company will disregard any votes cast on Resolution 1 by any person, defined as Key Management Personnel (**KMP**) and their Closely Related Parties. KMP of the Company includes each of the Directors and members of management as described in the Company's Annual Report.

The Board considers that its current practices of setting executive and non-executive remuneration are well within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires. As such the Directors recommend that shareholders vote in favour of the Company's Remuneration Report at Resolution 1.

Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member). You acknowledge that the Chairman will exercise your proxy in line with his stated intention, even if he has an interest in the outcome of the resolution.

The Chairman of the meeting intends to vote undirected proxies that are available to be voted in favour of the remuneration report.

If you appoint any other person as your proxy you do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRETT MONTGOMERY

Clause 13.5 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

Mr Brett Montgomery has been in the mineral and exploration and development industry for over 30 years'. He has considerable experience in the management of public companies. Having been the Managing Director of Kalimantan Gold NL, a Director of Grants Patch Mining Limited, and Chairman and Joint Managing Director of Eurogold Limited.

Mr Montgomery is currently an executive director of Tanami Gold NL.

A Director who retires by rotation under clause 13.5 of the Constitution is eligible for re-election. The Directors, other than Mr Brett Montgomery, recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF THE ISSUE OF PLACEMENT SECURITIES

4.1 Background

On 13 October 2015, the Company announced that it had issued 20,000,000 Shares to sophisticated investors at an issue price of \$0.005 to raise \$100,000 (before costs) ("Placement"). This resolution seeks shareholder ratification of the issue of these placement shares.

4.2 Listing Rules Chapter 7

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1A)

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of Resolution 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% placement capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolution 1 is an ordinary resolution.

4.3 Resolution 3 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 3:

- (a) 20,000,000 Shares were issued at an issue price of \$0.005 per Share;
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) The Shares were issued to investors who were eligible to be made offers without disclosure under an exemption under section 708 of the Corporations Act.
- (d) The funds raised from the issue (being in total \$100,000 (before costs)) will be used to fund planned exploration programs on the Company's Projects in Botswana and for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 3.

5. RESOLUTION 4 – ISSUE OF SHARES TO AN ENTITY ASSOCIATED WITH DIRECTOR MR THOMAS FONTAINE

5.1 Background

It is proposed that Shares are issued to an entity associated with Mr Thomas Fontaine on the same terms and conditions as described in the placement for which ratification is sought by Resolution 3.

Because Directors are related parties of the Company, Shareholder approval for the purpose of Listing Rule 10.11 is required before any Shares or Attaching Options can be issued to the Directors.

5.2 Listing Rules Chapter 10

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party.

Furthermore, Shareholder approval of the issue of securities to Directors under Listing Rule 10.11 means that the issue of securities to the Directors will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The Directors consider that the issue of shares to an entity associated with Mr Fontaine will be on arms' length terms as the placement will be made on the same terms as the other parties who participated in the Placement (as summarised in Section 4.1), regardless of whether they are associated with the Company or not. Accordingly, the proposed participation by an entity associated with Mr Fontaine falls within the "arm's length terms" exemption provided by Section 210 of the Corporations Act to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act.

5.3 Information Required by Listing Rule 10.13 – Resolution 4

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of securities the subject of Resolution 5:

- (a) The 12,000,000 Shares the subject of Resolution 4 will be issued to Avatar Energy Pty Ltd an entity associated with Mr Fontaine;
- (b) The Shares the subject of Resolution 4 will be issued at an issue price of \$0.005;
- (c) The Shares the subject of Resolution 4 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date;
- (d) The Shares the subject of Resolution 4 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (e) The funds raised from the issue (being in total \$60,000 (before costs)) will be used will be used to fund planned exploration programs at its CBM and complimentary Projects in Botswana and for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 4.

6. RESOLUTION 5 – APPROVAL TO ISSUE UP TO 10% PLACEMENT CAPACITY

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution ('Additional 10% Placement Capacity'). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity is not included in the S&PASX 300 Index.

As at the date of this Notice of Meeting, the Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company is putting Resolution 5 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity over a 12 month period after the Annual General Meeting.

The exact number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined at the relevant time in accordance with the formula set out in Listing Rule 7.1A.2.

The Company is putting Resolution 5 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

This resolution does not mean that the Company will necessarily utilise the 10% Additional Placement Capacity. However, the additional capacity will provide flexibility for the company to issue additional securities, in the event that the directors determine that the issue of additional securities is in the interests of the shareholders and the Company in achieving its objectives.

Listing Rule 7.1A

The effect of Resolution 5 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has 850,375,705 Shares on issue.

On the basis that the number of Shares on issue remains 850,375,705 and subject to Shareholder approval being granted under Resolution 3, 85,037,570 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A.

Shareholders should note that this calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is illustrative only as the calculation will be based on the formula set out in Listing Rule 7.1A, applied at the time of any issue of Equity Securities under the Additional 10% Placement Capacity. The table on the page below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

This resolution is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days, on which trades in those securities were recorded, immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If this resolution is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table below also shows:

- (i) examples of where variable "A" is at its current level, and where variable "A" has increased by 15% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 9 October 2015 (current market price), where the issue price is halved from that initial level and where it is doubled from that initial level; and
- (iii) that the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.003 Issue Price at half the current market price	\$0.005 Issue Price at current market price	\$0.01 Issue Price at double the current market price
Current Variable A 850,375,705 Shares	Shares issued	85,037,570	85,037,570	85,037,570
	Funds raised	\$255,113	\$425,188	\$850,376
	Dilution	10%	10%	10%
15% increase in current Variable A 977,932,060 Shares	Shares issued	97,793,206	97,793,206	97,793,206
	Funds raised	\$293,380	\$480,966	\$977,932
	Dilution	10%	10%	10%

100% increase in current variable A 1,700,751,410 Shares	Shares issued	170,075,141	170,075,141	170,075,141
	Funds raised	\$510,225	\$850,376	\$1,700,751
	Dilution	10%	10%	10%

Note: this table assumes:

- (i) No Options or Performance Rights are exercised before the date of the issue of the Equity Securities;
 - (ii) The Company issues the maximum number of Equity Securities under the Additional 10% Placement Capacity and the Equity Securities issues consists only of Shares;
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholders holding at the date of the Annual General Meeting;
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (c) Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds to:
 - a) acquire new assets including additional tenements adjacent to or contiguous with current prospects;
 - b) Carryout planned exploration and development of existing projects in Botswana and New South Wales including ongoing gas desorption and related test work, geophysical analysis and the further drill testing of existing targets; and
 - c) general working capital purposes; or
 - (ii) non-cash consideration for the acquisition of new assets. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (e) The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s). Securities allotted pursuant to the allocation policy will be determined following consideration of a number of factors including, but not limited to, the following matters:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities;
 - (ii) the dilutionary effect of the proposed of the issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

At the date of this Notice, the Company has not formed an intention as to whether the securities will be offered to existing security holders, or to any class or group of existing security holders, or whether the securities will be offered exclusively to new investors that have not previously been security holders of the Company. The Company will give consideration before making any placement of securities under

Listing Rule 7.1A whether the raising of any funds under such placement could be carried out in whole, or in part, by an entitlements offer to existing security holders.

The allottees under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include related parties (or their associates) of the Company.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2014 Annual General Meeting. The Company did not issue any securities pursuant to Listing Rule 7.1.A. during the 12 months following the 2014 Annual General Meeting.

However, during the 12 month period up to 20 November 2015, being the date of the 2015 Annual General Meeting, the Company otherwise issued a total of 20,000,000 Shares.

The amount of 20,000,000 Equity Securities issued represents approximately 2.35% of the total diluted number of Equity Securities on issue in the Company on 14 November 2014, being 850,375,705.

Information relating to issues of Equity Securities by the Company in the 12 months prior to 20 November 2015 is as follows:

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
14 Oct 2015	20,000,000 ordinary fully paid shares	Note 2	Golden Words Pty Ltd; N and A Gill ATF the Gill Super Fund; Endeavor Pty Ltd.	0.5 cents per share issue price being the share price at issue	Shares issued for cash raising \$100,000. Of which 100% remains at the time of this notice. The intended use of the funds is to enable ongoing work on the complimentary exploration planning

Notes:

- (i) Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).
- (ii) Fully paid ordinary shares in the capital of the Company, ASX Code: MPE (terms are set out in the Constitution).
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 5.

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 5.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Magnum Gas & Power Limited (ACN 107 708 305).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Explanatory Statement means the explanatory statement accompanying the Notice.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

APPOINTMENT OF PROXY – MAGNUM GAS & POWER LIMITED - ACN 107 708 305

GENERAL MEETING

I/We

being a Member of Magnum Gas & Power Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the individual or body corporate named or, if no individual or body corporate is named, the Chairman of the Meeting or the Chairman's nominee, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent as permitted by law, as the proxy sees fit) at the Annual General Meeting to be held at 2:00 pm (WST), on 20 November 2015 at Suite 8, 7 The Esplanade, Mt. Pleasant, Western Australia and at any adjournment or postponement thereof.

Chairman authorised to exercise undirected proxies on remuneration related resolutions:

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

Important Note:

If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box below.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Brett Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of the issue of placement securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of the issue of shares to an entity associated with Director Mr. Thomas Fontaine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval to issue up to 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is %

Signed this day of 2015

By:

Individuals and joint holders
Signature
Signature
Signature**Companies (affix common seal if appropriate)**
Director
Director/Company Secretary
Sole Director and Sole Company Secretary

MAGNUM GAS & POWER LIMITED

ACN 107 708 305

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form and send the proxy form:
 - (a) by post or hand delivery to Magnum Gas & Power Limited
C/- Suite 8, 7 The Esplanade
Mt Pleasant
Western Australia, 6153;
 - (b) by facsimile to the Company on facsimile number (61 8) 9315 5475,

so that it is received **not later than 2:00 pm (WST) on 18 November 2015.**

Proxy forms received later than this time will be invalid.