

IGas Energy plc

Proposed Business of the Annual General Meeting 2014

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### Introduction

You will find set out at the end of this document the formal Notice of the Annual General Meeting of IGas Energy plc. This section provides some additional information on the Resolutions being proposed at the Annual General Meeting. The following definitions apply throughout this section of the document unless the context requires otherwise:

<b>“2006 Act”</b>	the Companies Act 2006
<b>“Accounts”</b>	the audited financial statements of the Company for the 12 month period ended 31 March 2014
<b>“Annual General Meeting” or “AGM”</b>	the annual general meeting of the Company convened for Monday 1 September 2014 pursuant the Notice of Annual General Meeting which appears at the end of this document
<b>“Articles”</b>	the articles of association of the Company in force at the date of this document
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“Company”</b>	IGas Energy plc
<b>“Dart”</b>	Dart Energy Limited
<b>“Enlarged Share Capital”</b>	means the current issued share capital of the Company, being 206,316,001 Ordinary Shares, together with the Ordinary Shares to be issued in connection with the acquisition of Dart by the Company, being an aggregate of 297,662,552 Ordinary Shares
<b>“Form of Proxy”</b>	the form of proxy accompanying this document for use at the Annual General Meeting
<b>“Maximum Nominal Value”</b>	has the meaning set out below
<b>“Ordinary Shares”</b>	Ordinary Shares of 10p each in the capital of the Company
<b>“Resolutions”</b>	the resolutions set out in the Notice of Annual General Meeting which appears at the end of this document
<b>“Scheme”</b>	has the meaning set out below
<b>“Scheme Booklet”</b>	the explanatory booklet prepared by Dart in respect of the Scheme
<b>“Shareholders”</b>	holders of Ordinary Shares

Terms used but not defined herein, shall have the same meaning given to them by the Scheme Booklet.

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### Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of Morrison & Foerster (UK) LLP, CityPoint, One Ropemaker Street, London EC2Y 9AW at 10.30 a.m. on Monday 1 September 2014, at which the following Resolutions will be proposed:

1. to receive and adopt the Company's Annual Report and Accounts for the 12 month period ended 31 March 2014, and the Directors' Report and the Independent Auditors' Report on those accounts;
2. to receive and approve the Remuneration Report of the Directors for the 12 month period ended 31 March 2014 and the Independent Auditors' Report on the auditable part of the Remuneration Report;
3. to reappoint as a Director John Blaymires who, in accordance with the Articles, is required to retire by rotation at the Annual General Meeting and, being eligible, offers himself for reappointment;
4. to reappoint as a Director Stephen Bowler who, in accordance with the Articles, is required to retire by rotation at the Annual General Meeting and, being eligible, offers himself for reappointment;
5. to reappoint as a Director Robin Pinchbeck who, in accordance with the Articles, is required to retire by rotation at the Annual General Meeting and, being eligible, offers himself for reappointment;
6. to reappoint Ernst & Young LLP as the auditors of the Company until the next annual general meeting;
7. to authorise the Directors to determine the level of the remuneration of the auditors;
8. to grant the Directors authority to allot new Ordinary Shares and/or grant options to acquire or subscribe for new Ordinary Shares to replace certain outstanding options to acquire or subscribe for Dart shares in connection with the acquisition of the entire issued and to be issued share capital of Dart by the Company;
9. to grant the Directors authority to allot shares in the capital of the Company; and
10. conditional upon Resolution 9 being passed, to grant the Directors the power to disapply the statutory pre-emption rights for certain shares in the capital of the Company.

Resolutions 1, 2, 6 and 7 are self-explanatory. Information on the other Resolutions is provided below. Resolutions 1 to 9 are ordinary resolutions which require to be passed the approval of a simple majority of Shareholders present and voting in person or by proxy or authorised representative. On a show of hands each Shareholder so present has one vote, but should a poll be demanded, each such Shareholder has one vote for each share held by him or her. Resolution 10 is a special resolution that requires to be passed with the approval of 75% of such Shareholders, determined in the same way as for the ordinary resolutions.

### Resolution 3 – reappointment of John Blaymires as a Director

Mr Blaymires is liable to retire by rotation at the Annual General Meeting under the Articles, and offers himself for reappointment. Having carefully considered his reappointment, the Nomination Committee considers that his performance remains effective, particularly having regard to his responsibilities as Chief Operating Officer.

Mr Blaymires has been a director of the Company since 6 April 2010. Mr Blaymires has 30 years of international experience in the oil and gas industry gained with Hess Corporation and Shell International. Before joining the Company, Mr Blaymires was Director of Technology Development for Hess, based in Houston, where he helped develop a global engineering and geoscience technology group responsible for providing support across the E&P business, from deepwater to unconventional resources. Prior to that, Mr Blaymires was Technical Director for Hess' operations in West Africa, and subsequently South East Asia with responsibility for several major oil and gas developments. Mr Blaymires has a BSc and PhD in Mining Engineering from Leeds University.

### Resolution 4 – reappointment of Stephen Bowler as a Director

Mr Bowler is liable to retire by rotation at the Annual General Meeting under the Articles, and offers himself for reappointment. Having carefully considered his reappointment, the Nomination Committee considers that his performance remains effective, particularly having regard to his responsibilities as Chief Financial Officer.

Mr Bowler joined the Company on 1 November 2011. Mr Bowler began his career at Touche Ross, now Deloitte, where he qualified as a chartered accountant, having spent time in both their audit and corporate finance divisions. In 1999, Mr Bowler joined ABN Amro Hoare Govett, now Jefferies Hoare Govett, where he acted as adviser and broker to a wide range of companies with a particular focus on E&P. Since Mr Bowler joined the Company, the IGas Group has, inter alia, successfully completed three acquisitions, two bond raisings and an equity issue.

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### Resolution 5 – reappointment of Robin Pinchbeck as a Director

Mr Pinchbeck is liable to retire by rotation at the Annual General Meeting under the Articles, and offers himself for reappointment. Having carefully considered his reappointment, the Nomination Committee considers that his performance remains effective, particularly having regard to his responsibilities as a Non-executive Director.

Mr Pinchbeck joined the Company on 11 July 2012 and has 40 years of international experience in the oil and gas sector, having held leadership positions in both oil and oil-services sectors with BP, Atlantic Power, PGS and most recently, with Petrofac Limited; where he founded and led the Operations Services division, and subsequently served as Group Director of Strategy. Mr Pinchbeck's past Non-executive positions include Sondex plc, SLR Consulting Ltd, Enquest plc and Sparrows Offshore Group Ltd. (where he was Chairman). He is currently a Non-Executive Director at Enteq Upstream plc, Seven Energy International Limited and Starn Energy Services Limited and is Chairman at PTS Consulting Limited.

### Resolution 8 – authority to allot Ordinary Shares in connection with the acquisition of Dart

On 9 May 2014, the Company and Dart announced that their respective Boards had reached agreement on the terms of a recommended acquisition of Dart by the Company via an Australian court-sanctioned scheme of arrangement pursuant to Part 5.1 of the *Corporations Act 2001* (Cth) between Dart and the Scheme Shareholders in respect of all Scheme Shares (the "**Scheme**") on a share exchange basis. Subject to the passing of this Resolution, the Scheme Shareholders will receive 0.08117 Ordinary Shares for each Scheme Share, and, in addition, certain options outstanding to acquire or subscribe for Dart shares will be replaced with options to acquire or subscribe for Ordinary Shares. The maximum aggregate number of Ordinary Shares to be issued, or over which options will be granted is 91,346,551 Ordinary Shares with an aggregate nominal value of £9,134,655.10 (the "**Maximum Nominal Value**"). Upon completion of the Scheme, the Scheme Shareholders will hold approximately 30.7% of the Enlarged Share Capital on a fully diluted basis.

The Scheme is subject to certain conditions to completion which includes the approval of this Resolution. It is therefore proposed that the Directors be authorised for the purposes of section 551 of the 2006 Act to allot and/or grant options to acquire new Ordinary Shares up to the Maximum Nominal Value provided that the authority will expire (unless previously revoked, varied or renewed) on 30 December 2014 and that the authority granted is in addition and without prejudice to any other authority under section 551 of the 2006 Act previously granted or in force on the date upon which this Resolution is passed. Assuming the passing of this Resolution, it is expected that the Directors will use their authority granted under this Resolution to allot and/or grant options to acquire or subscribe for such new Ordinary Shares on or around 22 September 2014. Further details of the Scheme are explained in the Scheme Booklet, which is expected to be available to view on the IGas website at [www.igasplc.com](http://www.igasplc.com) on or about the date of publication of this document; the timing will be subject to Australian regulatory review and a precise date for the same was not available as at the date of this document going to press.

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### Resolution 9 – authority to allot shares

At the Annual General Meeting held on 8 August 2013, the Directors were authorised, in accordance with section 551 of the 2006 Act, to allot Ordinary Shares, grant rights to subscribe or to convert any security into Ordinary Shares up to an aggregate nominal amount of £6,333,688. This authority expires at the conclusion of this Annual General Meeting. It is therefore proposed to revoke the existing authority and replace it with a new authority, granted under section 551 of the 2006 Act, which will allow the Directors to allot Ordinary Shares and to grant rights to subscribe for or to convert any securities into Ordinary Shares up to an aggregate nominal amount of £9,922,085 representing approximately one third of the Enlarged Share Capital and a further aggregate nominal amount of £9,922,085 representing approximately a further third of such Enlarged Share Capital, which will be available only for rights issues and other pre-emptive issues of equity shares.

The proposal that the authority to allot Ordinary Shares shall extend to a further third of the issued share capital is in accordance with the guidelines issued by the Association of British Insurers (“ABI”) which confine the use of this amount to rights issues only. The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the Directors intend to follow the emerging best practice as regards its use (including as regards Directors standing for re-election) as recommended by the ABI and the National Association of Pension Funds.

Assuming the passing of this Resolution, the new authority will expire 15 months from the date of the passing of this Resolution or until the conclusion of the next annual general meeting, if earlier, and will revoke all previous authorities to the extent that they have not already been utilised apart from other specific authorities taken in respect of outstanding warrants and options which will continue unaffected. The Directors have no present intention of issuing any share capital of the Company, but the passing of this Resolution will enable the Directors to take advantage of any opportunities which may arise.

### Resolution 10 – disapplication of pre-emption rights

Section 561 of the 2006 Act contains pre-emption rights that require all equity shares which it is proposed to allot for cash to be offered to existing shareholders in proportion to existing shareholdings, unless a special resolution is passed to disapply such rights. Such rights do not apply to an issue otherwise than for cash, such as an issue in consideration of an acquisition. The Directors believe that these requirements are too restrictive and, it is proposed that, subject to the passing of Resolution 9, the Directors should be able to allot shares amounting to no more than an aggregate nominal amount of £2,976,625 representing approximately 10% of the Enlarged Share Capital immediately after the passing of Resolution 9 otherwise than on a pre-emptive basis.

In addition, it is customary to disapply the statutory pre-emption rights altogether, and substitute similar non-statutory provisions because, for technical reasons, the statutory rights are difficult to apply in certain circumstances. The proposed Resolution therefore provides that all allotments for cash in excess of the 10% limit, must be in the form of rights issues, open offers or other pre-emptive issues except for the one third of the existing issued share capital reserved only for rights issues in accordance with the previous Resolution, and free of the statutory constraints.

The broadening of the proposed Resolution to include pre-emptive issues other than rights issues is a departure from the strict wording of the ABI guidelines which is limited to rights issues, which the Directors regard as too restrictive, especially as AIM companies normally make open offers and not rights issues. The above departures in Resolutions 9 and 10 from the strict wording of the ABI guidelines should not be taken to indicate that they are being disregarded, but rather that the proposed Resolutions are designed to provide greater flexibility for the Directors to determine the form of any future pre-emptive issues in the light of market conditions and practice, at the time such an issue may be proposed. It should also be noted that this year the Directors are seeking an authority for offers for cash on and other than pre-emptive basis at a 10% level rather than the 15% levels which were sought and approved in prior years.

### Action to be Taken

A Form of Proxy for use at the Annual General Meeting is enclosed. If you are a Shareholder you are advised to complete and return the form in accordance with the instructions printed on it so as to arrive at the Company’s registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event no later than 10.30 a.m. on Thursday 28 August 2014. Alternatively, you may cast your proxy online by following the instructions printed on the form; such electronic appointment must also be made no later than 10.30 a.m. on Thursday 28 August 2014.

The return of a Form of Proxy or the electronic appointment of a proxy does not preclude you from attending and voting at the Annual General Meeting if you so wish.

### Recommendation

The Directors consider the Resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its Shareholders. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of all the Resolutions, as they intend to do in respect of their own holdings (where they control the voting rights) comprising 38,865,062 Ordinary Shares, representing approximately 18.84% of the issued share capital of the Company.

## Proposed Business of the Annual General Meeting 2014

### Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of IGas Energy plc will be held at the offices of Morrison & Foerster (UK) LLP, CityPoint, One Ropemaker Street, London EC2Y 9AW at 10.30 a.m. on Monday 1 September 2014 to consider, and if thought fit, pass the following Resolutions of which Resolutions 1 to 9 will be proposed as ordinary resolutions and Resolution 10 will be proposed as a special resolution.

### Ordinary Business

1. To receive and adopt the Company's Annual Report and Accounts for the 12 month period ended 31 March 2014 and the Directors' Report, and the Independent Auditors' Report on those accounts.
2. To receive and approve the Remuneration Report of the Directors for the 12 month period ended 31 March 2014 and the Independent Auditors' Report on the auditable part of the Remuneration Report.
3. To reappoint as a Director, John Blaymires, who is retiring by rotation in accordance with Article 38 of the Company's Articles of Association and who being eligible is offering himself for reappointment.
4. To reappoint as a Director, Stephen Bowler, who is retiring by rotation in accordance with Article 38 of the Company's Articles of Association and who being eligible is offering himself for reappointment.
5. To reappoint as a Director, Robin Pinchbeck, who is retiring by rotation in accordance with Article 38 of the Company's Articles of Association and who being eligible is offering himself for reappointment.
6. To reappoint Ernst & Young LLP as auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid.
7. To authorise the Directors to determine the remuneration of the auditors.
8. In relation to the Australian court-sanctioned scheme of arrangement in respect of the acquisition of Dart Energy Limited by the Company, that the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**2006 Act**") to exercise all the powers of the Company to allot new ordinary shares of 10p each in the capital of the Company and/or grant options to acquire or subscribe for new ordinary shares of 10p each in the capital of the Company to replace certain outstanding options to acquire or subscribe for shares in Dart Energy Limited up to a maximum aggregate nominal value of £9,134,655.10 provided that this authority shall expire (unless previously revoked, varied or renewed) on 30 December 2014.
9. That in substitution for all authorities for the allotment of shares by the Directors granted prior to the date on which this Resolution 9 is passed (which for the avoidance of doubt shall not extend to the authority granted by Resolution 8) which are hereby revoked, but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors of the Company be and are hereby generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to:
  - (A) allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred as an allotment of "**relevant securities**") up to an aggregate nominal amount of £9,922,085; and
  - (B) allot equity securities (within the meaning of section 560(1) of the 2006 Act) up to an aggregate nominal amount of £9,922,085 in connection with a rights issue or other pre-emptive offer which satisfies the conditions and may be subject to all or any of the exclusions specified in paragraph (B)(1) of the next following Resolution,

in each case for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this Resolution or at the conclusion of the next annual general meeting of the Company following the passing of this Resolution, whichever occurs first, provided that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such relevant or equity securities to be allotted after such expiry, variation or revocation and the Directors may allot relevant or equity securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.

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### Special Business

10. That, subject to and conditionally upon the passing of Resolution 9, the Directors are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by Resolution 9 as if section 561 of the 2006 Act did not apply to any such allotment provided that such power:
- (A) shall, subject to the continuance of the authority conferred by Resolution 9, expire 15 months after the passing of this Resolution or at the conclusion of the next annual general meeting of the Company following the passing of this Resolution, whichever occurs first, but may be previously revoked or varied from time to time by special resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied; and
- (B) shall be limited to
- (1) the allotment of equity securities of up to an aggregate nominal amount of £9,922,085 pursuant to a rights issue, open offer, scrip dividend scheme or other pre-emptive offer or scheme which is in each case in favour of holders of ordinary shares of 10p each in the capital of the Company and any other persons who are entitled to participate in such issue, offer or scheme where the equity securities offered to each such holder and other person are proportionate (as nearly as may be) to the respective numbers of ordinary shares of 10p each in the capital of the Company held or deemed to be held by them for the purposes of their inclusion in such issue, offer or scheme on the record date applicable thereto, but subject to such exclusions or other arrangements as the Directors may deem fit or expedient to deal with fractional entitlements, legal or practical problems under the laws of any overseas territory, the requirements of any regulatory body or stock exchange in any territory, shares being represented by depositary receipts, directions from any holders of shares or other persons to deal in some other manner with their respective entitlements or any other matter whatever which the Directors consider to require such exclusions or other arrangements with the ability for the Directors to allot equity securities and sell relevant shares not taken up to any person as they may think fit; and
- (2) the allotment of equity securities for cash otherwise than pursuant to sub-paragraph (B)(1) up to an aggregate maximum nominal amount of £2,976,625.

22 July 2014

By Order of the Board

**MoFo Secretaries Limited**

**Company Secretary**

Registered office:

7 Down Street

London

W1J 7AJ

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### Notes

- (1) A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member. A Form of Proxy is enclosed.
- (2) The Form of Proxy, if used, and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or, (during normal business hours) by hand, to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 10.30 a.m. on 28 August 2014.
- (3) Completing and returning a Form of Proxy will not preclude a member from attending in person at the meeting and voting should he or she wish to do so.
- (4) The Form of the Proxy must be signed and dated by the shareholder or his/her attorney duly authorised in writing, if the shareholder is a company, it may execute under its common seal, by the signature of a director and its secretary or two directors or other authorised signatories in the name of the company or by the signature of a duly authorised officer or attorney. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or in proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect to the joint holding. Names of all joint holders should be stated.
- (5) Members who hold Ordinary Shares in the Company in uncertificated form must have been entered on the Company's register of members by 6.00 p.m. on 28 August 2014 in order to be entitled to attend and vote at the meeting. Such members may only vote at the meeting in respect of Ordinary Shares in the Company held at the time, if the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting (excluding any part of the day that is not a working day). Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (6) In the absence of instructions, the person appointed proxy may vote or abstain from voting as he or she thinks fit on the Resolutions and, unless instructed otherwise, the person appointed proxy may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to any Resolution) which may properly come before the meeting.
- (7) If you wish to appoint as your proxy someone other than the Chairman of the meeting, write the full name of your proxy in the space provided on the proxy form.
- (8) If two or more valid Forms of Proxy are delivered in respect of the same Ordinary Share, the one which was delivered last (regardless of its date or the date of its execution) will be valid, to the exclusion of any ones previously delivered.