
TAMASKA OIL AND GAS LIMITED

ABN 127 735 442

NOTICE OF GENERAL MEETING

General Meeting of the Company will be held at Level 21, Allendale Square, 77 St Georges Tce Perth WA 6000 on Wednesday 18 January 2012 at 10.00am (WST).

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

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9389 2000.

TAMASKA OIL AND GAS LIMITED

ACN 127 735 442

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Tamaska Oil and Gas Limited (**Company**) will be held at Level 21, Allendale Square, 77 St Georges Tce Perth Western Australia on Wednesday 18 January 2012 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provide additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday 16 January 2012 at 10.00am (WST).

Terms and abbreviations used in this Notice, Explanatory Memorandum and Schedules are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approve the Execution of Directors' Deeds of Indemnity, Access and Insurance

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

“That, pursuant to Chapter 2D.2 of the Corporations Act and Chapter 2E of the Corporations Act in respect of Directors and for all other purposes approval be given to the Company to:

- (a) *indemnify the Directors during the period of their office as a director and after the cessation of their office, in respect of certain claims should any be made against the Directors whilst acting in their capacity a Director;*
- (b) *use its reasonable endeavours to procure an insurance policy and pay the premiums of insurance as assessed at market rates applicable from time to time for each of the Directors in respect of certain claims made against the Directors acting in their capacity as a Director (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company);*
- (c) *use its reasonable endeavours to ensure that the Directors are at all times covered under an insurance policy for the period of 7 years from the date the Directors cease to be Directors (**Insurance Run-Off Period**), which will be on terms not materially less favourable to each Director than the terms of insurance applicable at the date of termination of their office and to continue to pay those premiums during that Insurance Run-Off Period (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company); and*

- (d) *provide the Directors with access, upon the cessation for any reason of his or her office as a Director and for a period of not less than 7 years following that cessation, to any Company records which are either prepared or provided to the director or officer during the period of the office,*

upon and subject to the terms and conditions as set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (c) the appointment specifies the way the proxy is to vote on this Resolution; or
- (d) the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Authority to Grant Incentive Options to a Director

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

"That, in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve and authorise the grant of 30,000,000 Incentive Options to Mr Brian Ayers (or his nominee), a Director, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Mr Brian Ayers and any of his associates.

However, the Company need not disregard a vote if:

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

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (c) the appointment specifies the way the proxy is to vote on this Resolution; or
- (d) the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 3 – Ratification of Grant of Options to TMK Employees

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,000,000 Options to TMK Employees, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by TMK Employees and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

4. Resolution 4 – Section 195 Approval

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

“That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice.”

Dated 13 December 2011

BY ORDER OF THE BOARD



Brett Mitchell
Director

TAMASKA OIL AND GAS LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 21, Allendale Square, 77 St Georges Tce Perth Western Australia on Wednesday 18 January 2012 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1 and 2 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on Resolutions 1 and 2.

However, the prohibition does not apply if:

- (c) the proxy is the Chairman; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even if the Resolutions 1 and 2 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Resolution 1 – Approve the Execution of Directors' Deeds of Indemnity, Access and Insurance

3.1 Background

The purpose of Resolution 1 is to enable the Company, to provide each Director with a reasonable level of protection in relation to claims made against a Director acting as a director of the Company, effective from the date of the Directors' appointment.

Given their duties and responsibilities as directors of a public company and their potential liabilities, the Directors consider it appropriate that they be suitably protected from certain claims made against them. The proposed protection will not extend to the extent it is prohibited by the Corporations Act.

As a person may be called to account for his or her actions several years after ceasing to be a director of a company, it is considered reasonable that suitable protection should extend for a period of time after a Director has ceased to be a Director of the Company.

It is generally recognised that a director or former director of a company may face considerable difficulty in properly answering or defending any claim made against him or her, particularly, as is often the case, where the claim is brought after the director ceases to hold office. Difficulties may arise by reason of the following:

- (a) No indemnity after the office of a director or officer ends

While a company's constitution provides directors with an indemnity in respect of claims made while they remain directors arguably, that indemnity ceases when the directorship ends. Without the benefit of an indemnity, the cost of defending such a claim in respect of the actions of a director or former director, even if the claim is ultimately proven to be without merit, can be considerable and beyond the financial resources of the individual director.

- (b) Maintenance of insurance policies

Directors' and Officers' insurance policies generally only provide cover for claims made during the currency of the insurance policy, i.e. while insurance premiums continue to be paid on the policy. Generally, unless insurance premiums continue to be paid after the time a person ceases to be a director, claims made after cessation of the directorship will not be covered by the

insurance policy. The cost to a former director of personally maintaining insurance cover after ceasing to be a director can be prohibitive, particularly given the number of years for which insurance must be maintained and given the former director will no longer be receiving any income from the Company.

(c) Access to board papers

Directors have a statutory right to inspect the books of the Company:

- (i) whilst they hold office; and
- (ii) for a period of 7 years after the director ceases to hold office,

at all reasonable times for the purpose of a legal proceeding to which the director is a party, that the director proposes in good faith to bring or that the director has reason to believe will be brought against him or her.

Despite this statutory right, Directors may require access to company documents which are relevant to the director's holding office as a director of the Company and not strictly required for the purpose of anticipated, threatened or commenced legal proceedings. Furthermore, although a proceeding may be instituted within six years after a cause of action arises, that six year period is calculated from the date the damage is found to have occurred – this may be long after the conduct in question, from which the later damage arose, actually occurred.

Given these difficulties a person may be unwilling to become or to remain as a director of a public company without suitable protection being provided by the Company. The benefit to the Company in providing such protection is that it will continue to be able to attract persons of suitable expertise and experience to act as Directors.

3.2 Summary of the Directors' and Officers' Indemnity, Access and Insurance Deeds

The Company has entered into a Deed of Indemnity, Insurance and Access (**Deed**) which, subject to Shareholder approval, will require:

- (a) the Company to indemnify each Director during the period of his or her directorship and after the cessation of his directorship, in respect of certain claims made against that director in his or her capacity as a director of the Company to the extent allowable under the Corporations Act;
- (b) the Company to use its reasonable endeavours (subject to cost and availability) to maintain an insurance policy and pay the premiums of insurance as assessed at market rates applicable from time to time, to the extent available under the Corporations Act, for each Director in respect of certain claims made against him or her in his or her capacity as a director of the Company and to continue to pay those premiums for a period of up to 7 years following the termination of his directorship;
- (c) that if the Company cannot procure an insurance policy for a Director at a reasonable cost it shall advise such Director who may refer the matter to an expert (whose decision shall be final and binding on the parties) for determination that the Company has not used its reasonable endeavours and the expert may direct the Company to obtain an insurance policy on the best available terms; and

- (d) the Company to provide each Director with access, upon ceasing for any reason to be a director of the Company and for a period of up to 7 years following that cessation, to any the Company records which are either prepared or provided to the Director during the period during which the person was a director of the Company.

The Deed will also require each Director to maintain confidentiality and to protect the Company's intellectual property.

3.3 Summary of indemnity and insurance provisions in the Corporations Act

In considering Resolution 1, Shareholders should be aware of the following limitations in the Corporations Act concerning the provision of indemnities and insurance to Company officers. The Deed for which Shareholder approval is sought under Resolution 1, complies with these limitations.

(a) Section 199A of the Corporations Act

The Corporations Act now sets out specific prohibitions to the Company's ability to grant indemnities for liabilities and legal costs.

The Company is prohibited from indemnifying its officers against a liability, if a liability arises:

- (i) to the Company or any of its related bodies corporate;
- (ii) to a third party that arose out of conduct involving a lack of good faith; or
- (iii) for a pecuniary penalty order or a compensation order under the Corporations Act (such orders being made for breaches such as breaches of Director's duties, the related party rules and insolvent trading rules).

The Company is also prohibited from indemnifying its officers against legal costs incurred:

- (iv) in defending actions where an officer is found liable for a matter for which he or she cannot be indemnified by the Company as set out immediately above;
- (v) in defending criminal proceedings where the officer is found guilty;
- (vi) in defending proceedings brought by the ASIC or a liquidator for a court order if the grounds for making the order are found by the court to be established; or
- (vii) in connection with proceedings for relief to the director under the Corporations Act where the court denies the relief.

(b) Section 199B of the Corporations Act

If the Company, or a related body corporate of the Company, pays the premium on an insurance policy in favour of a Director or an officer, then section 199B of the Corporations Act requires the Company to ensure that the relevant contract of insurance does not cover liabilities incurred by the officer arising out of conduct involving either:

- (i) a wilful breach of duty in relation to the Company; or

- (ii) contravention of the provisions relating to an officer making improper use of information or improper use of his or her position for his or her advantage or gain, or to the detriment of the Company.

3.4 Member approval

Resolution 1 seeks member approval in accordance with the following provisions of the Corporations Act:

- (a) Section 200B of the Corporations Act

Section 200B of the Corporations Act relevantly provides that the Company cannot give a benefit to a Director or an officer in a managerial or executive position in connection with the retirement of that Director from his or her office, without member approval.

The Directors consider that as the:

- (i) proposed payment of insurance premiums;
- (ii) benefit of the indemnity in relation to liabilities incurred during the period a Director and officer holds office; and
- (iii) Director's and Officer's access to Company records,

continues for a period of up to 7 years after the Director or officer ceases to hold office, this may be viewed as the provision of a benefit given "in connection with" the Director's retirement from the board for the purposes of section 200B of the Corporations Act.

The insurance premiums under each Deed will be calculated at the market rates applicable from time to time.

A copy of all company documents will be kept at the Company's registered office and made available for inspection and copying by each Director for a period of 7 years after he or she ceases to hold office, for whatever reason.

- (b) Section 208 of the Corporations Act

Chapter 2E of the Corporations Act prohibits a company from giving a financial benefit to a related party of the Company unless either:

- (i) the giving of the financial benefit falls within one of the nominated exceptions to the provision (e.g. section 212); or
- (ii) prior member approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, each of the Directors of the Company is considered to be a related party of the Company.

The provision of insurance and indemnity to existing Directors may involve the provision of a financial benefit to related parties of the Company within the prohibition provided by Chapter 2E of the Corporations Act. The Directors consider that, although the payment of insurance premiums and the provision of indemnities by the Company are "reasonable in the circumstances" of the Company and therefore are exceptions from the prohibition in Chapter 2E of the Corporations Act, consideration of the reasonable nature of the provision of any indemnity or insurance is an appropriate matter for the Shareholders of the Company.

3.5 Specific Information required by sections 200E and 219 of the Corporations Act

In accordance with sections 200E and 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed Resolution 1:

- (a) The Company has taken out an insurance policy which will provide insurance cover for Directors against all permitted liabilities incurred by Directors acting as a director of the Company (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company).
- (b) The annual insurance premium is calculated at market rates applicable at the time of renewal, if insurance is available, with an indicative range of \$5,000 - \$10,000 per Director per annum.
- (c) The following Directors are each related parties of the Company to whom the proposed Resolution 1 would permit the giving of benefits:
 - (i) Mr Brian Ayers;
 - (ii) Mr Brett Mitchell; and
 - (iii) Mr Charles Morgan.
- (d) The nature of the benefit to be given to each of the Directors is the benefit under the Deed, the terms of which are summarised in Section 3.2.
- (e) None of the Directors are entitled to or wish to make a recommendation to Shareholders about the Resolution 1 as each holds an interest in the benefit proposed to be given by the Company to each of them, as each is a proposed party to the Deed.
- (f) The reasons and basis for the benefit are set out in Section 3.1.
- (g) The Directors will receive the following remuneration for the year ended 30 June 2012:

Participating Director	Base remuneration or fees	Super contributions	Other	Total remuneration
Mr Brian Ayers	\$25,000	Nil	Nil	\$25,000
Mr Brett Mitchell	\$25,000	Nil	\$120,000	\$145,000
Mr Charles Morgan	\$80,000	Nil	Nil	\$80,000

- (h) The current relevant interest in security holdings of the Messrs Ayers, Mitchell and Morgan is as follows:

Participating Directors	Shares	Options	Converting Performance Shares
Mr Brian Ayers	Nil	Nil	2000 ⁽¹⁾
Mr Brett Mitchell	250,000,000	130,000,000 ⁽²⁾	Nil
Mr Charles Morgan	1,212,500,000	550,000,000 ⁽²⁾	Nil

(1) Convertible Performance Shares Class D. Each of these Performance Shares converts into 500 Shares upon the Company achieving gross proven reserves of 8 billion cubic feet of gas equivalent. Refer to section 9.2 of the Tamaska Prospectus dated 5 June 2008 for further terms and conditions of the Converting Performance Shares Class D.

(2) Listed Options exercisable at 0.5 cents each on or before 17 August 2015.

- (i) The Chairman will cast all available proxies in favour of Resolution 1.

4. Resolution 2 – Authority to Grant Incentive Options to a Director

4.1 General

Resolution 2 seeks Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of 30,000,000 Options (**Incentive Options**) to Mr Ayers (or his nominees).

The purpose of the grant of the Incentive Options to Mr Ayers is for the Company to retain directors of high calibre and to provide cost effective remuneration to Mr Ayers for his ongoing commitment and contribution to the Company in their role as a Director.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed. If the Incentive Options are not granted, the Company could remunerate Mr Ayers for additional amounts of cash. However, the Board considers it reasonable for the remuneration of Mr Ayers to have a cash component and an equity component to further align Mr Ayers' interests with Shareholders and maintain a strong cash position for the Company.

The Company acknowledges that the grant of the Incentive Options to non-executive Directors is contrary to recommendation 8.2 of the Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options in Resolution 2 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining a cash reserve.

The Incentive Options will be subject to vesting conditions agreed between the Company and Mr Ayers that are linked to the service of Mr Ayers and shall vest as follows:

- (a) 50% on 1 January 2012;
- (b) 50% on 1 January 2013.

The Incentive Options will each have an issue price of \$0.0001.

4.2 Listing Rule 10.1 and Section 208 of the Corporations Act

Pursuant to Listing Rule 10.11, a related party of a listed company is precluded from participating in any issue of securities in the company without the prior approval of shareholders. Pursuant to section 208 of the Corporations Act, a listed company must obtain shareholder approval before giving a financial benefit to a related party.

Mr Ayers is regarded as a related party of the Company by reason of his position as a Director.

Furthermore, Shareholder approval of the grant of the Incentive Options means that the grant of the Incentive Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The Chairman will cast all available proxies in favour of Resolution 2.

4.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act:

- (a) The Incentive Options will be granted to Mr Brian Ayers (or his nominees).
- (b) The maximum number of Incentive Options to be granted under Resolution 2 is 30,000,000.
- (c) The Company will grant the Incentive Options no later than one (1) month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (b) Each Incentive Option will have an issue price of \$0.0001.
- (d) The Incentive Options will be subject to vesting conditions agreed between the Company and Mr Ayers that are linked to the service of Mr Ayers and shall vest as follows:
 - (i) 50% on 1 January 2012; and
 - (ii) 50% on 1 January 2013.
- (e) Each Incentive Option entitles the holder to subscribe for one (1) Share at an exercise price of \$0.005 and expiry date of 17 August 2015. Upon exercise of the Incentive Options, the Shares issued will rank pari passu with the Company's existing Shares on issue. Further terms and conditions of the Incentive Options are in Schedule 2.
- (f) Mr Ayers has an interest in Resolution 2 and therefore believes it inappropriate to make a recommendation. The other Directors each recommend the grant of the 30,000,000 Incentive Options to Mr Ayers as it aligns the interests of the Company and Mr Ayers to maximise Shareholder value.
- (g) A voting exclusion statement is included for Resolution 2 in the Notice.
- (h) Nominal funds will be raised by the grant of the Incentive Options as each Incentive Option is being granted at \$0.0001. The funds will be used for general working capital purposes.

(i) On the basis of the assumptions below, independent accountants BDO Corporate Finance (WA) Pty Ltd have determined the technical value of one Incentive Option approximates \$0.0005. This valuation imputes a total value of \$15,000 to the Incentive Options. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- (i) interest rate set at the Australian Government 3 year bond rate of 3.64%;
- (ii) the date of valuation for the purposes of settling the current market value of a Share is 7 November 2011;
- (iii) at this date the Share price was \$0.001 which is the price used in the valuation;
- (iv) the estimated volatility used in the valuation is 110%;
- (v) for the purposes of the valuation, the Company is not expected to pay a dividend during the life of the Incentive Options; and
- (vi) the Incentive Options will be exercisable upon grant.

(j) The current relevant interest in security holdings of Mr Ayers is as follows:

Shares	Options	Converting Performance Shares ⁽¹⁾
Nil	Nil	2000

(1) Converting Performance Shares Class D. Each of these Performance Shares converts into 500 Shares upon the Company achieving gross proven reserves of 8 billion cubic feet of gas equivalent. Refer to section 9.2 of the Tamaska Prospectus dated 5 June 2008 for further terms and conditions of the Converting Performance Shares Class D.

(k) The remuneration and emoluments from the Company to Mr Ayers for both the current financial year and previous financial year are set out below:

Director	Base remuneration or fees ⁽¹⁾	Super Contributions	Total remuneration
2010	\$28,624	Nil	\$28,624
2011	\$24,174	Nil	\$24,174

(1) Includes Share and Option based remuneration.

(l) If the Shareholders approve the issue of the Incentive Options, the exercise of those Incentive Options will result in a dilution of all other Shareholders' holdings in the Company of:

- (i) 0.47% based on issued Shares as at the date of this Notice;
- (ii) 0.30% on a fully diluted basis (including the Incentive Options and Employee Options to be issued pursuant to Resolutions 2 to 4 (inclusive)).

- (m) The market price for Shares during the term of the Incentive Options would normally determine whether or not the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company.

As at the date of this Notice the Share price of the Shares are trading on ASX lower than the exercise price of the Incentive Options.

- (n) Historical share price information for the last three months is as follows:

	Price	Date
Highest	\$0.003	4 October 2011
Lowest	\$0.001	8 December 2011
Last	\$0.001	8 December 2011

- (o) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 2.
- (p) The Chairman will cast all available proxies in favour of Resolution 2.

5. Resolution 3 – Ratification of Grant of Options to TMK Employees

5.1 General

On 4 November 2011, the Company issued 30,000,000 Options to TMK Employees (**Employee Options**). The Employee Options were issued in the following proportions:

- (a) 15,000,000 to Ms Shingirai Potsekayi (or her nominee), who is the corporate accountant of the Company; and
- (b) 15,000,000 to Ms Rachel Jelleff (or her nominee), who is the Company Secretary.

The Employee Options are subject to vesting conditions agreed between the Company and the TMK Employee that are linked to the service of the TMK Employee and will vest as follows:

- (c) 50% on 1 January 2012; and
- (d) 50% on 1 January 2013.

The Employee Options will each have an issue price of \$0.0001.

5.2 Listing Rule 7.4

The Employee Options were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 3 seeks Shareholder ratification of the issue of the 30,000,000 Employee Options pursuant to Listing Rule 7.4.

The effect of Shareholders passing Resolution 3 will be to restore the Company's ability to issue further capital to the maximum 15% limit during the next 12 months.

Resolution 3 is an ordinary resolution.

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

5.3 Specific information required by Listing Rule 7.5

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

- (a) 30,000,000 Employee Options were issued on 4 November 2011.
- (b) Each Employee Option was issued at an issue price of \$0.0001.
- (c) The Employee Options are subject to vesting conditions agreed between the Company and the TMK Employee that are linked to the service of the TMK Employee. The Employee Options will vest as follows:
 - (i) 50% on 1 January 2012; and
 - (ii) 50% on 1 January 2013.
- (d) Each Employee Option entitles the holder to subscribe for one (1) Share at an exercise price of \$0.005 and has an expiry date of 17 August 2015. Upon exercise of the Employee Options, the Shares issued will rank pari passu with the Company's existing Shares on issue. Further terms and conditions of the Employee Options are in Schedule 2.
- (e) The Employee Options were issued to the TMK Employees (or their nominees) in recognition of services provided to the Company.
- (f) Nominal funds will be raised by the grant of the Incentive Options as each Incentive Option is being granted at \$0.0001. The funds will be used for general working capital purposes.
- (g) A voting exclusion statement is included in the Notice.

6. Resolution 4 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolution 1. In the absence of this Resolution, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolution 1.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Schedule 1 – Definitions

In this Notice, Explanatory Memorandum and the Schedules:

\$ means Australian Dollars.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chair or Chairman means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company Secretary means the company secretary of the Company.

Constitution means the constitution of the Company as at the commencement of the Meeting.

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

Director means a director of the Company.

Employee Options has the meaning given in Section 5 and the terms and conditions in Schedule 2.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Incentive Options has the meaning given in Section 4.1 and the terms and conditions in Schedule 2.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Tamaska and Company means Tamaska Oil and Gas Limited ACN 127 735 442.

TMK Employee means Ms Shingirai Potsekayi and Ms Rachel Jelleff.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an Employee Option and an Incentive Option.

Optionholder means a holder of an Option.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, Explanatory Memorandum and the Schedules words importing the singular include the plural and vice versa.

Schedule 2 – Terms and Conditions of Incentive Options and Employee Options

Each Option entitles the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 17 August 2015 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will apply for quotation of the Options on ASX.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (l) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (m) An Option shall be transferable.

TAMASKA OIL AND GAS LIMITED
ACN 1 2 7 7 3 5 4 4 2

PROXY FORM

The Company Secretary
Tamaska Oil and Gas Limited

By delivery:

Level 21, Allendale Square
77 St Georges Terrace
PERTH WA 6000

By post:

PO Box Z5446
PERTH WA 6831

By facsimile:

+61 8 9389 2099

**Name of
Shareholder:**

**Address of
Shareholder:**

**Number of Shares
entitled to vote:**

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We being Shareholder/s of the Company hereby appoint:

**The Chairman of
the Meeting (mark
box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at 10.00am (Perth time) on Wednesday 18 January 2012, at Level 21, Allendale Square, 77 St Georges Tce Perth Western Australia and at any adjournment or postponement of that Meeting.

Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

By marking the box below, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions as set out below and in the Notice of Meeting. If you do not mark the box below, and you have not directed the Chairman of the Meeting how to vote on Resolutions 1 & 2, the Chairman of the Meeting will not cast your votes on Resolutions 1 & 2 and your votes on Resolutions 1 & 2 will not be counted in computing the required majority if a poll is called on these Resolutions. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking the box below (in which case the Chairman of the Meeting will vote in favour of Resolutions 1 & 2).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1 & 2.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1 & 2 (except where I/ we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 1 & 2 are connected directly or indirectly with the remuneration of a member of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of these Resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approve the Execution of Directors' Deeds of Indemnity, Access and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Authority to Grant Incentive Options to a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3:	Ratification of Grant of Options to TMK Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4:	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 21, Allendale Square, 77 St Georges Tce, Perth WA 6000 or by post to PO Box Z5446, St Georges Tce Perth WA 6831 Facsimile (08) 9389 2099 if faxed from within Australia or +618 9389 2099 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).