
**HAWKLEY OIL AND GAS LIMITED
(TO BE RENAMED 'LUMIRA ENERGY LIMITED')
ACN 115 712 162
NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 1:00pm AEDT

DATE: Wednesday, 15 December 2021

PLACE: Hawkley Oil and Gas Limited
Suite 106, Ground Floor
101 Moray Street
South Melbourne, VIC 3205
Australia

The business of the Meeting affects your shareholding and your vote is important.

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.

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 Shareholders at 1:00pm (AEDT) on 13 December 2021.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report at Annexure A prepared for the purposes of the Shareholder approval under section 611 item 7 of the Corporations Act (refer to Resolution 1). The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders. The Independent Expert has determined the Acquisition is fair and reasonable to the non-associated Shareholders.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE SECURITIES IN CONSIDERATION FOR PERSIST ACQUISITION

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

"That, subject to the passing of Resolutions 2 to 4 (inclusive), for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to:

- (a) 95,457,232 Shares to the Persist Shareholders in consideration for the Acquisition (**Consideration Shares**);*
- (b) 9,545,752 Options to the Persist Shareholders in consideration for the Acquisition (**Consideration Options**);*
- (c) 9,545,752 Shares upon the exercise of the Consideration Options referred to in paragraph (b) above;*
- (d) 12,000,000 Performance Rights to certain Persist Shareholders that are part of the executive management team; and*
- (e) 12,000,000 Shares upon the exercise of the Performance Rights referred to in paragraph (d) above,*

on the terms and conditions set out in the Explanatory Statement, which, in addition to 3,000,000 Shares to be issued on conversion of convertible notes held by certain Persist Shareholders, will result in the Persist Shareholders obtaining a maximum voting power in the Company as further set out in the Explanatory Statement."

Voting Exclusion:

No votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the Acquisition (as defined below) and their associates; or
- (b) the persons (if any) from whom the Acquisition (as defined below) is to be made and their associates.

Accordingly, the Company will disregard any votes cast in favour of this Resolution by Persist Oil and Gas Inc., the Persist Shareholders and any of their associates.

Independent Expert's Report:

Shareholders should carefully consider the Independent Expert's Report included with this Notice of Meeting, prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the transaction is fair and reasonable to the non-associated Shareholders.

2. RESOLUTION 2 – ELECTION OF DIRECTOR – CLIFTON MICHAEL (MIKE) MASON

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

"That, subject to and conditional upon completion of the Acquisition, for the purpose of clause 14.3 of the Constitution and for all other purposes, Clifton Michael (Mike) Mason, being eligible, is elected as a Director of the Company with effect from completion of the Acquisition."

3. RESOLUTION 3 – ELECTION OF DIRECTOR – DANIEL ROBERT (DAN) MARTIN

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

"That, subject to and conditional upon completion of the Acquisition, for the purpose of clause 14.3 of the Constitution and for all other purposes, Daniel Robert (Dan) Martin, being eligible, is elected as a Director of the Company with effect from completion of the Acquisition."

4. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

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

"That, subject to the passing of Resolutions 1 to 3 (inclusive), pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every twenty (20) Shares be consolidated into one (1) Share; and

(b) every twenty (20) Options be consolidated into one (1) Option,

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."

5. RESOLUTION 5 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to **Lumira Energy Limited**."*

6. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

Dated: 22 November 2021

By order of the Board



Murray Wylie
Company Secretary

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Attending the Virtual Meeting

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen and vote online.

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to Murray Wylie, Company Secretary at information@hawkleyoilandgas.com at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

To attend the Meeting virtually, please follow the below steps to access the virtual Meeting:

- Open your internet browser and go to investor.automic.com.au.
- Login with your username and password or click "Register" if you haven't already created an account (see further below). **Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual Meeting.**
- After logging in, a banner will display at the bottom of your screen to indicate that the Meeting is open for registration. Click on "Register" when this appears. Alternatively, click on "Meetings" on the left hand menu bar to access registration.
- Click on "Register" and follow the steps.
- Click on the URL to join the webcast where you can view and listen to the virtual Meeting. Note that the webcast will open in a separate window.
- Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen.
- •Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.
- For further information on the live voting process please see the **"Registration and Voting Guide"** at <https://www.automicgroup.eom.au/virtual-agms/>

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Further information and support on how to use the platform is available on the share registry website - www.automic.com.au. It is recommended that you register to use the registry website well in advance of the Meeting to save time on the day of the Meeting. Should you have any difficulties, you can contact the registry by telephone on 1300 288 664 (within Australia) and +61 2 9698 5414 (overseas).

You may still attend the Meeting and vote even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance at the Meeting will not revoke your proxy appointment unless you actually elect to attend as a voting holder at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment will be deemed to be revoked with respect 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 3 8679 2219.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO THE ACQUISITION

1.1 Company Overview

The Company is an Australian unlisted public company incorporated in August 2005 and previously admitted to the Official List of ASX on 2 May 2006. The Company previously held gas exploration and production licences in Ukraine from 2007 and developed a successful gas well and gas plant.

Following the onset of hostilities in Crimea in February 2014, the unstable political situation made Ukraine a difficult place in which to operate. The Ukraine government implemented emergency measures including capital controls and substantial increases in royalty rates. The Company's main gas well halted production in December 2014. With no cashflow and difficulties in obtaining funds to continue its exploration activities in Ukraine, the Company completed the sale of its Ukraine assets in November 2016.

Six months after disposing of its main undertaking, trading in the Company's shares were suspended by ASX on 11 May 2017. The Company was delisted from the ASX on 9 June 2020 as the securities of the Company were suspended from trading for a continuous period of 2 years. The Company's recent focus has been on identifying suitable acquisition and investment opportunities to create value for its shareholders.

1.2 Background to the Acquisition

Persist Oil and Gas Inc. (**Persist**) is a private oil and gas company which is incorporated in Alberta, Canada. Further details relating to Persist are set out below in Section 1.4 of this Notice.

The Company's wholly owned subsidiary, 2371527 Alberta Inc. (**Alberta Inc.**), has agreed to merge with Persist through a three cornered amalgamation by way of a plan of arrangement under the Business Corporations Act (Alberta) (**ACBA**). The Company and Alberta Inc. entered into an arrangement agreement (**Arrangement Agreement**) with Persist pursuant to which Alberta Inc. and Persist shall be amalgamated and continue as one corporation under the ABCA to form Amalco (**Acquisition**).

In connection with the Acquisition, Hawkley will:

- (a) acquire all of Persist's common and preferred shares outstanding, from Persist's shareholders for the consideration of CA\$1.27 per share;
- (b) in satisfaction of the consideration, issue to the shareholders of Persist (**Persist Shareholders**), 95,457,232 fully paid ordinary shares in the capital of Hawkley at a deemed price of AU\$0.20 per share (**Consideration Shares**) and 9,545,752 options at an exercise price of AU\$0.30 expiring three (3) years from the date of admission on the ASX (on a post consolidated basis), upon admission of Hawkley to the Official List of ASX (**Consideration Options**) (collectively, the **Consideration Securities**); and

- (c) issue the following performance rights to the executive management team and certain employees:
- (i) 5,333,333 performance rights, which shall vest upon the VWAP of Shares trading on the ASX being at least \$0.30 per share over 20 consecutive trading days (on which Shares have actually traded) (**Class A Performance Rights**);
 - (ii) 5,333,333 performance rights, which shall vest upon the VWAP of Shares trading on the ASX being at least \$0.40 per share over 20 consecutive trading days (on which Shares have actually traded) (**Class B Performance Rights**); and
 - (iii) 5,333,334 performance rights, which shall vest upon the VWAP of Shares trading on the ASX being at least \$0.50 per share over 20 consecutive trading days (on which Shares have actually traded) (**Class C Performance Rights**).

In consideration for the Acquisition, the Company has agreed to issue the Consideration Securities (post consolidation) to the Persist Shareholders on a pro rata basis according to the respective number of Persist shares held by them.

The Arrangement Agreement sets out the various matters relating to the Acquisition such that it can be implemented, subject to satisfaction of certain conditions precedent. For a summary of the material terms and conditions of the Arrangement Agreement, refer to Schedule 1 of this Notice.

The Acquisition is conditional, amongst other things, on the Company obtaining all necessary regulatory and shareholder approvals to effect the Acquisition. Accordingly, under this Notice, the Company is seeking the requisite shareholder approvals required to effect the Acquisition.

1.3 About Persist and the Projects

Persist Oil and Gas Inc. (Persist) is a corporation amalgamated pursuant to the laws of the Province of Alberta, Canada. Persist is a mid-tier oil and gas company engaged in the exploration for, and the acquisition, development and production of oil and natural gas reserves primarily in the Province of Alberta, Canada.

Persist focuses on the production of hydrocarbons in Central and Southern Alberta. The Company holds 51,800 hectares (128,000 acres) of net acreage over a prolific hydrocarbon province, concentrated over 4 core areas: Carseland, Wayne, Stolberg, and Garrington.

Persist owns rights to the following producing oil fields located in Alberta, Canada:

- (a) Carseland Alberta Area: a 100% average well working interest and 100% net revenue production facilities interest;
- (b) Wayne Alberta Area: a 100% average well working interest and 100% net revenue production facilities interest;
- (c) Garrington Alberta Area: a 79% average well working interest and 97% net revenue production facilities interest; and
- (d) Stolberg Alberta Area: a 56% average well working interest and 70% net revenue production facilities interest,

(together, the **Projects**).

In Carseland, Wayne, and Stolberg, Persist is producing oil and gas from Upper and Lower Cretaceous clastic reservoirs of the Cardium Formation and Mannville Group, whereas in the Garrington area, oil production comes from Devonian carbonate reservoirs of the Crossfield Member of the Wabamun Group.

The Company's September 2021 production amounts to approximately 2,868 barrels of oil equivalent per day consisting of 680 barrels of oil, 11.5 million standard cubic feet of associated gas per day and non-associated natural gas with liquid recoveries of 267 barrels per day.

The Company's gross (before royalty) reserves, according to the November 1, 2021 evaluation report prepared by Sproule Associates Limited, are as follows:

Proved Producing: 5,824 MBOE, consisting of Oil – 1,269 MSTB, Gas – 22.3 BCF and Natural Gas Liquids – 834 MBbl;

Total Proved: 8,083 MBOE, consisting of Oil – 2,474 MSTB, Gas – 27.9 BCF, and Natural Gas Liquids – 946 MBbls;

Total Proved Plus Probable: 13,542 MBOE, consisting of Oil – 4,424 MSTB, Gas – 46.9 BCF, and Natural Gas Liquids – 1,309 MBbls;

The Proved and Probable Undeveloped Reserves are largely a result of a planned development program on the major properties involving 32 wells to be drilled over the next few years, as follows:

Carseland: Six Horizontal Glauconitic light oil wells

Garrington: Four Wabamun sour light oil wells

Stolberg: Seven Cardium light oil wells and four Mannville gas wells

Wayne: Eleven Horizontal Ellerslie light oil wells

A detailed description of the Projects is set out below:

(a) **Carseland Property**

The Carseland Property consists of an average mineral working interest of approximately 100% in 3,808 hectares of developed lands and 2,126 hectares of undeveloped lands in the Carseland, Alberta area and Persist operates a 100% net revenue production facilities interest in all facilities associated therewith.

The Carseland Property is located approximately 70 km east of Calgary. The field is largely characterized by medium to light sweet oil production and associated gas production from Lithic Glauconitic formation sandstone deposited in meandering channel settings. The area also includes subordinate oil and gas production associated with channel sandstone deposits of the Ellerslie formation. Development of the area occurred mostly in the 1980's and 1990's with vertical drilling. Renewed exploration and development using horizontal drilling and multi-stage fracture stimulation technology occurred in the last 5 years. The upside inventory of development drilling is focused on the Glauconite formation. The infrastructure footprint includes one oil battery, one gas plant and an extensive pipeline network. All producing wells on the Carseland Property are flowline connected.

The Carseland Property is also characterized by sweet natural gas production from shallow, coal-bearing clastic reservoir intervals of the Belly River and Horseshoe Canyon formations. Over the last 20 years, development of these intervals in Carseland has occurred with vertical or deviated wells.

(b) **Garrington Property**

The Garrington Property consists of an average mineral working interest of approximately 79% in 9,579 hectares of developed lands and 3,573 hectares of undeveloped lands in the Garrington, Alberta area and Persist operates a 97% net revenue production facilities interest in all facilities associated therewith.

The Garrington Property is located approximately 130 km north of Calgary. The field is dominated by medium to light oil production (and associated gas production) from Devonian Wabamun shelf carbonates; the carbonate deposits are characterized by various amounts of dolomitization. The Garrington field was largely developed more than 50 years ago with vertical drilling. Since then, only a handful of deviated and horizontal wells have been drilled using multi-stage fracture stimulation technology.

(c) **Stolberg Property**

The Stolberg Property consists of an average mineral working interest of approximately 56% in 18,855 hectares of developed lands and 17,587 hectares of undeveloped lands in the Stolberg, Alberta area and Persist operates a 70% net revenue production facilities interest in all facilities associated therewith.

The Stolberg Property is located approximately 80 km west of Rocky Mountain House in the foothills of central Alberta. The field is dominated by light sweet oil production (~39 API) from Cardium formation shoreface sandstone deposits. The area also includes large natural gas reserves in channel-dominated sandstone of the Mannville Group. Given its location within the Foothills, the area is characterized by natural fracturing which tends to enhance porosity and permeability. Cardium oil deposits in the area were initially developed in the 1990's and early 2000's by vertical and deviated wells, but have more recently been developed utilizing unstimulated horizontal wells.

(d) **Wayne Property**

The Wayne Property consists of an average mineral working interest of approximately 79% in 15,719 hectares of developed lands and 10,291 hectares of undeveloped lands in the Wayne, Alberta area and Persist operates a 100% net revenue production facilities interest in all facilities associated therewith.

The Wayne Property is located approximately 150 km northeast of Calgary. The field is largely characterized by medium to light sweet oil production and associated gas production from Ellerslie formation sandstone deposited in a shallow-marine setting; locally, channel sandstone deposits also occur. The area also includes subordinate oil and gas production associated with channel sandstone deposits of the Glauconitic formation. The majority of Ellerslie and Glauconitic reservoir development in Wayne occurred in the last 20 years through vertical

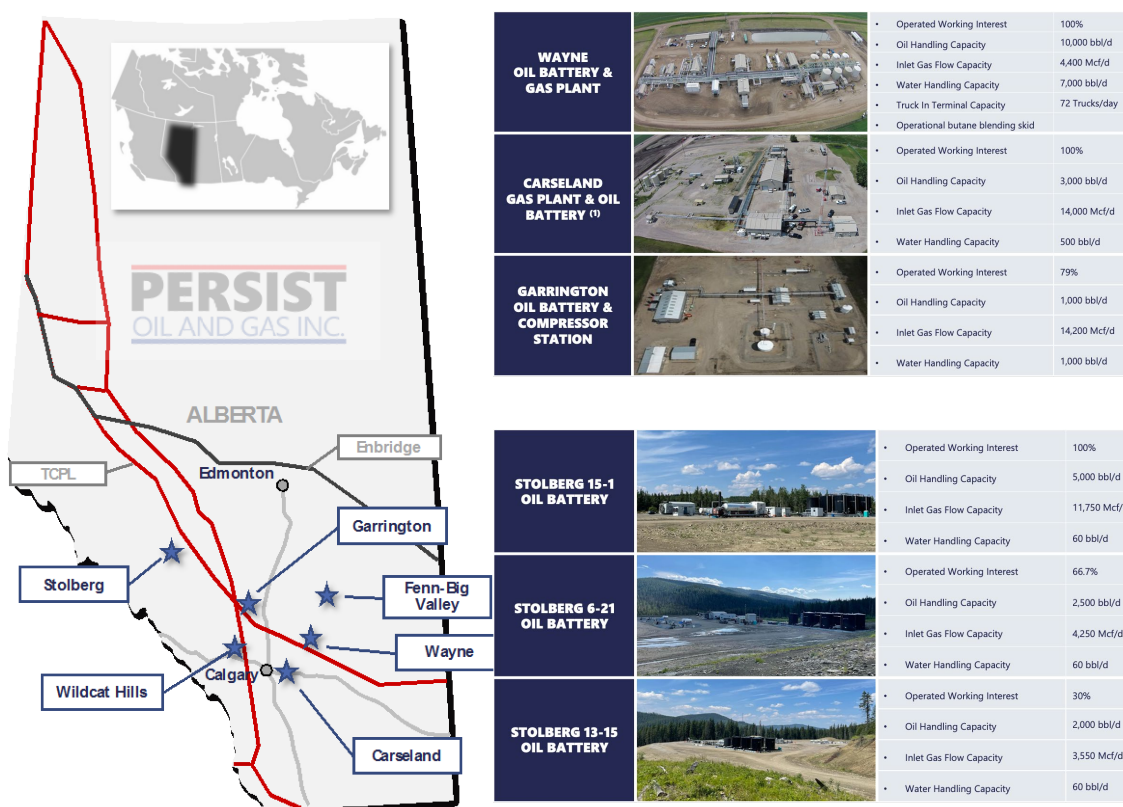
drilling. Exploration and development using horizontal drilling and multi-stage fracture stimulation technology started in the last 5 years. The Wayne facility has the capacity to process 25,000 bbls/d of emulsion (oil/water mix) and to dispose of 26,000 bbls/d. The plant utilizes leading edge measurement and processing technology, has four truck-in risers connected into Inter Pipeline's clean oil system and processes third party volumes.

As operator of the fields, Persist's management team have been operating oil and gas fields in Alberta for over two decades and have intimate local knowledge of the geology, operating conditions and regulatory environment.

Hawkley's merger with Persist is a strategic shift towards transforming Hawkley into a Canadian conventional oil and gas producer, focused on building a material cash flow from a producing asset base with the potential for significant growth.

1.4 Location Map of Persist's fields and infrastructure

Persist's land position comprises of 51,800 hectares (128,000 acres) across four producing fields with an average working interest of 82% and net revenue interest of 79%.



1.5 Business Model

Persist has economic low-cost production with numerous low-risk well recompletion and development drilling opportunities, as well as ample infrastructure capacity. The current production and future development opportunities exist in proven reservoirs between 4,900 to 9,800 feet containing 30 - 44 degree API oil. The fields contain a large independently assessed undeveloped reserve potential, and a relatively significant acreage position of about 128,000 net acres. The economics of the field are enhanced by recent operating cost

reductions, no requirement of material infrastructure spending in the foreseeable future and modest well decline rates (8-12% per annum).

Following completion of the Acquisition (**Completion**), the Company's proposed business model will be to:

- (a) accelerate production on the Projects as industry conditions improve;
- (b) complete further development and appraisal activities on the Projects;
- (c) continue to pursue other acquisitions that have strategic fit for the Company;
- (d) use part of the proceeds (50%) from the public offering to reduce existing debt; and
- (e) provide working capital for the Company.

1.6 Pro forma Statement of Financial Position

A pro-forma statement of financial position of the Company following Completion is set out in Schedule 2.

1.7 Pro forma capital structure

The capital structure of the Company following Completion is as follows:

Capital Structure

	Minimum Subscription ²			Maximum Subscription ³		
	Shares	Options	Performance Rights	Shares	Options	Performance Rights
Currently on issue (pre-Consolidation)	88,711,653	12,875,000	Nil	88,711,653	12,875,000	Nil
Currently on issue (on a post-Consolidation basis) ¹	4,436,033	643,750	Nil	4,436,033	643,750	Nil
Interim funding convertible notes ⁴	24,000,000	Nil	Nil	24,000,000	Nil	Nil
Persist Shareholders ⁵	95,457,232	9,545,752	Nil	95,457,232	9,545,752	Nil
Advisor and broker shares ⁶	Nil	4,000,000	Nil	Nil	4,000,000	Nil
Past director shares ⁷	375,000	Nil	Nil	375,000	Nil	Nil
Capital Raising	60,000,000	Nil	Nil	75,000,000	Nil	Nil
Performance rights to executive management team ⁸	Nil	Nil	16,000,000	Nil	Nil	16,000,000
Total	184,268,265	14,189,502	16,000,000	199,268,265	14,189,502	16,000,000

Notes:

- On a 20:1 post-consolidation basis (assuming the approval of Resolution 4 of this Notice).
- Assuming minimum subscription of \$12,000,000 at an issue price of \$0.20 per Share.
- Assuming maximum subscription of \$15,000,000 at an issue price of \$0.20 per Share.
- Existing convertible notes as at 30 June 2021 of \$140,000 will convert to Shares at \$0.05 per Share at listing. The Company proposes to raise an additional interim funding of \$1,060,000 through the issue of additional convertible notes on the same terms (converting into Shares at \$0.05 per Share at listing). Accordingly, the total value of all convertible notes will be \$1,200,000.
- Options will be issued on a 1:10 basis, with an exercise price of \$0.30 per Option and expiring 3 years from the date the Company's Shares are admitted to the Official List.
- In connection with the Acquisition, the Company intends to issue 1 million Options to Thunder Energy LLC (a corporate advisor) with an exercise price of \$0.30 per Option and expiring 3 years from the date the Company's shares are admitted to the Official List. In addition, as part of the Capital Raising Hawkley intends to issue 3,000,000 Options to the lead manager, CPS Capital Pty Ltd (or its nominees), with an exercise price of \$0.30 per Option and expiring 3 years from the date the Company's shares are admitted to the Official List.
- Outstanding past Director fees of \$329,560 are being settled via payment of \$75,000 in cash and \$75,000 in Shares at \$0.20 per Share upon ASX listing.
- Refer to Section 1.2 of this Notice for details of the performance rights to be issued to the executive management team.

1.8 Indicative Timetable

Subject to the Company receiving conditional approval to list on ASX and the completion of the Capital Raising, the Company anticipates completion of the Acquisition will be in accordance with the following timetable:

Event	Date*
Notice of Meeting despatched to Shareholders	22 November 2021
General Meeting to approve Acquisition	15 December 2021
Completion of Acquisition	To be confirmed but conditional on the Capital Raising

** These dates are indicative only and subject to change.*

1.9 Impact on the Company

The Acquisition will have a significant impact on the Company's operations and proposed business strategies moving forward.

1.10 Composition of the Board of Directors

On Completion, it is proposed that:

- (a) existing Director Murray Wylie will resign from the Board however will remain company secretary;
- (b) existing Managing Director of Persist, Massimo Geremia, will become the Managing Director of Hawkley;
- (c) existing Directors Cosimo Damiano (Executive Director) and Joseph Naemi (Non-Executive Chairman) will remain on the Board; and
- (d) proposed Directors Mike Mason (as nominee of Hawkley) and Dan Martin (as nominee of Persist) will be appointed to the Board as non-executive Directors.

Under this Notice, the Company is seeking Shareholder approval for the following elections:

- (a) Clifton Michael (Mike) Mason – under Resolution 2; and
- (b) Daniel Robert (Dan) Martin – under Resolution 3.

1.11 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 to 4:

- (a) the Company will obtain ownership of the business of Persist pursuant to the Acquisition which is expected to bring profits to the combined group and would be Earnings Per Share ("EPS") accretive to Hawkley shareholders;
- (b) a condition of the Acquisition is the listing of Hawkley Shares on the ASX, which would increase the liquidity of Hawkley Shares and may lead to

increased coverage from investment analysts and access to improved equity capital market opportunities;

- (c) the consideration under the Arrangement Agreement is payable in Shares and Options, therefore conserving the Company's cash reserves; and
- (d) in connection with the Acquisition, the Company will complete a capital raising of between A\$12m and A\$15m, which will provide Hawkley with access to cash to extinguish existing debt in Hawkley and reduce debt within Persist, and to facilitate the growth and acceleration of production in existing operations of Persist.

The Independent Expert's Report identifies additional advantages of the Acquisition to which Shareholders should have regard and the Directors specifically refer all Shareholders to that report.

1.12 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 to 4:

- (a) current Shareholders will have their voting power in the Company diluted;
- (b) the Persist Shareholders will own up to 53.43% of the Shares on issue in the Company upon Completion on an undiluted basis and up to 55.96% of the Shares on issue in the Company upon Completion on a fully diluted basis. As a result, the Persist Shareholders will have significant influence over matters that require approval by the Company's shareholders including the election of directors and approval of significant corporate transactions;
- (c) the net assets of Persist include substantial existing debt (C\$19.4m as at 30 June 2021) which the Company anticipates will be refinanced on completion of the Acquisition. Persist's ability to repay these amounts depends on the future performance of the business and ability of the Company to continue as a going concern; and
- (d) in connection with the Acquisition, the Company has been required to engage advisors, lawyers and experts to facilitate and report on the Acquisition, which represent sunk, but necessary costs to the Company.

The Independent Expert's Report identifies additional disadvantages of the Acquisition to which Shareholders should have regard and the Directors specifically refer all Shareholders to that report.

1.13 Independent Expert's Report

A report on the transaction from an independent expert is required for approval under Section 611 Item 7 of the Corporations Act.

The Independent Expert's Report annexed to this Notice sets out a detailed independent examination of the Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 1. The Independent Expert's Report has concluded that the Acquisition is fair and reasonable to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

The Independent Expert's Report is also available on the Company's website (www.hawkleyoilandgas.com). If requested by a Shareholder, the Company will send to the Shareholder a hard copy of the Independent Expert's Report at no cost.

1.14 Shareholder Approvals

In accordance with the Arrangement Agreement, the Company is seeking the following Shareholder approvals under this Notice to effect the Acquisition:

- (a) Shareholder approval for the purpose of Section 611 Item 7 of the Corporations Act to permit the voting power of the Persist Shareholders to be up to a maximum of 53.43% at Completion on an undiluted basis and 55.96% at Completion on a fully diluted basis (assuming the Minimum Subscription is raised and conversion of all Options and Performance Rights) (**Resolution 1**);
- (b) Shareholder approval for the appointment of two new Directors, being Clifton Michael (Mike) Mason and Daniel Robert (Dan) Martin (**Resolutions 2-3**);
- (c) Shareholder approval for the consolidation of the issued capital of the Company on the basis that every twenty (20) Shares be consolidated into one (1) Share and every twenty (20) Options be consolidated into one (1) Option (**Resolution 4**);
- (d) Shareholder approval for the change of the Company's name to align with the future proposed operations of the Company, to "Lumira Energy Limited" (**Resolution 5**); and
- (e) Shareholder approval for replacement of the Company's constitution (**Resolution 6**).

Completion is conditional upon the passing of each of Resolutions 1 to 4 at the Meeting. Resolutions 5 to 6 are non-essential Resolutions. Accordingly, if any of Resolutions 1 to 4 are not passed, the Acquisition will not proceed. However, if any of Resolution 5 to 6 are not approved, the Acquisition will still be able to proceed.

1.15 Risk Factors

In assessing the proposed Acquisition, Shareholders need to consider the following non-exhaustive risk factors:

(a) **Completion Risk**

Pursuant to the Arrangement Agreement, Alberta Inc. and Persist shall be amalgamated and continue as one corporation under the ABCA to form Amalco (which will be a wholly owned subsidiary of the Company), subject to certain conditions.

There is a risk that the conditions for settlement of the Acquisition cannot be fulfilled. If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved. Should this occur, Shares will not be able to be traded

on the ASX until such time as the Company is admitted to the Official List of the ASX and Shareholders may be prevented from trading their Shares until such time as a successful listing is completed.

(b) **Dilution Risk**

As set out elsewhere in this Notice, the Company proposes to issue (on a post Consolidation basis) up to a maximum of 98,457,232 Shares on an undiluted basis and 120,002,984 Shares on a fully diluted basis to the Persist Shareholders. Following the issue of the abovementioned securities, the number of Shares on issue (on a post Consolidation basis) will increase from 4,436,033 Shares to 199,268,265 Shares on an undiluted basis and increase from 4,436,033 Shares to 229,457,767 Shares on a fully diluted basis (assuming the Maximum Subscription under the Capital Raising is raised and the issue of shares on conversion of the convertible notes and in lieu of outstanding director fees). This means that immediately after Completion, each Share will represent a significantly lower proportion of ownership of the Company.

(c) **JV Partners and Contractors**

Oil and gas ventures are typically operated under joint venture arrangements. These arrangements include provisions that often require certain decisions relating to the projects to be passed with unanimous or majority approval of all participants. Where a venture partner does not act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company.

The Company is unable to predict the risk of:

- (i) financial failure, non-compliance with obligations or default by a participant in any venture to which the Company is, or may become, a party;
- (ii) insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or
- (iii) insolvency or other managerial failure by any of the other service providers used by the Company for any activity,

all of which could have a material adverse effect on the operations and financial performance of the Company.

(d) **Government Licences and Approvals**

Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and site safety.

Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

(e) **Competition**

The Company intends to compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(f) **COVID 19**

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases. The effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

(g) **Currently no market**

There is currently no market for the Company's shares, the price of its shares is subject to uncertainty and there can be no assurance that an active market for the Company's shares will develop or continue after the offer.

The price at which the Company's shares trade on the ASX after listing may be higher or lower than the offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the directors and the company have no control, such as movements in ingredient prices, exchange rates, changes to government policy, legislation or regulation or other events or factors.

There can be no guarantee that an active market in the Company's shares will develop or that the price of the shares will increase.

There may be relatively few or many potential buyers or sellers of the shares on the ASX at any given time. This may increase the volatility of the market price of the shares. It may also affect the prevailing market

price at which shareholders are able to sell their shares. This may result in shareholders receiving a market price for their shares that is above or below the price that shareholders paid.

(h) **Insurance Risk**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with oil and gas exploration and production is not always available and where available the costs can be prohibitive.

(i) **Economic Risk**

General economic conditions, introduction of tax reform, new legislation, movements in interest rates and inflation rates and currency exchange rates may have an adverse effect on the company's business plan objectives. Changes to interest rates would have little impact as the company has very little debt burden, the Company deals in the main international currencies which are fairly stable and tax reform would not immediately impact the company due to the tax losses accrued to date.

(j) **Regulatory Risk**

The Company is based in Australia and is subject to Australian laws and regulations. Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in the countries in which the Company operates, and may operate, may adversely affect the financial performance of the Company.

Additionally, the Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's securities.

(k) **Reliance on key personnel**

The responsibility of over-seeing the day-to-day operations and the strategic management of the Company depends substantially on its

senior management. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(l) **Additional Requirements for Capital**

The Company's capital requirements depend on numerous factors. Depending on the company's ability to generate income from its operations, the company may require further financing in addition to the amounts raised in the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back as required. There is no guarantee that the company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(m) **International Operations**

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes,

all of which could have a material adverse effect on the operations and financial performance of the Company.

(n) **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) change in investment toward particular market sectors;
- (v) the demand for, and supply of capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future

performance of the Company or any return on an investment in the Company.

1.16 Directors' and Proposed Director's interests in the Acquisition

Directors are not required under the Constitution to hold any Shares to be eligible to act as a Director. Details of the Directors' and proposed Director's relevant interest in the Shares of the Company, upon Completion are set out below:

Director / Proposed Director	Shares	Options	Performance Rights	Proposed Relevant Interest Post Acquisition and Capital Raising (%) at Minimum Subscription Undiluted	Proposed Relevant Interest Post Acquisition and Capital Raising (%) at Maximum Subscription Fully Diluted
Massimo Geremia ¹	3,057,614 ³	285,762	3,000,000	1.66	2.76
Cosimo Damiano	1,000,000 ⁴	Nil	2,000,000	0.54	1.31
Joseph Naemi	Nil	Nil	Nil	Nil	Nil
Murray Wylie ²	67,918	Nil	Nil	0.04	0.03
Mike Mason ¹	Nil	Nil	Nil	Nil	Nil
Dan Martin ¹	682,625 ⁵	68,263	Nil	0.37	0.33

Notes:

1. Proposed to be appointed upon Completion.
2. Proposed to resign upon Completion.
3. To be issued to Mr Geremia as follows:
 - (i) 2,857,614 Consideration Securities in exchange for existing Persist shares; and
 - (ii) 200,000 shares on conversion of \$10,000 worth of convertible notes at listing.
4. To be issued to Mr Damiano on conversion of \$50,000 worth of convertible notes at listing.
5. To be issued to Mr Martin as Consideration Securities in exchange for existing Persist shares.

1.17 Recommendations of the Directors

All of the Directors are of the opinion that the Acquisition is in the best interests of Shareholders and accordingly, the Directors unanimously recommend Shareholders to vote in favour of Resolutions 1 to 6. The Directors have approved the proposal to put Resolutions 1 to 6 to Shareholders.

2. RESOLUTION 1 – APPROVAL TO ISSUE SECURITIES TO PERSIST SHAREHOLDERS IN CONSIDERATION FOR ACQUISITION

2.1 General

A detailed description of the Acquisition is outlined in Section 1 above and further details are available in the Independent Expert's Report. The key terms of the Arrangement Agreement are set out in Schedule 1.

Resolution 1 seeks Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act:

- (a) to allow the Company to issue 95,457,232 Shares (**Consideration Shares**) to the Persist Shareholders pursuant to the Arrangement Agreement;
- (b) for the issue of 9,545,752 Options to the Persist Shareholders on the terms outlined in Schedule 4 (**Consideration Options**) pursuant to the Arrangement Agreement, and for the future issue of up to 9,545,752 Shares upon the exercise of the Consideration Options;
- (c) to allow the Company to issue 12,000,000 Performance Rights to certain Persist Shareholders that are part of the executive management team on the terms outlined in Schedule 5, and for the future issue of up to 12,000,000 Shares upon the exercise of the Performance Rights; and
- (d) to permit the Persist Shareholders to obtain total voting power of up to 53.43% on an undiluted basis and up to 55.96% on a fully diluted basis in the Company.

The issue of the Consideration Shares, Consideration Options and Performance Rights, when aggregated with 3,000,000 Shares to be issued on conversion of convertible notes held by certain Persist Shareholders, will result in the Persist Shareholders' voting power in the Company being up to a maximum of 53.43% on an undiluted basis and up to a maximum of 55.96% on a fully diluted basis.

2.2 Sections 606 and 611 of the Corporations Act

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a "relevant interest" in issued voting shares in a public company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

A person (**second person**) will be an "associate" of the other person (**first person**) if:

- (a) the first person is a body corporate and the second person is:
 - (i) a body corporate the first person controls;

- (ii) a body corporate that controls the first person; or
 - (iii) a body corporate that is controlled by an entity that controls the person.
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Company's board or the conduct of the Company's affairs; or
- (c) the second person is a person with whom the first person is acting in concert or proposing to act in concert, in relation to the Company's affairs.

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

2.3 Section 611 Item 7 of the Corporations Act – Exemption from Section 606

Section 611 of the Corporations Act provides that certain acquisitions of relevant interests in a company's voting shares are exempt from the prohibition in Section 606(1), including acquisitions approved previously by a resolution passed at a general meeting of the company in which the acquisition is made (Section 611 Item 7).

For the exemption in Section 611 Item 7 to apply, Shareholders must be given all information known to the person proposing to make the acquisition or their associates, or known to the Company, that was material to the decision on how to vote on the resolution. ASIC has indicated what additional information should be provided to Shareholders in these circumstances.

2.4 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following the issue of the Consideration Shares, the Persist Shareholders will have a relevant interest in 95,457,232 Shares in the Company, representing up to 53.43% voting power in the Company (based on the assumptions set out in Section 2.5(e) of this Notice).

Further, following the issue of the Consideration Options and Performance Rights, the Persist Shareholders will be entitled to exercise the Consideration Options and Performance Rights and be issued up to 21,545,752 additional Shares. This, when aggregated with 3,000,000 Shares to be issued on conversion of convertible notes

held by certain Persist Shareholders, would increase the Persist Shareholders' voting power to up to 55.96% (based on the assumptions set out in Section 2.5(e) of this Notice).

Accordingly, Resolution 1 seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the Consideration Shares to the Persist Shareholders and to enable the Persist Shareholders to exercise the Consideration Options and Performance Rights.

2.5 Specific Information required by Item 7 of Section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval under item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report enclosed with this Notice.

(a) Identity of the Acquirer and its Associates

It is proposed that the Persist Shareholders will be issued 95,457,232 Shares and 9,545,752 Options and certain Persist Shareholders will be issued a total of 12,000,000 Performance Rights in accordance with the Arrangement Agreement, the material terms of which are set out in Schedule 1 to this Notice.

(i) Persist

An overview of Persist is set out above in Section 1.3. The Persist Shareholders and the number of Consideration Shares, Consideration Options and Performance Rights they will receive is set out in Schedule 3.

(ii) Associates

As control of the Company will change if the Acquisition proceeds, for the purposes of this Notice the Company has deemed that all Shareholders are associates and therefore they have a relevant interest in voting shares as set out below. Schedule 3 sets out the names and identities of these entities, with the key shareholders being entities or parties associated with the new Directors. It should be noted that no one new Shareholder on completion of the Acquisition will hold greater than 20% of the Company.

(b) Relevant Interest

The relevant interest of the Persist Shareholders in voting shares in the capital of the Company (both current and following completion of the Acquisition) are set out in the table below:

	Current Relevant Interest	Current Voting Power	Relevant Interest Post Acquisition ²	Relevant Interest Post Acquisition and after exercise of the Consideration Options and conversion of Performance Rights ²
Existing Shareholders	4,436,063	100%	4,436,063	4,436,063
Persist Shareholders ¹	0	0%	98,457,232	120,002,984

Notes:

1. Includes the issue of 3,000,000 Shares on conversion of the convertible notes held by certain Persist Shareholders.
2. All figures are provided on a post-Consolidation basis (i.e. assuming the approval of Resolution 4 of this Notice).

(c) **Voting Power**

The voting power of the Persist Shareholders (both current, and following the issue of the Consideration Securities to the Persist Shareholders and the issue of Performance Rights to certain Persist Shareholders as contemplated by this Notice) is set out in the table below:

	Current Voting Power	Voting Power Post Acquisition (assuming Capital Raising at Minimum Subscription) ¹	Voting Power Post Acquisition (assuming Capital Raising at Maximum Subscription) ²	Voting Power Post Acquisition and after exercise of Consideration Options and Performance Rights (assuming Capital Raising at Minimum Subscription) ¹	Voting Power Post Acquisition and after exercise of Consideration Options and Performance Rights (assuming Capital Raising at Maximum Subscription) ²
Existing Shareholders	100%	2.41%	2.23%	2.28%	2.12%
Persist Shareholders ³	0%	53.43%	49.41%	55.96%	52.30%

Notes:

1. For the purposes of this table, we have assumed completion of the Capital Raising at the Minimum Subscription, and thereby incorporated the issue of 60,000,000 Shares under the Capital Raising into the total number of Shares that will be on issue post-Completion. We have also included the issue of 24,000,000 Shares on conversion of convertible notes and 375,000 Shares as part settlement of outstanding director fees. All figures are provided on a post-Consolidation basis (i.e. assuming the approval of Resolution 4 of this Notice).
2. For the purposes of this table, we have assumed completion of the Capital Raising at the Maximum Subscription, and thereby incorporated the issue of 75,000,000 Shares under the Capital Raising into the total number of Shares that will be on issue post-Completion. We have also included the issue of 24,000,000 Shares on conversion of convertible notes and 375,000 Shares as part settlement of outstanding director fees. All figures are provided on a post-Consolidation basis (i.e. assuming the approval of Resolution 4 of this Notice).
3. Includes the issue of 3,000,000 Shares on conversion of the convertible notes held by certain Persist Shareholders.

Following the issue of the Consideration Shares to the Persist Shareholders, those parties will have a relevant interest in the number of Shares issued as part of the Acquisition. This will represent a voting power of between 49.41% and 53.43% in the Company.

Following the issue of the Consideration Shares, exercise of the Consideration Options and conversion of the Performance Rights to the Persist Shareholders, those parties will have a relevant interest in the number of Shares issued as part of the Acquisition and the number of Shares issued on conversion of the Consideration Options and Performance Rights. This will represent a voting power of between 52.30% and 55.96% in the Company.

Further details on the voting power of these parties upon Completion are set out in the Independent Expert's Report and this Notice.

(d) **Summary of Increases**

No Persist Shareholder presently holds any Shares in Hawkley. However, certain Persist Shareholders hold a combined 150,000 convertible notes in Hawkley that will convert on Completion of the Acquisition into 3,000,000 Shares.

From the above tables it can be seen that the relevant interest that the Persist Shareholders will hold upon Completion is:

- (i) 98,457,232 Shares on an undiluted basis, and the minimum and maximum voting power that the Persist Shareholders will hold is 49.41% and 53.43% on an undiluted basis; and
- (ii) 120,002,984 Shares on a fully diluted basis, and the minimum and maximum voting power that the Persist Shareholders will hold is 52.30% and 55.96% on a fully diluted basis.

This represents a maximum increase in voting power of 53.43% on an undiluted basis and 55.96% on a fully diluted basis.

(e) **Assumptions**

Shareholders should be aware that the following assumptions have been made in calculating the above:

- (i) the Company has 4,436,063 Shares and 643,750 Options (on a post-Consolidation basis) on issue as at the date of this Notice of Meeting;
- (ii) the Company has no other securities on issue as at the date of this Notice of Meeting (other than convertible notes which are included in (iv) below);
- (iii) the Company will issue 60,000,000 Shares at the Minimum Subscription and 75,000,000 Shares at the Maximum Subscription under the Capital Raising;
- (iv) the Company will issue 24,000,000 Shares on conversion of convertible notes;

- (v) the Company will issue 375,000 Shares as part settlement of outstanding director fees;
- (vi) the Company will issue the 4,000,000 Options to the corporate advisor and lead manager;
- (vii) the Company will issue 16,000,000 Performance Rights to the executive management team and certain employees; and
- (viii) the Company will not issue any further securities.

(f) **Reasons for the proposed issue of securities**

The Consideration Securities will be issued in consideration for the proposed Acquisition.

(g) **Material Terms of the proposed issue of securities**

The material terms of the Arrangement Agreement pursuant to which the Company is issuing Consideration Securities to the Persist Shareholders are set out in Schedule 1 to this Notice.

(h) **Intentions of Persist**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands from Persist:

- (i) its Shareholders have no present intention of making any significant changes to the business of the Company, as it currently has no actual activities other than it is a shell. It should be noted that as this is a reverse takeover, the new activities of Persist will be the focus of the Company going forward;
- (ii) its Shareholders will control the Company and therefore would consider participating in further capital raisings of the Company to maintain their shareholding interest; and
- (iii) that there is no present intention of:
 - (A) making changes regarding the future employment of the present employees of the Company (with future changes, if any, to be made in consultation with the Company's management team);
 - (B) redeploying any fixed assets of the Company on the basis that the current assets of the Company are limited;
 - (C) transferring any property between the Company and any other entity; and
 - (D) changing the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to Persist and its Shareholders at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(i) **Identity, associations and qualifications of Directors**

As noted above, the Company proposes to appoint:

- (i) Massimo Geremia as Managing Director;
- (ii) Clifton Michael (Mike) Mason as a non-executive director; and
- (iii) Daniel Robert (Dan) Martin as a non-executive director.

The incoming Directors as set out above are not currently directors of the Company.

Mr. Geremia has over 30 years of business experience in multiple industries including the oil and natural gas, real estate and finance industries. He was a founder and the President & CEO of Manito Energy Inc., a public company listed on the Toronto Venture Exchange. Over an 8-year period from 2010 to early 2018, Manito grew from an initial production rate of 200 BOEPD to a peak production rate of over 7,000 BOEPD in 2016. In east central Alberta, Manito developed a heavy oil asset from zero to over 450 bbl/d before selling it in 2013, a Cardium light oil field in west central Alberta from 100 BOEPD to over 7,000 BOEPD at its peak field level in 2014, and a southeast Alberta Mannville light oil play from zero production to a peak of 3,700 BOEPD in 2016.

Refer to Resolutions 2 and 3 for information on Mr. Mason and Mr. Martin the qualifications, relevant professional or commercial experience, any associations with Persist, and any interest in Shareholders approving the Acquisition.

Neither Mr. Mason or Mr. Martin, nor any of their associates, currently hold or have a relevant interest in any Shares or Options in the Company.

(j) **Date of proposed issue of securities**

The issue of the Consideration Securities is expected to occur as soon as practicable after the Company has received Shareholder approval, completed the Capital Raising and received conditional approval from the ASX.

(k) **Capital Structure**

The capital structure upon Completion is set out above in Section 1.7 of this Notice.

(l) **Interests and Recommendations of Directors**

- (i) None of the current Directors have a material personal interest in the outcome of this Resolution.
- (ii) All the current Directors are of the opinion that the Acquisition is in the best interests of Shareholders and accordingly,

recommend that Shareholders vote in favour of this Resolution 1. The Directors recommendations are based on the reasons set out in section 1.11 above.

- (iii) The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this Resolution 1.

2.6 Independent Experts Report

The Independent Expert's Report prepared by Moore Australia Corporate Finance (WA) Pty Ltd (**Moore Australia**) for the purpose of Item 7 Section 611 of the Corporations Act concludes that the proposal outlined in Resolution 1, whereby the Company's shareholders may approve the Persist Shareholders obtaining up to a 53.43% voting power in the Company through the issue of up to 98,457,232 Shares to the Persist Shareholders on an undiluted basis (including 3,000,000 Shares to be issued on conversion of convertible notes held by certain Persist Shareholders) and up to a 55.96% voting power in the Company through the issue of up to 120,002,984 Shares to the Persist Shareholders on a fully diluted basis (including 3,000,000 Shares to be issued on conversion of convertible notes held by certain Persist Shareholders), is fair and reasonable to Shareholders not associated with the Company, taking into account the factors noted in the Independent Expert's Report and the comments on risks made in this Explanatory Statement to Shareholders accompanying the Notice. Shareholders are referred to the Independent Expert's Report prepared by Moore Australia attached as Annexure A to this Notice of Meeting.

2.7 Failure to Approve Resolution 1

If Resolution 1 is not passed and Completion does not occur, the Company will not proceed with the proposed Acquisition and the Company will continue to focus on its current activities, as well as looking for additional acquisition opportunities to further its disclosed business strategy with an aim to build a cashflow positive and self-sustaining operation.

3. RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS

3.1 Board Composition

The Constitution allows the Company to appoint at any time a person to be a Director by resolution passed in a General Meeting.

The Company is seeking shareholder approval under the following Resolutions for the election of the Incoming Directors (as set out below), to take effect from Completion:

- (a) Resolution 2 – Clifton Michael (Mike) Mason; and
- (b) Resolution 3 – Daniel Robert (Dan) Martin.

3.2 Resolution 2 – Clifton Michael (Mike) Mason

(a) Qualifications and other material directorships

Mike has over 35 years of experience in the oil and gas sector having held senior management positions with a global super major and

independents, where he successfully lead large technical and operational teams during his tenure in multiple geographical locations that included Canada, USA, Indonesia, Russia, Trinidad, Argentina, Kuwait, Colombia, North Sea (UK & Norway), Azerbaijan, Iraq and Angola. Mike's previous positions included, the Regional Operations Manager for Apache in Egypt; Engineering Vice President and the Director of Petroleum Engineering in BP's Upstream Technology where he was responsible for global Petroleum Engineering staff of approximately 500; and Deputy Director of VNG (Vareyogan Nefte Gas) he prepared for the TNK-BP merger. Mike earned his degrees from Oklahoma State University (Engineering) and Purdue University (Krannert Business School) and is a VA licensed engineer in both Oklahoma and Alaska and is currently a member of the Oklahoma State University Board of Industrial Advisors.

(b) **Independence**

The Board considers that Mr. Mason will be an independent director.

(c) **Recommendation**

The Board supports the election of Clifton Michael (Mike) Mason and recommends that Shareholders vote in favour of Resolution 2.

3.3 Resolution 3 – Daniel Robert (Dan) Martin

(a) **Qualifications and other material directorships**

Mr. Martin is a partner in the Energy Investment Banking practice at Integral Capital Markets where his responsibilities include deal origination, due diligence, staffing, and strategic direction. Dan co-founded the Energy Investment Banking practice in 2011 and has been part of a deal team completing over \$1B in transactions focused on the junior upstream and energy services space. Dan holds a B.Sc. in Computer Science with a minor in Economics from the University of Calgary and is a CFA charter holder.

(b) **Independence**

The Board considers that Mr. Martin will be an independent director.

(c) **Recommendation**

The Board supports the election of Daniel Robert (Dan) Martin and recommends that Shareholders vote in favour of Resolution 3.

3.4 Failure to Approve Resolutions 2 and 3

If Resolutions 2 and 3 are not passed and Completion does not occur, the Company will not proceed with the proposed Acquisition and the Company will continue to focus on its current activities, as well as looking for additional acquisition opportunities to further its disclosed business strategy with an aim to build a cashflow positive and self-sustaining operation.

4. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

4.1 Background

Resolution 4 seeks Shareholder approval to consolidate the number of existing Shares and Options on issue on a 1 for 20 basis as part of the proposed Acquisition (**Consolidation**). If Resolution 4 is passed and excluding any Securities issued pursuant to the other Resolutions:

- (a) the number of Shares on issue will be reduced from 88,711,653 to 4,436,033 (subject to rounding); and
- (b) the number of Options on issue will be reduced from 12,875,000 to 643,750 (subject to rounding).

4.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its securities into a larger or smaller number.

4.3 Fractional entitlements

Not all security holders will hold that number of Shares and Options which can be evenly divided. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share or Option.

4.4 Taxation

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

4.5 Holding statements

From the date two Business Days after the Effective Date (as set out in the timetable below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

4.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table in Section 1.7.

The effect the Consolidation will have on the terms of the Options is as set out in the table below:

Options – Pre-Consolidation

Terms	Number
Options exercisable at \$0.05 on or before 30 June 2023	12,875,000
Total	12,875,000

Options – Post-Consolidation

Terms	Number
Options exercisable at \$1.00 on or before 30 June 2023	643,750
Total	643,750

4.7 Indicative timetable

If Resolution 4 is passed, the Consolidation of capital is proposed to take effect in accordance with the timetable set out below:

Action	Date
Company dispatches Notice of Meeting	22 November 2021
Meeting to approve Consolidation	15 December 2021
Effective Date of Consolidation	15 December 2021
Company to send holdings statements to each holder	As soon as practicable after 15 December 2021

5. RESOLUTION 5 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 5 seeks the approval of Shareholders for the Company to change its name to “Lumira Energy Limited”.

The proposed name has been reserved by the Company with ASIC and if Resolution 5 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

If Resolution 5 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

6. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which

is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2020.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.hawkleyoilandgas.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 3 8679 2219). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Summary of material proposed changes

Minimum Security holding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage security holdings which represent an "unmarketable parcel" of securities, being a security holding that is less than \$500 based on the closing price of the Company's securities on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their security holding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Partial (proportional) takeover provisions (clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

GLOSSARY

\$ means Australian dollars.

ABCA means the Business Corporations Act (Alberta).

Acquisition has the meaning given in Section 1.2.

Arrangement Agreement means the agreement summarised in Schedule 1 to this Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Capital Raising means the initial public offer under a prospectus to issue a minimum of 60,000,000 Shares at an issue price of \$0.20 each to raise a minimum of \$12,000,000 and a maximum of 75,000,000 Shares at an issue price of \$0.20 each to raise a maximum of \$15,000,000.

Chair means the chair of the Meeting.

Company or **Hawkley** means Hawkley Oil and Gas Limited (to be renamed 'Lumira Energy Limited') (ACN 115 712 162).

Completion has the meaning given in Section 1.5, being completion of the Acquisition.

Consideration Securities means the consideration set out in Section 1.2, which is intended to be apportioned amongst the Persist Shareholders pro-rata to their respective holdings in Persist, further details of which are set out in the Arrangement Agreement.

Constitution means the Company's current constitution.

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

Director means a director of the Company.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Independent Expert means Moore Australia Corporate Finance (WA) Pty Ltd.

Minimum Subscription means a minimum of 60,000,000 Shares at an issue price of \$0.20 each to raise a minimum of \$12,000,000 under the Capital Raising.

Maximum Subscription means a maximum of 75,000,000 Shares at an issue price of \$0.20 each to raise a maximum of \$15,000,000 under the Capital Raising.

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, including a Consideration Option.

Performance Rights means performance rights to be issued to the executive management team and certain Persist employees under the Arrangement Agreement, on the terms set out in Schedule 5.

Persist means Persist Oil and Gas Inc., a company amalgamated under the laws of Alberta.

Persist Shareholders means the shareholders of Persist.

Proposed Constitution means the Company's proposed constitution, for which approval is being sought under Resolution 6 of this Notice.

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.

Section means a section of the Explanatory Statement.

Securities means Shares, Options and/or Performance Rights, as the context requires.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – SUMMARY OF THE ARRANGEMENT AGREEMENT

On 3 September 2021, the Company and its wholly owned subsidiary, 2371527 Alberta Inc. (**Alberta Inc.**) a company incorporated in Alberta, entered into an arrangement agreement with Persist Oil and Gas Inc., a company amalgamated under the laws of Alberta (**Persist**) (as amended by the amending agreement dated 25 October 2021) pursuant to which Alberta Inc. agreed to merge with Persist (the **Arrangement** or **Merger**) (**Arrangement Agreement**). The material terms and conditions of the Arrangement Agreement are summarised below:

Effective Date	The effective date is the date shown on the certificate of arrangement (being the certificate or proof of filing to be issued by the Registrar pursuant to subsection 193(11) or subsection 193(12) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement) which shall occur on or about 20 January 2022, or as soon thereafter as reasonably practicable and in any event by 1 March 2022 (Effective Date).
Consideration	In consideration for the Arrangement, each Persist Shareholder shall receive: (a) 6.82625 shares (Consideration Shares); and (b) 0.68263 of an option (Consideration Options), with an aggregate deemed value of \$1.27 for each Persist Share.
Concurrent Financing	The Arrangement is contingent upon successful completion of the offer of the Company's Shares at an issue price of \$0.20 to raise a minimum of \$10,000,000, not including oversubscriptions, or the amount as mutually agreed between Persist and the Company in writing (Concurrent Financing).
Performance Right Agreement	The Company agreed to issue that number of performance rights up to 9.5% percent of the issued and outstanding Shares, on a non-diluted basis, immediately following the completion of the Arrangement (being 16,000,000 performance rights). Each performance right will entitle the holder to be issued one Share upon satisfaction of the following vesting conditions: (a) Class A Performance Rights: 33% of the performance rights shall vest upon the VWAP of Shares trading on the ASX being at least \$0.30 per share over 20 consecutive trading days; (b) Class B Performance Rights: 33% of the performance rights shall vest upon the VWAP of Shares trading on the ASX being at least \$0.40 per share over 20 consecutive trading days; and (c) Class C Performance Right: 33% of the performance rights shall vest upon the VWAP of Shares trading on the ASX being at least \$0.50 per share over 20 consecutive trading days.
Mutual Conditions Precedent	The obligations under the Arrangement are subject to the fulfillment, on or before the Effective Date, of the following: (a) the interim order being obtained in form and on terms reasonably satisfactory to the parties;

	<ul style="list-style-type: none"> (b) Persist shareholders approving the Arrangement at the shareholder meeting; (c) the final order being obtained in the form and on terms reasonably satisfactory to the parties; (d) the certificate of arrangement being issued and the Effective Date having occurred not later than 1 March 2022; (e) replacement executive agreements having been duly executed and delivered to the parties; (f) the performance right agreements having been duly executed and delivered to the parties; (g) all third party consents, waivers, permits, orders and approvals required in connection the Arrangement being provided; (h) no government entity enacting to restrain the consummation of the Arrangement; and (i) the Arrangement Agreement not being terminated, (together, the Conditions Precedent).
Conditions Precedent of the Purchaser Parties	<p>The Company and Alberta Inc.'s obligations under the Arrangement are subject to the fulfillment of the following:</p> <ul style="list-style-type: none"> (a) Persist performing all covenants on or before the Effective Date; (b) the representation and warranties of Persist being true and correct; (c) holders of no more than 5% of the outstanding Shares in Persist validly exercising rights of dissent; (d) Persist making commercially reasonable efforts to obtain executed agreements from the Persist shareholders to vote in favour of the Arrangement; (e) no adverse legal action; (f) no adverse event occurring between the date of the Arrangement Agreement and the Effective Date; (g) Persist providing to the Company and Alberta Inc. the resolution of the Board and Persist shareholders approving the Arrangement; (h) immediately prior to the Execution Date: <ul style="list-style-type: none"> (i) Persist Shares not exceeding 12,681,242; (ii) Series 1 preferred shares not exceeding 1,238,975; (iii) there being no other securities in the capital of Persist outstanding; and (iv) no person having any agreement for the purchase, subscription, allotment or issuance of any unissued Persist Shares; (v) all Persist Options being terminated; and (vi) Persist using all reasonable commercial efforts to ensure that executed mutual releases are received by the Company on or prior to the Effective Date.
Persist Conditions Precedent	<p>Persist's obligations under the Arrangement are subject to the fulfillment of the following:</p>

	<ul style="list-style-type: none"> (a) the Company and Alberta Inc. performing all covenants on or before the Effective Date; (b) the representation and warranties of the Company and Alberta Inc. being true and correct; (c) the Company and Alberta Inc. completing each pre-closing transaction; (d) no material adverse change between the date of the Arrangement Agreement and the Effective Date; (e) the Board of Persist receiving an opinion from the financial advisor as to the fairness offered under the Arrangement; (f) immediately prior to the Execution Date: <ul style="list-style-type: none"> (i) the number of Company Shares issued and outstanding not exceeding 88,711,653 Shares; (ii) the number of options not exceeding 12,875,000; (iii) the number of convertible notes outstanding not exceeding \$1,200,000; and (iv) no person having any agreement for the purchase, subscription, allotment or issuance of any unissued Company Shares.
Termination Fee	<p>Persist agreed to pay Alberta Inc. \$150,000 (the Purchaser Termination Fee) if:</p> <ul style="list-style-type: none"> (a) either the Company or Alberta Inc. terminates the Arrangement Agreement due to a breach of its obligations or covenants; (b) Persist terminates the Arrangement Agreement due to failure to fulfill the Conditions Precedent; or (c) prior to the termination of the Arrangement Agreement and the date of Persist's shareholder meeting: <ul style="list-style-type: none"> (i) an acquisition proposal is made or proposed to Persist (Acquisition Proposal); (ii) the shareholder resolution is not approved prior to 1 March 2022; and (iii) within six (6) months of the Acquisition Proposal being announced, the Acquisition Proposal is consummated by Persist. <p>In addition, the Company and Alberta Inc. agreed to pay Persist \$150,000 (the Persist Termination Fee) if at any time prior to the termination of the Arrangement Agreement the Company or Alberta Inc.:</p> <ul style="list-style-type: none"> (a) breach their respective representations, warranties or covenants such that they impede completion of the Arrangement Agreement; and (b) fail to remedy the breach within five (5) days of receiving written notice of the breach.

The Arrangement Agreement otherwise contains provisions considered standard for an agreement of its nature.

SCHEDULE 2 – PRO FORMA BALANCE SHEET

Pro Forma Consolidated Financial Statements

(amounts in Canadian dollars, except per share figures) (unaudited) FX rate assumed A\$1.00 = C\$0.932

			Minimum Subscription		Maximum Subscription	
	Persist Oil and Gas Inc.	Hawkley Oil & Gas Limited	Pro Forma Adjustments	Combined Co Pro Forma Consolidated	Pro Forma Adjustments	Combined Co Pro Forma Consolidated
Assets						
Current						
Cash and cash equivalents	2,039,913	45,617	6,386,485	8,472,015	7,886,485	9,972,015
Trade receivable	4,354,364	2,864	(2,617)	4,354,611	(2,617)	4,354,611
Prepaid expenses and deposits	858,269	-	-	858,269	-	858,269
	7,252,546	48,481	6,383,868	13,684,895	7,883,868	15,184,895
Non-current						
Exploration and evaluation costs	2,203,328	-	-	2,203,328	-	2,203,328
Property, plant and equipment	50,313,072	-	-	50,313,072	-	50,313,072
Right-of-use assets	6,897,740	-	-	6,897,740	-	6,897,740
TOTAL ASSETS	60,466,686	48,481	6,383,868	66,899,035	7,883,868	68,399,035
Liabilities						
Current						
Trade payable and accrued liabilities	5,973,586	515,849	941,499	7,430,934	1,151,499	7,640,934
Convertible notes	-	140,000	(140,000)	-	(140,000)	-
Unsecured debt	-	118,049	(118,049)	-	(118,049)	-
Commodity financial instruments	3,040,649	-	-	3,040,649	-	3,040,649
Stream JVA obligation	1,433,486	-	-	1,433,486	-	1,433,486
Lease liabilities	1,039,532	-	-	1,039,532	-	1,039,532
Senior secured note	5,329,222	-	(5,392,222)	-	(5,392,222)	-
	16,816,475	773,898	(4,645,772)	12,944,601	(4,435,772)	13,154,601
Non-current						

Stream JVA obligation	15,367,723	-	(670,778)	14,696,945	(2,170,778)	13,196,945
Lease liabilities	115,3749	-	-	115,3749	-	115,3749
Decommissioning provisions	21,233,179	-	-	21,233,179	-	21,233,179
Preferred shares	13,294	-	(13,294)	-	(13,294)	-
TOTAL LIABILITIES	53,546,045	773,898	(5,329,844)	48,990,099	(6,619,844)	47,700,099
NET ASSETS	6,920,641	(725,417)	11,713,712	17,908,936	14,503,712	20,698,936
Shareholders' Equity						
Share capital	19,069,622	40,079,911	(24,391,624)	34,757,909	(21,601,624)	37,547,909
Reserves	571,782	4,120,562	(3,807,319)	885,025	(3,807,319)	885,025
Retained earnings (deficit)	(12,720,763)	(44,925,890)	39,912,655	(17,733,998)	39,912,655	(17,733,998)
TOTAL SHAREHOLDERS' EQUITY	6,920,641	(725,417)	11,713,712	17,908,936	14,503,712	20,698,936

SCHEDULE 3 – SHAREHOLDERS OF PERSIST

Breakdown of Persist Shareholders Interests Post Acquisition

Shares held in the Company by the Persist Shareholders post Acquisition	Shareholding attributable to Acquisition consideration	Shareholding attributable to Convertible Note Hawkley	Shareholding Total (prior to Options and Performance Rights)	Consideration Options	Performance Rights to Executives of Hawkley ¹	% prior to exercise of Options and Performance Rights (assuming Minimum Subscription) ²	% prior to exercise of Options and Performance Rights (assuming Maximum Subscription) ³	% after exercise of Consideration Options and Performance Rights (assuming Minimum Subscription) ⁴	% after exercise of Consideration Options and Performance Rights (assuming Maximum Subscription) ⁵
Jackson Valley Fund LP	15,802,769		15,802,769	1,580,277		8.58%	7.93%	8.11%	7.58%
Stream Asset Financial Manitoak LP	13,282,770		13,282,770	1,328,277		7.21%	6.67%	6.81%	6.37%
Fidelity Clearing Canada ULC (Canada), in trust for TCA-8149-E - Tamasa Inc.	13,111,288		13,111,288	1,311,129		7.12%	6.58%	6.73%	6.29%
National Bank Financial Inc., Trustee of the 37A1THE Bruce C Mitchell (53936P)	8,325,111		8,325,111	832,512		4.52%	4.18%	4.27%	3.99%
Haywood Securities Inc. - The Whisk and the Baker Ltd	5,542,915		5,542,915	554,292		3.01%	2.78%	2.84%	2.66%
Fidelity Clearing Canada ULC (Canada), in trust for Trapeze Capital Corp. (on behalf of managed accounts)	4,631,611		4,631,611	463,162		2.51%	2.32%	2.38%	2.22%
Fidelity Clearing Canada ULC (Canada), in trust for TCA-8001-E - Abramson, Herbert	4,448,326		4,448,326	444,833		2.41%	2.23%	2.28%	2.13%
Haywood Securities Inc. - JM Scott Investments	4,266,407		4,266,407	426,641		2.32%	2.14%	2.19%	2.05%
Fidelity Clearing Canada ULC (Canada), in trust for Generation Advisors Inc.	3,481,825		3,481,825	348,183		1.89%	1.75%	1.79%	1.67%
Davos Partners LP (USA)	2,616,161		2,616,161	261,617		1.42%	1.31%	1.34%	1.25%
Geremia, Massimo M.	2,462,577	200,000	2,662,577	246,258	3,000,000	1.44%	1.34%	2.76%	2.58%
VL DeMuth, DF DeMuth & CJ DeMuth CO-TTE DeMuth Family IRR TRUST U/A DTD 12/26/2012 (USA)	1,754,347		1,754,347	175,435		0.95%	0.88%	0.90%	0.84%
Fidelity Clearing Canada ULC (Canada), in trust for Integral Wealth Securities Limited	1,706,563		1,706,563	170,657		0.93%	0.86%	0.88%	0.82%

Shares held in the Company by the Persist Shareholders post Acquisition	Shareholding attributable to Acquisition consideration	Shareholding attributable to Convertible Note Hawkley	Shareholding Total (prior to Options and Performance Rights)	Consideration Options	Performance Rights to Executives of Hawkley ¹	% prior to exercise of Options and Performance Rights (assuming Minimum Subscription) ²	% prior to exercise of Options and Performance Rights (assuming Maximum Subscription) ³	% after exercise of Consideration Options and Performance Rights (assuming Minimum Subscription) ⁴	% after exercise of Consideration Options and Performance Rights (assuming Maximum Subscription) ⁵
Fidelity Clearing Canada ULC (Canada), in trust for Trapeze Asset Management Inc. (on behalf of managed accounts)	1,661,441		1,661,441	166,145		0.90%	0.83%	0.85%	0.80%
Tantalus Energy II Corp. -2021742941	1,580,148		1,580,148	158,015		0.86%	0.79%	0.81%	0.76%
Vavra, Gregory A.	1,267,123	420,000	1,687,123	126,713	1,200,000	0.92%	0.85%	1.41%	1.31%
Geremia, Danny G.	931,784	440,000	1,371,784	93,179	2,751,000	0.74%	0.69%	1.97%	1.84%
Fidelity Clearing Canada ULC (Canada), in trust for TCU-0574-E - Shulman Saul	877,481		877,481	87,749		0.48%	0.44%	0.45%	0.42%
Haywood Securities Inc ITF Geoffrey Scott	853,282		853,282	85,329		0.46%	0.43%	0.44%	0.41%
Fidelity Clearing Canada ULC (Canada), in trust for TCU-0691-A - Spain, Frank	803,901		803,901	80,391		0.44%	0.40%	0.41%	0.39%
Fidelity Clearing Canada ULC (Canada), in trust for Toprun Investments Inc. and (N10-8764-A)	759,892		759,892	75,990		0.41%	0.38%	0.39%	0.36%
Fidelity Clearing Canada ULC (Canada), in trust for Randall Abramson	682,625		682,625	68,263		0.37%	0.34%	0.35%	0.33%
Geremia, Bruno P.	552,927	700,000	1,252,927	55,293		0.68%	0.63%	0.61%	0.57%
Fidelity Clearing Canada ULC (Canada), in trust for TCU-0692-A - Dusan Miklas	503,143		503,143	50,315		0.27%	0.25%	0.26%	0.24%
Golinowski, Bradley Russell	496,610		496,610	49,661	2,751,000	0.27%	0.25%	1.54%	1.44%
Spoletini, Tumasino (Tom)	477,838		477,838	47,784		0.26%	0.24%	0.25%	0.23%
Fidelity Clearing Canada ULC (Canada), in trust for TCU-0639-E - Moscovitz	337,415		337,415	33,742		0.18%	0.17%	0.17%	0.16%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-8767-A) - Melia Corp	258,702		258,702	25,871		0.14%	0.13%	0.13%	0.12%
Geremia, Traci Lynn	238,919	300,000	538,919	23,892		0.29%	0.27%	0.26%	0.25%
Fidelity Clearing Canada ULC (Canada), in trust for TCU-0545-A - Gregory Wayne Miklas	223,349		223,349	22,335		0.12%	0.11%	0.11%	0.11%

Shares held in the Company by the Persist Shareholders post Acquisition	Shareholding attributable to Acquisition consideration	Shareholding attributable to Convertible Note Hawkley	Shareholding Total (prior to Options and Performance Rights)	Consideration Options	Performance Rights to Executives of Hawkley ¹	% prior to exercise of Options and Performance Rights (assuming Minimum Subscription) ²	% prior to exercise of Options and Performance Rights (assuming Maximum Subscription) ³	% after exercise of Consideration Options and Performance Rights (assuming Minimum Subscription) ⁴	% after exercise of Consideration Options and Performance Rights (assuming Maximum Subscription) ⁵
Terrier Capital Inc.	170,657		170,657	17,066		0.09%	0.09%	0.09%	0.08%
Peterson, Gregory E.	137,809		137,809	13,781		0.07%	0.07%	0.07%	0.07%
Geremia, Danny G., in trust for Isabella F. R. Geremia and Felicity A. J. Geremia	136,525	100,000	236,525	13,653		0.13%	0.12%	0.12%	0.11%
Fidelity Clearing Canada ULC (Canada), in trust for John Gibson and AC (N1A-0001-T)	113,869		113,869	11,387		0.06%	0.06%	0.06%	0.05%
Brigham Holdings Inc. (Canada)	102,394		102,394	10,240		0.06%	0.05%	0.05%	0.05%
Gundyco, in trust for Maajic Management Inc. and 58-6619-58	102,394		102,394	10,240		0.06%	0.05%	0.05%	0.05%
Lander, Guy	85,329		85,329	8,533		0.05%	0.04%	0.04%	0.04%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-9920-E) Thelma Shulman	77,854		77,854	7,786		0.04%	0.04%	0.04%	0.04%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-8362-E) - Estate of Frank Wolff	76,980		76,980	7,698		0.04%	0.04%	0.04%	0.04%
Fidelity Clearing Canada ULC (Canada), in trust for TMA-8164-E - 1051937 Ontario Limited	59,880		59,880	5,988		0.03%	0.03%	0.03%	0.03%
Isaman, David Edwin	47,784		47,784	4,779	499,500	0.03%	0.02%	0.26%	0.24%
Skavberg, Corina Gail	40,958		40,958	4,096	150,000	0.02%	0.02%	0.09%	0.09%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-9922-E) - Michelle Shulman and Suzanne Shulman	37,128		37,128	3,713		0.02%	0.02%	0.02%	0.02%
National Bank Financial Inc., in trust for 6DH5PDE Mikhail Vinokur (53936J)	32,794		32,794	3,280		0.02%	0.02%	0.02%	0.02%
Sur, Frank	30,719		30,719	3,072		0.02%	0.02%	0.02%	0.01%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-8363-E) =- Sal Investments Inc.	29,224		29,224	2,923		0.02%	0.01%	0.01%	0.01%

Shares held in the Company by the Persist Shareholders post Acquisition	Shareholding attributable to Acquisition consideration	Shareholding attributable to Convertible Note Hawkey	Shareholding Total (prior to Options and Performance Rights)	Consideration Options	Performance Rights to Executives of Hawkey ¹	% prior to exercise of Options and Performance Rights (assuming Minimum Subscription) ²	% prior to exercise of Options and Performance Rights (assuming Maximum Subscription) ³	% after exercise of Consideration Options and Performance Rights (assuming Minimum Subscription) ⁴	% after exercise of Consideration Options and Performance Rights (assuming Maximum Subscription) ⁵
Gundyco, in trust for Brian S Storm Medicine Professional Corporation c/o Dr. Brian Storm	26,363		26,363	2,637		0.01%	0.01%	0.01%	0.01%
Fidelity Clearing Canada ULC (Canada), in trust for 936314 Ontario Ltd. c/o Mr. John Dube	25,094		25,094	2,510		0.01%	0.01%	0.01%	0.01%
Geremia, Kathleen	23,892		23,892	2,390		0.01%	0.01%	0.01%	0.01%
Larocque, Melissa	23,892		23,892	2,390		0.01%	0.01%	0.01%	0.01%
Fidelity Clearing Canada ULC (Canada), in trust for Elena Morelli and AC (N1A-0022-E)	22,657		22,657	2,266		0.01%	0.01%	0.01%	0.01%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-9918-A) - Mario Elia	21,920		21,920	2,192		0.01%	0.01%	0.01%	0.01%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-9921-E) - Shulman, Saul	16,622		16,622	1,663		0.01%	0.01%	0.01%	0.01%
Jayvee & Co.	14,677		14,677	1,468		0.01%	0.01%	0.01%	0.01%
Skavberg, Janelle Jesse	13,653		13,653	1,366		0.01%	0.01%	0.01%	0.01%
Fidelity Clearing Canada ULC (Canada), in trust for (N10-8755-E) - Moscovitz	9,100		9,100	910		0.00%	0.00%	0.00%	0.00%
Fidelity Clearing Canada ULC (Canada), in trust for Mr George Bottinor or Mrs Odete Bottinor	8,486		8,486	849		0.00%	0.00%	0.00%	0.00%
Fidelity Clearing Canada ULC (Canada), in trust for Kenneth G. Leduc	7,735		7,735	774		0.00%	0.00%	0.00%	0.00%
National Bank Financial Inc., in trust for 6DGYAHA and 101294809 Saskatchewan Ltd. C/O Dr Raymond D Forais	6,417		6,417	642		0.00%	0.00%	0.00%	0.00%
Fidelity Clearing Canada ULC (Canada), in trust for TMA-8068-E - William Edgar John Hayden	4,485		4,485	449		0.00%	0.00%	0.00%	0.00%
National Bank Financial Inc., in trust for 6DGYFVE, Douglas W Mason, and Judith A. Mason	3,973		3,973	398		0.00%	0.00%	0.00%	0.00%

Shares held in the Company by the Persist Shareholders post Acquisition	Shareholding attributable to Acquisition consideration	Shareholding attributable to Convertible Note Hawkley	Shareholding Total (prior to Options and Performance Rights)	Consideration Options	Performance Rights to Executives of Hawkley ¹	% prior to exercise of Options and Performance Rights (assuming Minimum Subscription) ²	% prior to exercise of Options and Performance Rights (assuming Maximum Subscription) ³	% after exercise of Consideration Options and Performance Rights (assuming Minimum Subscription) ⁴	% after exercise of Consideration Options and Performance Rights (assuming Maximum Subscription) ⁵
Gundyco, in trust for Brian S. Strom Medicine Professional Corporation c/o Dr Brian Strom	3,400		3,400	340		0.00%	0.00%	0.00%	0.00%
Fidelity Clearing Canada ULC (Canada), in trust for Colin Porozni	1,618		1,618	162		0.00%	0.00%	0.00%	0.00%
Fidelity Clearing Canada ULC (Canada), in trust for Trapeze Capital Corp.	1,065		1,065	107		0.00%	0.00%	0.00%	0.00%
National Bank Financial, Trustee of the 6DGXZ6E Dr Warren Knoblauch or Mrs Brenda Knoblauch JTWROS (53936J)	635		635	64		0.00%	0.00%	0.00%	0.00%
Brad and Sandra Golinowski		540,000	540,000	Nil		0.29%	0.27%	0.25%	0.24%
Brad Golinowski ITF Emile, Olivia & Sophia Golinowski		300,000	300,000	Nil		0.16%	0.15%	0.14%	0.13%
Yvon Lemieux					499,500	0.00%	0.00%	0.23%	0.22%
David Minken					499,500	0.00%	0.00%	0.23%	0.22%
Jason Archibald					499,500	0.00%	0.00%	0.23%	0.22%
Karen Roe					150,000	0.00%	0.00%	0.07%	0.07%
TOTAL	95,457,232	3,000,000	98,457,232	9,545,232	12,000,000	53.43%	49.41%	55.96%	52.30%

Notes:

¹ Performance rights as detailed in Section 1.2(c) and Schedule 5.

² Assumes Minimum Subscription of \$12.0 million and undiluted shares on issue of 184,268,265.

³ Assumes Maximum Subscription of \$15.0 million and undiluted shares on issue of 199,268,265.

⁴ Assumes Minimum Subscription of \$12.0 million and fully diluted shares on issue of 214,457,767.

⁵ Assumes Maximum Subscription of \$15.0 million and fully diluted shares on issue of 229,457,767.

SCHEDULE 4 – TERMS OF CONSIDERATION OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date the Company is admitted to the official list of ASX (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

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.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 5 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

A summary of the key terms and conditions of the Performance Rights (**Performance Rights**) to be issued by the Company are set out below:

(a) **Performance Milestone Conditions and Expiry Dates**

The Performance Rights shall be subject to the following **Performance Milestone Conditions** and shall have the following **Expiry Dates**:

Class	Performance Milestone Condition	Expiry Date
Class A	Vesting upon the VWAP of Shares trading on the ASX being at least A\$0.30 per share over 20 consecutive trading days on which Shares have actually traded.	5 years from the date of admission of the Company's securities to ASX (Admission Date)
Class B	Vesting upon the VWAP of Shares trading on the ASX being at least \$0.40 per share over 20 consecutive trading days on which Shares have actually traded.	5 years from Admission Date
Class C	Vesting upon the VWAP of Shares trading on the ASX being at least \$0.50 per share over 20 consecutive trading days on which Shares have actually traded.	5 years from Admission Date

(b) **Notification to holder**

The Company shall notify the holder in writing when the relevant Performance Milestone Condition has been satisfied.

(c) **Conversion**

Subject to paragraph (q), upon satisfaction of the applicable Performance Milestone Condition, and the issue of the notice referred to in paragraph (b) above, each Performance Right will convert into one Share at the election of the holder.

(d) **Change of Control**

In the circumstance of a Change of Control occurring, the relevant Performance Milestone Condition is deemed to be automatically satisfied and each Performance Right will, at the election of the holder, convert into one Share.

(e) **Lapse of a Performance Rights**

Any Performance Right that has not been converted into a Share prior to the Expiry Date specified in paragraph (a) will automatically lapse.

(f) **Fraudulent or dishonest action**

If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of his or her duties, then:

- (i) the Board must deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and

- (ii) any Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the relevant Performance Milestone Conditions have previously been met, and any Shares issued on satisfaction of the applicable Performance Milestone Conditions will remain the property of the holder.

(g) **Ceasing to be an employee or Director**

If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination arises because the holder:

- (i) voluntarily resigns his or her position (other than to take up employment with a subsidiary of the Company);
- (ii) wilfully breaches the terms of the engagement of the holder or any policy of the Company's published policies regulating the behaviour of holder;
- (iii) is convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
- (iv) is found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,

then:

- (v) unless the Board decides otherwise in its absolute discretion, will deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
- (vi) any Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the relevant Performance Milestone Conditions have previously been met and any Shares issued on satisfaction of the applicable Performance Milestone Conditions will remain the property of the holder.

(h) **Other circumstances**

The Performance Rights will not lapse and be forfeited where the holder ceases to be an employee or Director of the Company for one of the following reasons:

- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work in his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year);
- (ii) redundancy (being where the holder ceases to be an employee or Director due to the Company no longer requiring the holder's position to be performed by any person); or
- (iii) any other reason, other than a reason listed in rules (f) and (g) (not including (g)(i), in which case the Board may exercise its absolute discretion to allow the resigned to retain their Performance Right), that the Board determines is reasonable to permit the holder to retain his or her Performance Rights,

and in those circumstances the Performance Rights will continue to be subject to the applicable Performance Milestone Conditions.

(i) **Share ranking**

All Shares issued upon the conversion of Performance Rights on satisfaction of the applicable Performance Milestone Condition will upon issue rank pari passu in all respects with other Shares.

(j) **Application to ASX**

Should the Company be admitted to the official list of the ASX at any time prior to the expiry of the Performance Rights, the Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(k) **Timing of issue of Shares on Conversion**

Within 10 Business Days after date that Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under (k)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(l) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(m) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(n) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules (if the Company is at the time admitted to the official list of the ASX) and the Corporations Act at the time of reorganisation.

(o) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(p) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(q) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (q)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(r) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(s) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

(t) **Tax Deferral**

For the avoidance of doubt, Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on performance rights, applies (subject to the conditions in that Act) to the Performance Rights.

(u) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(v) **ASX Imposed Escrow**

The holder acknowledges that the Performance Rights and or Shares issued on the vesting of Performance Rights may be subject to ASX imposed escrow if the Company is admitted to ASX and the holder agrees to comply with any escrow restrictions imposed by the ASX Listing Rules.

(w) **Amendment for ASX Compliance**

The board of the Company may, for the purposes of facilitating or seeking admission to the official list of the ASX, amend or add to all or any of the terms or conditions of the Performance Rights that remain on issue at that time such as to preserve the commercial intent of the Performance Rights but to also ensure that they comply with the requirements of the ASX Listing Rules, and any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

HAWKLEY OIL AND GAS LIMITED | ACN 115 712 162

If you are attending the meeting in person, please bring this with you for Securituholder reastration.

Full name of Company, Corporation Or Trust in which the securities are held.

Full address including Postcode In which the securities are held

SRN/HIN:

Your proxy voting instruction must be received by 1:00pm AEDT on Monday, 13 December 2021, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

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