



ASX Release  
19 March 2008

**Notice of General Meeting**

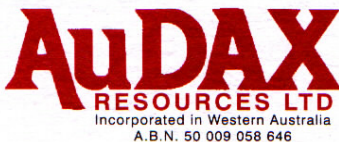
Please find attached a letter to Shareholders, Notice of General Meeting, Explanatory Notice and Proxy Form for the meeting on Friday 18 April 2008.

Yours faithfully

A handwritten signature in black ink, appearing to read "Roper", with a period at the end.

GARY J ROPER  
Chairman

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March 17, 2008

Dear Shareholder,

Attached is a notice calling a meeting to replenish the Company's fund raising capacity and issue incentive options to the new management of AuDAX

In November 2007 AuDAX acquired 100% of the company Alpine Oil and Gas Pty Ltd which had assets including a free carry (A\$1.6m) in a Joint Study and Bidding Agreement in Romania with partners Nexus and Kairiki Energy and an Area of Mutual Interest Agreement in Tunisia with Kairiki.

In addition to these assets the Alpine acquisition facilitated the appointment of Dr Wolfgang Zimmer as Managing Director and Mr Paul Fink as Technical Director. In a very short period this exceptional management/technical duo has opened an office in Vienna, employed an experienced technical team and signed sale agreements over four very exciting projects in Romania, Tunisia and Italy.

A further change to the Board has seen the appointment of Ms Gillian Evans an experienced Finance Director.

These developments have signalled the beginning of a new and exciting chapter for AuDAX and the issue of options is one way to reward the team for future success which, I am convinced will result from the hard work, skill and experience of these people.

The Board has passed resolutions in support of the issue and you as a shareholder now have the opportunity to support the future direction and develop the Company to its full potential.

Further news regarding the Company's acquisitions and plans will be released to the market as and when it becomes available.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gary Roper", is written over the typed name below.

Gary Roper  
Chairman

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Resources Ltd

ABN 50 009 058 646

**Notice of General Meeting,  
Explanatory Statement  
and Proxy Form**

FOR A GENERAL MEETING OF  
AuDAX RESOURCES LTD  
TO BE HELD IN  
THE PAVILLION ROOM, SEASONS OF PERTH  
37 PIER STREET, PERTH, WESTERN AUSTRALIA  
FRIDAY 18<sup>th</sup> APRIL 2008  
COMMENCING AT 10:00 AM (PERTH TIME)

125 Edward Street, Perth, Western Australia 6000  
Telephone: (08) 9328 4622 Fax: (08) 9328 2869  
Email: [audax@inet.com.au](mailto:audax@inet.com.au)  
Website: [www.audax.com.au](http://www.audax.com.au)

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# NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Members of AuDAX Resources Ltd will be held at in The Pavillion Room, Seasons of Perth, 37 Pier Street , Perth, Western Australia on Friday 18<sup>th</sup> April 2008 commencing at 10:00 am, to consider and, if thought fit, to pass the following resolutions:

## ORDINARY BUSINESS

### 1. Issue of options to Dr Wolfgang Zimmer.

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the shareholders of the Company approve and authorise the issue of 5,000,000 options to Dr Wolfgang Zimmer (or his nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice."*

**Short Explanation:** Under the ASX Listing Rules, any issue of securities to a director (or entities controlled by a director) requires prior shareholder approval. Dr Zimmer is a Director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Dr Wolfgang Zimmer (or his nominee) to be issued securities in the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Dr Wolfgang Zimmer and any associates of Dr Zimmer.

### 2. Issue of options to Mr Gary Roper

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the shareholders of the Company approve and authorise the issue of 1,000,000 options to Mr Gary Roper (or his nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice."*

**Short Explanation:** Under the ASX Listing Rules, any issue of securities to a director (or entities controlled by a director) requires prior shareholder approval. Mr Gary Roper is a Director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Mr Gary Roper (or his nominee) to be issued securities in the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Gary Roper and any associates of Mr Roper.

### 3. Issue of options to Mr Paul Fink

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the shareholders of the Company approve and authorise the issue of 3,500,000 options to Mr Paul Fink (or his nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice."*

**Short Explanation:** Under the ASX Listing Rules, any issue of securities to a Director (or entities controlled by a director) requires prior shareholder approval. Mr Paul Fink is a Director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Mr Paul Fink (or his nominee) to be issued securities in the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Paul Fink and any associates of Mr Fink.

### 4. Issue of options to Ms Gillian Evans

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the shareholders of the Company approve and authorise the issue of 3,500,000 options to Ms Gillian Evans (or her nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice."*

**Short Explanation:** Under the ASX Listing Rules, any issue of securities to a director (or entities controlled by a director) requires prior shareholder approval. Ms Gillian Evans is a Director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Ms Gillian Evans (or her nominee) to be issued securities in the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Ms Gillian Evans and any associates of Ms Evans.

### 5. Issue of options to Mr Andrew Childs

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

*"That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the Company be authorised to issue 3,500,000 options to Mr Andrew Childs (or his nominee), a consultant to the Company, on and subject to the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the ASX Listing Rules, the Company may seek shareholder approval prior to a security issue to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total ordinary securities in any twelve month period.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons.

#### 6. Ratification of the Issue of Shares

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify the issue of 470,000 fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** An equity issue can be ratified by shareholders in accordance with the ASX Listing Rules. This allows the Company the flexibility to make future issues of securities up to the threshold of 15% of its total equity securities in any twelve month period.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who participated in the issue of securities and any associates of those persons.

#### 7. Approval of Future Issue of Shares

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

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, the directors of the Company be authorised to issue up to 15,000,000 fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the ASX Listing Rules, the Company may seek shareholder approval prior to a share issue to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total ordinary securities in any twelve month period.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons.

#### 8. Directors' Remuneration

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

*"That, for the purposes of clause 10.2 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to Directors be set at \$150,000 to be paid in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director and any of their associates.

#### 9. General

To transact any other business as may be brought before the meeting in accordance with the Constitution of the Company, the Corporations Act 2001, or otherwise.

**BY ORDER OF THE BOARD**



**P R Ironside**  
Company Secretary

11<sup>th</sup> March 2008  
Perth, Western Australia

**Notes**

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. As permitted by the Corporations Act, the Directors have passed a resolution to specify a time at which a record of shareholders will be taken for the purpose of determining the identity of those entitled to attend and vote at the Meeting. Accordingly, the shares of the Company will be taken to be held by the persons registered as holding those shares at 4.00pm (WST) on 16<sup>th</sup> April 2008.

**How to Vote**

You may vote by attending the meeting in person, by proxy or authorised representative.

**Voting in Person**

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10.00 am.

**Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- return the proxy form (by post or delivery) to AuDAX Resources Ltd, 125 Edward Street, Perth, WA 6000 or
- send the proxy form by facsimile to the Company on facsimile number (08) 9328 2869 (International: + 61 8 9328 2869).

To be effective, a completed proxy form must be received by no later than 10.00 am (WST) on 16<sup>th</sup> April 2008.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.

**Your proxy form is enclosed.**

For personal use only

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of the Company in connection with the business to be conducted at the General Meeting to be held in The Pavillion Room, Seasons of Perth, 37 Pier Street, Perth, Western Australia on 18<sup>th</sup> April 2008 at 10.00am WST. This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

## RESOLUTIONS 1, 2, 3 AND 4 – ISSUE OF OPTIONS TO DIRECTORS

### **Dr Wolfgang Zimmer**

Dr Wolfgang Zimmer was appointed Managing Director of the Company on 10 December 2007.

Dr Zimmer is based in Vienna and has over 27 years experience in the oil and gas industry. He worked with Mobil for 11 years, primarily in central Europe and with OMV, the Austrian national oil company for over 14 years, fulfilling a variety of management roles. He established OMV's business in Australia and was its Managing Director for 5 years. He was also formerly the CEO of Grove Energy, a Canadian and UK listed oil and gas company.

Dr Zimmer has significant experience in Tunisia, having been a Director of OMV's operations in Tunisia and Sfax for over 3 years. Grove Energy also had significant operations in that country. He has assembled a team, which has particular expertise and experience in both Romania and Tunisia and AuDAX looks forward to leveraging Dr Zimmer's managerial experience and international contacts.

### **Mr Gary Roper**

Mr Gary Roper was Managing Director of the Company from 31 October 1986 to 10 December 2007 and has been Chairman of the Company since 10 December 2007.

### **Mr Paul Fink**

Mr Paul Fink was appointed Technical Director on 22 February 2008.

Mr Paul Fink is based in Vienna and has 18 years of petroleum exploration and production industry experience in technical and management positions.

Mr Fink is a graduate from the Mining University of Leoben, Austria. He started his career as a processing geophysicist and then worked predominantly on international exploration and development projects and assignments in Austria, Libya, Bulgaria, UK, Australia and finally in Pakistan as Exploration and Reservoir Manager for OMV.

In 2005 he started his own petroleum consultancy business, which also allowed him to work on projects in Romania. Most recently he was working as the acting Vice President (Exploration) for Focus Energy, leading their highly successful exploration campaign in India, which included two discoveries, reserves certification, field development planning and successful petroleum licence bidding.

### **Ms Gillian Evans**

Ms Gillian Evans was appointed non-executive Director on 22 February 2008.

Ms Evans is based in Perth and is a chartered accountant, with extensive experience providing financial and commercial advice to international oil and gas companies over the past 20 years in Canada and Australia. Ms Evans has had significant experience in working with capital markets in a variety of countries and is experienced in communicating and liaising with investors, institutions, banks and analysts.

Ms Evans has managed a number of both debt and equity financings and has been an executive of a number of high growth oil and gas companies with domestic and foreign operations in Australia, Asia and North and South American jurisdictions.

Ms Evans' roles in Australia have included Chief Financial Officer of Nido Petroleum Limited, an Australian listed company with operations in the Philippines, and CFO and Company Secretary of Voyager Energy Ltd. Prior to that, in Canada she held the positions of Vice President Finance and CFO of Pacalta Resources Ltd and Director, Investor Relations for Conwest Exploration Company Ltd, both substantial listed oil and gas companies in Canada and the United States.

The purpose of the proposed grant of options pursuant to Resolutions 1 to 4, is to provide Messrs Zimmer, Roper, Fink and Ms Evans with incentive, and to recognise contributions to the Company, whilst enabling the Company to preserve its cash reserves. The Board believes that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important the Company is able to attract and retain people of the highest calibre. The Board considers that the most appropriate means of achieving this is to provide the Directors with the opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth.

- Shareholder approval for the grant of the options the subject of Resolutions 1, 2, 3 and 4 is sought for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11. These provisions relate to the giving of financial benefits to related parties of a Company.

Subject to the passing of Resolutions 1 to 4, the options will be exercisable as follows:

	Number of options	Vesting Date	Exercise Price	Expiry Date
Dr Wolfgang Zimmer (or nominee)	2,000,000	12 months from issue	\$0.30	24 months from issue
	1,500,000	24 months from issue	\$0.35	36 months from issue
	1,500,000	36 months from issue	\$0.40	48 months from issue
Mr Gary Roper (or nominee)	1,000,000	12 months from issue	\$0.30	24 months from issue
Mr Paul Fink (or nominee)	1,400,000	12 months from issue	\$0.30	24 months from issue
	1,050,000	24 months from issue	\$0.35	36 months from issue
	1,050,000	36 months from issue	\$0.40	48 months from issue
Ms Gillian Evans (or nominee)	1,400,000	12 months from issue	\$0.30	24 months from issue
	1,050,000	24 months from issue	\$0.35	36 months from issue
	1,050,000	36 months from issue	\$0.40	48 months from issue

and will otherwise be issued on the terms and conditions set out in Schedule 1 to this Explanatory Statement.

- **Chapter 2E of the Corporations Act**

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

- the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- prior shareholder approval is obtained to the giving of the financial benefit.

The issue of options constitutes a "financial benefit" as defined in the Corporations Act. Further, a director is a "related party" of the Company as defined in the Corporations Act. Accordingly, the proposed issue of options to Messrs Zimmer, Roper, Fink and Evans will constitute the provision of a financial benefit to a related party of the Company.

One of the nominated exceptions is where the financial benefit constitutes reasonable remuneration given to the relevant person as an officer or employee of the company. While the Directors consider that the grant of the options constitutes the giving of a reasonable benefit for past and future services, and is therefore in the nature of remuneration, given that it is proposed that options be issued to non-executive and executive Directors, the Directors consider it prudent to obtain shareholder approval for the proposed issue of options.

- **Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. It is the view of the Company that the exceptions in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, shareholder approval is sought for the purposes of Listing Rule 10.11 for the grant of the options to Messrs Zimmer, Roper, Fink and Ms Evans.

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the options:

- the related parties are Messrs Zimmer, Roper, Fink and Ms Evans and they are related parties by virtue of being directors of the Company;
- the maximum number of options (being the nature of the financial benefit being provided) is as follows:

	Number of options	Exercise Price
Dr Wolfgang Zimmer (or nominee)	2,000,000	\$0.30
	1,500,000	\$0.35
	1,500,000	\$0.40
Mr Gary Roper (or nominee)	1,000,000	\$0.30
Mr Paul Fink (or nominee)	1,400,000	\$0.30
	1,050,000	\$0.35
	1,050,000	\$0.40
Ms Gillian Evans (or nominee)	1,400,000	\$0.30
	1,050,000	\$0.35
	1,050,000	\$0.40

- (c) the options will be granted no later than 1 month after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the options will be granted on one date;
- (d) the options will be granted for nil cash consideration, accordingly no funds will be raised. Any funds raised from the exercise of the options will be used for the Company's general working capital requirements;
- (e) the terms and conditions of the options are set out in this Explanatory Statement and otherwise in Schedule 1 of this Explanatory Statement;
- (f) the value of the options and the pricing methodology has been provided by BDO Kendalls;

The exercise price and the exercise date for the options is shown below together with the estimated valuation based on the Black-Scholes option pricing model as calculated by BDO Kendalls:

	Number of options	Exercise Price	Expiry Date	Valuation per option
Dr Wolfgang Zimmer (or nominee)	2,000,000	\$0.30	24 months from issue	\$0.035
	1,500,000	\$0.35	36 months from issue	\$0.044
	1,500,000	\$0.40	48 months from issue	\$0.052
Mr Gary Roper (or nominee)	1,000,000	\$0.30	24 months from issue	\$0.035
Mr Paul Fink (or nominee)	1,400,000	\$0.30	24 months from issue	\$0.035
	1,050,000	\$0.35	36 months from issue	\$0.044
	1,050,000	\$0.40	48 months from issue	\$0.052
Ms Gillian Evans (or nominee)	1,400,000	\$0.30	24 months from issue	\$0.035
	1,050,000	\$0.35	36 months from issue	\$0.044
	1,050,000	\$0.40	48 months from issue	\$0.052

Assumptions made to determine the value of these options are an underlying share price of \$0.175 cents (based on the closing price of shares on the ASX at the date of valuation), a volatility value of 60% and a risk free interest rate (Commonwealth Government securities rate with a maturity date approximating that of the expiration period of the options) of 6.33% pa;

- (g) the remuneration and emoluments from the Company to the related parties for both the current financial year and the previous financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Dr Wolfgang Zimmer	\$295,000	-
Mr Gary Roper	\$141,700	\$141,700
Mr Paul Fink	\$250,000	-
Ms Gillian Evans	\$36,000	-

- (h) the effect of the grant of the options pursuant to Resolutions 1 to 4 on the capital structure of the Company is as follows:

Shares*	Listed	Unlisted options
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	options		
Existing securities on issue as at the date of this Notice	167,567,990	27,630,047	7,250,000
Number of options to be granted	-	-	13,000,000
Total securities after options granted	167,567,990	27,630,047	20,250,000

\*The shares on issue will increase with the exercise of these options which will have a dilutive effect on the shares held by each shareholder as follows:

	Number of options	Exercise Price	Dilutive Effect
Dr Wolfgang Zimmer (or nominee)	2,000,000	\$0.30	3%
	1,500,000	\$0.35	
	1,500,000	\$0.40	
Mr Gary Roper (or nominee)	1,000,000	\$0.30	0.6%
Mr Paul Fink (or nominee)	1,400,000	\$0.30	2.1%
	1,050,000	\$0.35	
	1,050,000	\$0.40	
Ms Gillian Evans (or nominee)	1,400,000	\$0.30	2.1%
	1,050,000	\$0.35	
	1,050,000	\$0.40	

- (h) the relevant interests of the related parties in shares and options in the Company are set out below (in the event Resolutions 1-4 are approved):

Director	Number of Shares	Number of Options	Expiry Date	Exercise Price
	Relevant Interest	Relevant Interest		
Dr Wolfgang Zimmer	7,802,734	2,000,000	24 months from issue	30 cents
		1,500,000	36 months from issue	35 cents
		1,500,000	48 months from issue	40 cents
Mr Gary Roper	8,328,732	1,000,000	31 December 2008	15 cents
		26,500	31 December 2008	20 cents
		1,000,000	24 months from issue	30 cents
Mr Paul Fink	1,900,000	1,400,000	24 months from issue	30 cents
		1,050,000	36 months from issue	35 cents
		1,050,000	48 months from issue	40 cents
Ms Gillian Evans	125,988	1,400,000	24 months from issue	30 cents
		1,050,000	36 months from issue	35 cents
		1,050,000	48 months from issue	40 cents

- (i) the market price for shares during the term of the options would normally determine whether or not the options are exercised. If, at the time any of the options are exercised, the shares are trading on ASX at a price that is higher than the exercise price of the options, there may be a perceived cost to the Company. Other than as set out in this Explanatory Statement, it is not considered that from an economic and commercial point of view there are any costs and detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company resulting from the issue of these options. Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision whether it is in the best interests of the Company to pass Resolutions 1, 2, 3 and 4.
- (j) over the last 12 months the lowest recorded price of the Company's shares in SEATS trading on ASX was \$.056 on 4 June 2007 and the highest was \$0.345 on 8 January 2008.

At the close of trading on 10 March 2008, the last day of trading prior to the lodgement of the Notice of General Meeting with the ASIC, the share price was \$0.17.

- (k) the primary purpose of the grant of the options to the related parties is to provide cost effective consideration to the related parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Board does not consider

that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options upon the terms proposed.

The issue of options to Directors is consistent with the Company's adopted Corporate Governance Principles.

The Company's adopted Corporate Governance Principle #9 "Remunerate Fairly and Responsibly" aims to:

- motivate Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework; and
- demonstrate a clear relationship between key executive performance and remuneration.

Further, non-executive director remuneration includes an incentive portion as considered appropriate by the Board and in this instance the Board has resolved to issue options to Ms Evans, who is a non-executive Director of the Company.

The Board acknowledges that the Company's policy of including an incentive component to non-executive director remuneration through the issue of options is contrary to ASX's Best Practice Recommendation Guideline 9.3 which provides that non-executive directors should be remunerated by fees and not by way of options and bonus payments. However, the Board considers that the incentive portion is targeted to add to shareholder value by the options having an exercise price greater than the market price of the Company's shares at the time of granting the options. This will ensure that shareholder value is increased prior to any benefit accruing to the non-executive Director.

- (l) those Directors who have no interest in the outcome of Resolution 1 (namely Mr Gary Roper, Mr Paul Fink and Ms Gillian Evans), recommend that shareholders vote in favour of Resolution 1 on the basis that the options to be granted provide Dr Zimmer with an appropriate incentive, and will recognise his contribution to the Company's success. Mr Roper, Mr Fink and Ms Evans considered the role that Dr Zimmer will perform in the Company when considering the number and exercise price of the options to be issued to Dr Zimmer. Dr Zimmer declines to make a recommendation in relation to this resolution as he has a direct personal interest in it;
- (m) those Directors who have no interest in the outcome of Resolution 2 (namely Dr Wolfgang Zimmer, Mr Paul Fink and Ms Gillian Evans), recommend that shareholders vote in favour of Resolution 2 on the basis that the options to be granted provide Mr Gary Roper with an appropriate incentive, and recognise his contributions to the Company's success. Dr Zimmer, Mr Fink and Ms Evans considered the role that Mr Roper will perform in the Company when considering the number and exercise price of the options to be issued to Mr Roper. Mr Roper declines to make a recommendation in relation to this resolution as he has a direct personal interest in it;
- (n) those Directors who have no interest in the outcome of Resolution 3 (namely Dr Wolfgang Zimmer, Mr Gary Roper and Ms Gillian Evans), recommend that shareholders vote in favour of Resolution 3 on the basis that the options to be granted provide Mr Paul Fink with an appropriate incentive, and recognise his contributions to the Company's success. Dr Zimmer, Mr Roper and Ms Evans considered the role that Mr Fink will perform in the Company when considering the number and exercise price of the options to be issued to Mr Fink. Mr Fink declines to make a recommendation in relation to this resolution as he has a direct personal interest in it; and
- (o) those Directors who have no interest in the outcome of Resolution 4 (namely Dr Wolfgang Zimmer, Mr Gary Roper and Mr Paul Fink), recommend that shareholders vote in favour of Resolution 4 on the basis that the options to be granted provide Ms Gillian Evans with an appropriate incentive, and recognise her contributions to the Company's success. Dr Zimmer, Mr Roper and Mr Fink considered the role that Ms Evans will perform in the Company when considering the number and exercise price of the options to be issued to Ms Evans. Ms Evans declines to make a recommendation in relation to this resolution as she has a direct personal interest in it.

#### **Resolution 5 – Issue of Options to Mr Andrew Childs**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue more than 15% of its capital in any 12 month period without shareholder approval.

To provide the Company with the flexibility to make future issues of securities within the 15% limit during the next 12 months, Resolution 5 seeks such shareholder approval to the issue to Mr Andrew Childs (or nominee) of 3,500,000 options to acquire a fully paid ordinary share in the capital of the Company. The purpose of the proposed grant of options to Mr Childs is consideration for consulting and corporate advice provided to the Company.

The following information is provided in compliance with the information requirements of ASX Listing Rule 7.3:

- (a) the maximum number of securities to be issued is 3,500,000 options each to acquire a fully paid ordinary share in the capital of the Company;

(b) the allottee of the options will be:

	Number of Options	Vesting Date	Exercise Price	Expiry Date
Mr Andrew Childs	1,400,000	12 months from issue	\$0.30	24 months from issue
(or nominee)	1,050,000	24 months from issue	\$0.35	36 months from issue
	1,050,000	36 months from issue	\$0.40	48 months from issue

- (c) the options will be granted for no cash consideration as they are being issued in consideration for consulting and corporate advice provided by Mr Childs to the Company;
- (d) the options will be otherwise issued on the terms set out in Schedule 1 of this Explanatory Statement;
- (e) the options will be issued no later than 3 months after the date of the Meeting and it is anticipated that all of the options will be granted on the same date;
- (f) each option will entitle Mr Childs (or nominee) to subscribe for and be allotted one fully paid ordinary share in the capital of the Company;
- (g) there will be no funds raised from the issue of the options as they are being granted to Mr Childs (or nominee) in consideration for consulting and corporate advice provided to the Company as per ASX release dated 25 February 2008. Any funds raised upon the exercise of the options will be used for working capital purposes; and
- (h) Mr Childs is not a related party of the Company.

#### Resolution 6 – Ratification of the Issue of Shares

ASX Listing Rule 7.1 provides that a company may not, subject to certain exceptions, issue more than 15% of its issued capital in any 12 month period without shareholder approval.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be treated as having been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

On 11 January 2008, the Company announced a share placement at 30 cents per share ("Placement"). A total of 12,939,930 shares have been issued pursuant to the Placement of which 12,469,930 shares were issued pursuant to approval given by the shareholders on 23 November 2007. The remaining 470,000 shares issued fell within the 15% limit permitted by ASX Listing Rule 7.1. Ratification of the issue of the 470,000 shares is now sought pursuant to ASX Listing Rule 7.4 in order to restore the Company's ability to issue further shares within the 15% limit during the next 12 months.

In compliance with the information requirements of ASX Listing Rule 7.5:

- (a) on 24 January 2008 200,000 shares were allotted and issued at an issue price of \$0.30 per share and on 4 February 2008 270,000 shares were allotted and issued at an issue price of \$0.30 per share;
- (b) the shares were issued as follows:

Allottees	Number of Shares
Mr Paul Damien Fry	200,000
Mr Chris Chouker	270,000
	<b>470,000</b>

- (c) all shares issued pursuant to the Placement were issued and credited as fully paid ordinary shares in the capital of the Company and rank equally with all existing shares on issue;
- (d) none of the parties issued shares pursuant to the Placement are related parties of the Company; and
- (e) funds raised from the issue of the shares pursuant to the Placement will be used:
- for the Company's Chorbane and Kerkouane acquisition in Tunisia; the Pantelleria acquisition in Italy and the South Craiova acquisition in Romania; and

- to meet the Company's costs related to the Cooper Basin project,  
with the remainder of the funds raised to be applied towards working capital.

#### **Resolution 7 – Approval of Future Issue of Shares**

ASX Listing Rule 7.1 provides that a company may not, subject to certain exceptions, issue more than 15% of its issued capital in any 12 month period without shareholder approval.

To provide the Company with the flexibility to make future issues of securities during the next 3 months, Resolution 7 seeks such shareholder approval to the issue of up to a maximum of 15,000,000 fully paid ordinary shares, representing xxx% of the Company's current issued capital.

In compliance with the information requirements of ASX Listing Rule 7.3:

- (a) the maximum number of securities that may be issued is 15,000,000 fully paid ordinary shares in the capital of the Company;
- (b) the shares will be issued at a price of at least 85% of the average market price of the Company's shares as traded on ASX over the 5 day period preceding the date of issue of the shares or, if the shares are offered pursuant to a prospectus, at least 85% of the average market price of the Company's shares as traded on ASX over the 5 day period preceding the date of issue of the prospectus;
- (c) the shares will be issued no later than 3 months after the date of the Meeting or such later date as may be permitted by any ASX waiver or modification of the Listing Rules;
- (d) the shares, when issued, will rank equally with the Company's existing shares;
- (e) all shares the subject of this resolution will be allotted on the same date;
- (f) the identity of the allottees of the shares is not yet known and will be determined at the Directors' discretion but these persons will not be related parties of the Company; and
- (g) the Company intends to use the funds raised from the issue of the shares pursuant to this resolution for working capital and the exploration of the newly acquired projects including Kerkouane and Chorbane in Tunisia, Pantelleria in Italy and South Craiova in Romania and to meet the Company's costs related to the Cooper Basin project.

#### **Resolution 8 – Directors' Remuneration**

Clause 10.2 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

Resolution 8 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the Directors by \$111,000 to \$150,000.

The Directors believe that it is prudent to seek approval for an increased amount of fees that may be paid to non-executive directors as this will give the Company the flexibility to appoint new high caliber non-executive directors, if required, and enable the Company to pay both the existing non-executive director and any new non-executive directors at competitive market rates.

The total aggregate fixed sum per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

#### **Recommendations**

The Board believes that the Resolutions proposed at this General Meeting are in the best interests of the Company and (except where otherwise stated) unanimously recommend that shareholders vote in favour of each resolution.

#### **Enquiries**

Shareholders are invited to contact the Company Secretary Mr Peter Ironside, on (08) 9328 4622 if they have any queries in respect of the matters set out in these documents.

## SCHEDULE 1

### TERMS AND CONDITIONS OF OPTIONS (RESOLUTIONS 1 TO 5)

Each option entitles the holder to acquire one ordinary fully paid share in the Company ("Share") on the following terms and conditions:

- (a) Each option gives the holder the right to subscribe for one Share. To obtain the right given by each option, the holder must exercise the options in accordance with the terms and conditions of the option;
- (b) the options are transferable at the discretion of the Board;
- (c) if the option holder holds more than one option, all or any of the options may be exercised from time to time by notice given in writing to the Company received prior to the expiry date together with the exercise price paid in full by cheque, or such other means of payment acceptable to the Directors;
- (d) in the event of any reorganisation of the capital of the Company, the number of options or the exercise price of the options or both shall be reorganised (as appropriate) in accordance with the ASX Listing Rules;
- (e) upon exercise of the options the shares issued will rank *pari passu* with existing ordinary fully paid shares;
- (f) the options will not be quoted on ASX unless the Company (in its discretion and subject to the ASX Listing Rules) seeks to do so. However, the Company will make application to ASX for the quotation of the Shares issued on the exercise of the options, and issue a holding statement, within 3 Business Days after issue of those Shares;
- (g) if there is a *pro rata* issue (except a bonus issue) to holders of Shares, the exercise price of an option may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2; and
- (h) if there is a bonus issue to holders of Shares, the number of Shares over which the option is exercisable may be increased by the number of Shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
- (i) there is no inherent right in the options to participate in any new issue of securities which may be offered to Shareholders from time to time prior to the exercise of the options. The Company will ensure that during the exercise period, for the purpose of determining entitlements to any such new issue, the books closing date will be at least 7 Business Days after such new issue is announced and that the holder will be given written notice on the day of such announcements. This will give the holder the opportunity to exercise the options prior to the books closing date of any such new issues
- (j) unless the Directors in their absolute discretion determine otherwise, the options shall lapse upon the earlier of:
  - a. close of business on the expiry date of the option;
  - b. the expiry of 30 days after the option holder ceases to be a Director or consultant by any reason, other than those listed in (c) to (e) below;
  - c. the expiry of 1 year after the optionholder ceases to be a Director or consultant by reason of death or permanent disability;
  - d. the expiry of 60 days after the optionholder ceases to be a Director or consultant of the Company by reason of retirement or redundancy; and
  - e. a determination by the Directors that the optionholder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or a Related Body Corporate.
- (k) if during the vesting period, the Company is the subject of change of control, then the options will automatically vest whether their applicable vesting period has ended and whether they remain subject to any exercise conditions. The option holder will then have the following time period to exercise the options:
  - a. other than a change of control in relation to a scheme of arrangement described below, during the period of 3 months after:
    - i. the day on which a person's voting power in the Company increases to 30% or more (whether under a takeover bid or otherwise); or
    - ii. the day on which the Board resolves that it considers that a person who previously had not been in a position to do so, is in the position, directly or indirectly, either alone or with associates, to remove one half or more of the Directors; and
  - b. where a compromise or arrangement between the Company and its members under Part 5.1 of the Corporations Act, which, if implemented, will result in the amalgamation of the Company with any other body corporate or one person becoming, whether directly or indirectly, legally or beneficially entitled to 50% or more of the share capital of the Company (Scheme), is approved by the members of the Company, the Options will be exercisable from the day on which the Company issues a notice of meeting for a meeting of members to approve the Scheme and ending on the date resolved by the Board, and if no such resolution is made, ending on the day that is 3 Business Days prior to the record date for determining entitlements to participate in the Scheme.

# GENERAL MEETING

## PROXY FORM

### APPOINTMENT OF PROXY

I/We

being a Member of AuDAX Resources Ltd entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at the The Pavillion Room, Seasons of Perth, 37 Pier Street, Perth, Western Australia on Friday 18<sup>th</sup> April 2008 at 10:00 am (WST) and at any adjournment thereof.

#### Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of options to Dr Wolfgang Zimmer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of options to Mr Gary Roper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of options to Mr Paul Fink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of options to Ms Gillian Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of options to Mr Andrew Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of the issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Future issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Directors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### IMPORTANT FOR ALL RESOLUTIONS

If the Chairman of the meeting is your proxy (or may be appointed by default) and you have not directed your proxy how to vote on any of the Resolutions above, please place a mark in this box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on the Resolutions, and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman intends to vote undirected proxies in favour of all of the resolutions.

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

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

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## Instructions for Completing 'Appointment of Proxy' Form

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

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.