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# Karoon Gas Australia Ltd ACN 107 001 338

## Employee Share Option Plan Rules

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### Background

- A. The directors of the Company seek to reward past contributions of Eligible Employees and provide an incentive for future performance.
- B. The Plan provides a mechanism for the Company to issue Options to Eligible Employees entitling them to an option to be issued Shares and incentivising them to advance the interests of the Company and its shareholders.

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### 1. Purpose of the Plan

The purpose of the Plan is to:

- 1.1 attract and retain quality Eligible Employees;
- 1.2 motivate Eligible Employees by enabling them to share in any growth in the value of the Company and encouraging them to improve the longer term performance of the Company and its returns to shareholders;
- 1.3 advance the interests of all shareholders by motivating the Eligible Employees and encouraging growth; and
- 1.4 provide a mechanism for Eligible Employees to share the rewards of the success of the Company through the issuance of Options.

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### 2. Commencement and operation of the plan

#### 2.1 Commencement

The Plan will commence operation on the date determined by the Board.

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### 3. Offer of Options

#### 3.1 Board discretion

Subject to these rules, the Board may in its absolute discretion from time to time make Offers to any Eligible Employee on the terms set out in this Plan and subject to any Performance Conditions and any additional conditions the Board determines.

#### 3.2 Form of Offer

The Board will make an Offer on terms which the Board may, in its discretion from time to time, determine. Any Offer will state:

- 3.2.1 the maximum number of Options offered;
- 3.2.2 the period for acceptance of the Offer;
- 3.2.3 any Performance Conditions and any other specific terms and conditions applicable to each Option and to the Offer;
- 3.2.4 the Expiry Date;
- 3.2.5 the Exercise Price or the manner for determining the Exercise Price; and
- 3.2.6 any Disposal Restrictions that apply to any Shares that are acquired as a result of the exercise of each Option.

#### 3.3 Accompanying documents

The Offer must be accompanied by these rules and any other documents and information or undertakings required by ASIC or under the Corporations Act.

#### 3.4 Number of Options

The number of Options offered to an Eligible Employee shall be determined by the Board.

#### 3.5 Exercise Price

Subject to rule 3.6 and any adjustment under rule 12, the Exercise Price in respect of an Option shall be such amount (if any) as the Board determines at the time of the grant of the Option.

#### 3.6 Minimum Exercise Price

The Exercise Price in respect of an Option must not be less than the Minimum Price.

#### 3.7 Offers personal

Subject to rule 3.8, an Offer is personal to the Eligible Employee to whom it is made and, accordingly, Options may be granted only to the Eligible Employee to whom the Offer is made.

#### 3.8 Nominee

3.8.1 Upon receipt of an Offer, an Eligible Employee may, by notice in writing to the Board, nominate an Associate of the Eligible Employee (**Nominee**) in whose favour the Eligible Employee wishes to renounce the Offer.

3.8.2 Where an Eligible Employee provides a nomination in accordance with rule 3.8.1, the Board may decide, in its absolute discretion, whether or not to accept that renunciation in favour of a Nominee.

3.8.3 Where the Board accepts a nomination provided in accordance with rule 3.8.1, the Eligible Employee remains bound by these rules and must procure that the Nominee agrees to be bound by these rules, with all references to an Eligible Employee or Participant (as the case may require) to be read as a reference to the Nominee.

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### 4. Acceptance of offer

#### 4.1 Form of acceptance

An Eligible Employee who receives an Offer may accept it by delivering written notice of acceptance of the Offer to the Company (**Applicant**). An Offer may be accepted in whole or in part. An Offer not accepted by the Eligible Employee will lapse unless the Board determines otherwise.

#### 4.2 When Offer may not be accepted

An Offer cannot be accepted, and no Options will be issued, if at the date the Offer would otherwise be accepted:

- 4.2.1 the Applicant is no longer an Eligible Employee;
- 4.2.2 the Applicant has given notice of his or her resignation as an Eligible Employee; or
- 4.2.3 the Applicant has been given notice of dismissal from employment by a Group Company.

#### 4.3 Continue eligibility

No Options will be issued by the Company if, after acceptance of the Offer but prior to the grant of Options, any of the matters in clause 4.2 are applicable at any time to the Applicant.

#### 4.4 Participant bound by rules

On delivery to the Company of written notice of acceptance of the Offer and acceptance of the application by the Company an Applicant becomes a Participant and is bound by these rules.

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### 5. Grant of Options

#### 5.1 Grant of Options

Subject to rule 4.2, the Company shall, within five business days, after receiving a written notice of acceptance from an Applicant, grant to the Applicant the Options the subject of the acceptance.

#### 5.2 Certificates

The Company may issue to a Participant one or more certificates evidencing the Options granted to the Participant and setting out:

- 5.2.1 the number of Options granted;
- 5.2.2 the date of the grant;
- 5.2.3 any Performance Conditions;
- 5.2.4 the Expiry Date; and
- 5.2.5 any other relevant conditions to be attached to the Options or the Shares.

#### 5.3 No consideration

Subject to the Board's discretion to require payment of nominal consideration for the grant of an Option, no consideration will be payable on the grant of an Option.

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### 6. Nature of Options

#### 6.1 One Share per Option

Each Option entitles the Participant who is the holder to subscribe for and be issued or transferred one Share at the Exercise Price.

#### 6.2 Nature of Options

Except as otherwise provided for in the Plan, nothing in the Plan:

- 6.2.1 confers on any Employee the right to receive an Offer;
- 6.2.2 confers on any Participant the right to continue as an Employee;
- 6.2.3 affects any rights which a Group Company may have to terminate the employment of any Participant;
- 6.2.4 may be used to increase damages in any action brought against a Group Company in respect of a termination of any Participant's employment; or
- 6.2.5 gives an Eligible Employee a legal or beneficial interest in any Share, other security or other property by virtue of acquiring or holding an Option.

#### 6.3 Options not quoted

The Company will not seek official quotation of any Options.

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### 7. Vesting of Options

#### 7.1 Vesting

7.1.1 Unless otherwise determined by the Board, an Option (which has not otherwise lapsed in accordance with rule 8) will vest in a Participant:

- (a) on any date after the third anniversary of the Grant Date, provided that the Performance Conditions notified to the Participant by the Board pursuant to rule 3.1 and 3.2.3 are satisfied or waived by the Board; or

- (b) where the Option vests in accordance with rule 7.2 or 7.3.

7.1.2 The Board will notify a Participant within a reasonable time after an Option has vested and the date that vesting occurred.

7.1.3 Unless otherwise determined by the Board, a Participant may only exercise a vested Option (that has not otherwise lapsed in accordance with rule 8) within 2 years of the date that the Option vests as notified by the Board.

#### 7.2 Accelerated Vesting

7.2.1 The Board may, in its absolute discretion, determine that all or a specified number of a Participant's unvested Options vest where:

- (a) the Participant dies;
- (b) the Participant ceases to be employed by a Group Company, by reason of Redundancy, Retirement, Retrenchment or Total and Permanent Disability; or
- (c) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

7.2.2 If within 30 days of an event occurring under rule 7.2.1 the Board determines that any Option does not vest, or where no determination is made, the Option will lapse, unless the Board determines otherwise.

#### 7.3 Takeover Bid and change of Control events

If the Board determines that:

- 7.3.1 there has been a change of Control of the Company;
- 7.3.2 the replacement of a majority of the Board is imminent; or
- 7.3.3 a bidder who did not have a Relevant Interest in more than 50% of the Company's issued Shares has acquired (or become entitled to acquire) a Relevant Interest in more than 50% of the Company's issued Shares, whether by Takeover Bid or otherwise,

then, unless otherwise determined by the Board, the Company may notify each Participant in writing that a percentage amount of his or her unvested Options have vested on the basis of the pro-rata achievement of the Performance Conditions and, upon receipt of that notice, the Participant may exercise all or any of his or her Options up to the amount of Options specified in the notice and in accordance with rule 10.

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### 8. Lapse of Options

#### 8.1 Unvested Options

An Option that has not vested will lapse upon the earliest of:

- 8.1.1 a failure to meet the Performance Conditions by the dates or times specified in those conditions;
- 8.1.2 the Expiry Date;
- 8.1.3 the Option lapsing in accordance with rule 9.2 due to an authorised dealing with the Option;
- 8.1.4 the date the Board determines that the Option will lapse because the Participant (in the Board's opinion):
  - (a) has breached a material obligation under the Plan;
  - (b) has committed an act of fraud or serious misconduct in relation to the affairs of a Group Company (whether or not charged with an offence) or gross dereliction of duty;
  - (c) has become insolvent, declared himself or herself or become bankrupt or entered into administration or does something or has something done which prevents the Participant from or may result in the Participant being unable to properly perform his duties; or

(d) has done any act which brings or could bring a Group Company into disrepute; and

8.1.5 the Participant ceasing to be an Employee of a Group Company (unless the Participant ceases to be employed by a Group Company, by reason of the Participant's death, Redundancy, Retirement, Retrenchment or Total and Permanent Disability); and

8.1.6 the fifth anniversary of the Grant Date.

## **8.2 Vested Options**

An Option that has vested but not been validly exercised will lapse upon the earlier to occur of:

8.2.1 the Expiry Date;

8.2.2 the Participant ceasing to be an Employee (unless the Participant ceases to be employed by a Group Company, by reason of the Participant's death, Redundancy, Retirement, Retrenchment or Total and Permanent Disability);

8.2.3 the Option lapsing in accordance with rule 9.2 due to an unauthorised dealing with the Option;

8.2.4 the date the Board determines that the Option will lapse because the Participant (in the Board's opinion):

(a) has breached a material obligation under the Plan;

(b) has committed an act of fraud or serious misconduct in relation to the affairs of a Group Company (whether or not charged with an offence) or gross dereliction of duty;

(c) has become insolvent, declared himself or become bankrupt or entered into administration or does something or has something done which prevents the Participant from or may result in the Participant being unable to properly perform his duties; or

(d) has done any act which brings a Group Company into disrepute; and

8.2.5 the fifth anniversary of the Grant Date.

## **8.3 Cessation of rights**

On an Option lapsing, all rights of a Participant in respect of the Option shall cease.

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## **9. Dealings with Options**

### **9.1 No dealing in Options**

A Participant must not, without the prior approval of the Board, dispose of, grant any Security Interest over or otherwise deal with any Options or any interest in any Options, and any such Security Interest or disposal or dealing will not be recognised by the Company.

### **9.2 Options lapse on unauthorised dealings**

Where the Participant purports to deal in an Option other than in accordance with rule 9.1 the Option immediately lapses.

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## **10. Exercise of Options**

### **10.1 Form of exercise**

An Option which has vested and has not lapsed may be exercised by the Participant delivering to the Company Secretary:

10.1.1 an Exercise Notice signed by the Participant and the Certificate or Certificates (if any); and

10.1.2 the subscription monies for the relevant Shares being the number of Options exercised by the Participant multiplied by the Exercise Price.

## **10.2 Multiples**

A Participant must exercise Options in multiples of 1,000 or such other multiple as the Board determines and notifies to the Participant unless the Participant exercises all Options to be exercised by him or her at the time.

## **10.3 Multiple exercise**

The exercise by a Participant of only some of the Options held by the Participant shall not affect the Participant's right to exercise its other Options at a later date.

## **10.4 Death or incapacity**

If a Participant dies or becomes legally incapacitated before the Options granted to that Participant lapse, the Participant's Legal Personal Representative may exercise the Participant's rights under the Plan and shall be deemed to be a Participant for the purposes of these rules, subject to the prior production to the Company of such evidence as would be required to permit the Legal Personal Representative to become registered as a shareholder in respect of Shares held by the Eligible Employee.

## **10.5 Certificates**

Where a Participant submits an Exercise Notice in respect of the Options covered by a Certificate, the Company shall cancel that Certificate and, if any Options which have not lapsed remain unexercised, may issue a Certificate which evidences the remaining number of Options held by the Participant.

## **10.6 Issue of Shares**

Subject to these rules and the Listing Rules, the Company must issue or transfer a Share on exercise of an Option within a reasonable time after a Participant validly exercises an Option in accordance with these rules.

## **10.7 Shares rank equally**

Shares issued or transferred to the Participant on the exercise of Options will rank equally with all existing Shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

## **10.8 Quotation of Shares**

The Company shall apply to ASX for quotation of Shares issued on exercise of Options if other Shares of the Company are officially quoted at that time, but quotation of such Shares cannot be guaranteed.

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## **11. Restriction on disposal of shares**

### **11.1 Restriction period**

The Board may impose conditions on the sale, transfer, disposal or other dealings with any Share acquired through the exercise of an Option.

### **11.2 Enforcement of Restriction Period**

The Company may implement any procedure it considers appropriate or desirable for the purpose of preventing a contravention of rule 11.1. Without limiting the generality of the foregoing, the Company may refuse to register a transfer of Shares acquired by a Participant under the Plan that would involve a contravention of rule 11.1 and may instruct its share registry to apply a Holding Lock to the Shares while the Shares are subject to the restriction on disposal under rule 11.1.

### **11.3 No disposal during Trading Halt**

If the shares of the Company are subject to a Trading Halt applied by ASX, the Participant must not sell, transfer, dispose of or otherwise deal with any Share acquired as a result of the exercise of that Option until the end of the Trading Halt.

#### 11.4 Enforcement of Trading Halt

The Company may implement any procedure it considers appropriate or desirable for the purpose of preventing a contravention of rule 11.3. Without limiting the generality of the foregoing, the Company may refuse to register a transfer of Shares acquired by a Participant under the Plan that would involve a contravention of rule 11.3 and may instruct its share registry to apply the Holding Lock to the Shares for the duration of the Trading Halt.

### 12. New issues, reconstructions of capital and external opportunities

#### 12.1 Participation in new issues

12.1.1 Participants will not be entitled to participate in any new issue of securities in the Company unless:

- (a) their Options have vested under the Plan; and
- (b) they have exercised their Options in accordance with rule 11.1 prior to the record date for the determination of entitlements to the new issue and participate as a result of being holders of Shares.

12.1.2 The Company must give to Participants in accordance with the Listing Rules, notice of any issue of securities before the record date for determining entitlements to the issue.

#### 12.2 Bonus issues

If the Company makes (whether before or after the Options have vested) 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) and no Share has been acquired in respect of an Option before the record date for determining entitlements to the bonus issue, then the number of Shares the subject of the Option shall be:

12.2.1 increased by the number of Shares which the Participant would have received if the Participant had exercised the Option prior to such record date; or

12.2.2 adjusted in a manner determined by the Board and in accordance with the Listing Rules, in order to minimise or eliminate any material advantage or disadvantage to an Eligible Employee.

#### 12.3 Pro rata issues

If the Company makes a pro-rata issue of Shares (except a bonus issue) to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, the Exercise Price of the Option shall be reduced in accordance with the Listing Rules.

#### 12.4 Reorganisations

If there is any reorganisation of capital of the Company (whether before or after the Performance Rights have vested) then the number of Options to which each Participant is entitled will be adjusted in a manner determined by the Board and in accordance with the Listing Rules, in order to minimise or eliminate any material advantage or disadvantage to an Eligible Employee.

#### 12.5 Fractions

For the purposes of this rule 12, if Options are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlements of a Participant.

#### 12.6 New Options on same terms as existing Options

For the purposes of this rule 12, if any Options are granted to an Eligible Employee due to an adjustment, those Options will be subject to the same terms and conditions as the original Options, including without limitation, any Vesting Condition.

#### 12.7 Participation in external opportunities

If, during the life of any Option, securities of any other corporation are offered or otherwise made available to the Company's shareholders generally, the Company will use its best endeavours to ensure that the Eligible Employee is given an opportunity to participate on the same basis as if he or she had then held the Shares the subject of the Options.

#### 12.8 Board decisions final

Any calculations or adjustments which are required to be made under this rule 12 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Participant.

### 13. Administration of the Plan

#### 13.1 Administration

The Plan shall be administered by the Board which has the power to:

- 13.1.1 determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these rules;
- 13.1.2 resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- 13.1.3 terminate or suspend the operation of the Plan at any time, provided this termination or suspension does not adversely affect the rights of Participants holding Options at that time;
- 13.1.4 delegate such functions and powers as it may consider appropriate for the efficient administration of the Plan to any person or persons capable of performing those functions and exercising those powers; and
- 13.1.5 take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these rules.

#### 13.2 No contravention of the Corporations Act or the Listing Rules

Notwithstanding the terms of this Plan or the terms or conditions of any Offer or Option, no Option may be offered, granted or exercised if to do so would contravene the Corporations Act or the Listing Rules.

#### 13.3 Board determinations

Where these rules provide for a determination, decision, approval or opinion of the Board, such determination, decision, approval or opinion may be made or given by the Board in its absolute discretion.

#### 13.4 Rules for Eligible Employees outside of Australia

The Board may grant Options to Eligible Employees who are resident outside of Australia, and make rules, determine procedures and prepare documentation for the operation of the Plan which are not inconsistent with these rules to apply to Eligible Employees who are resident outside of Australia.

#### 13.5 No fiduciary duties

Any power or discretion which is conferred on the Board by these rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising such power or discretion, under any fiduciary or other obligation to any other person.

## 13.6 Cost of administration

The Company shall pay all expenses, costs and charges incurred in its administration of the Plan.

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## 14. Amendment to Rules

### 14.1 Amendment

Subject to the Listing Rules, the Board may at any time amend any of these rules or waive or modify the application of any of these rules in relation to any Participant.

### 14.2 Effect on outstanding Options

If the Board so determines, any amendment will apply to any outstanding Options as at the date on which the amendment has effect. No amendment will apply to any outstanding Options if such amendment would have a material adverse effect on the Participant (in respect of his or her outstanding Options) except where the purpose of the amendment is to ensure compliance with the Corporations Act or the Listing Rules.

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## 15. Rights and obligations of participants

### 15.1 Other schemes

Participation in the Plan does not affect, and is not affected by, participation in any other scheme operated by a Group Company unless the terms of that other scheme provide otherwise.

### 15.2 Notice of changes

The Company must give to each Participant in accordance with the Listing Rules notice of any change to the terms of any Options held by the Participant, to the Exercise Price or to the number of Shares which the Participant is entitled to subscribe for on exercise of an Option.

### 15.3 No interest in Shares

A Participant shall have no interest in a Share the subject of an Option held by the Participant unless and until the Share is issued or transferred to that Participant under these rules. An Eligible Employee's rights under the Plan are purely personal and contractual.

### 15.4 Tax

A Participant is responsible for any Tax liability arising in relation to any aspect of the Plan or its rights under it. No Group Company shall have any responsibility for any Tax assessed on any Participant in relation to any aspect of the Plan or its rights under it.

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## 16. Notices and service

Notices may be given by the Company to Participants in such manner as the Board may from time to time determine. Any notice required to be given to an Eligible Employee under these rules shall be deemed to have been given if served personally on the Eligible Employee or left at his or her last known place of residence.

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## 17. Governing law and jurisdiction

These rules and the rights and obligations of Participants are governed by the laws of the State of Victoria. Each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of Victoria and courts entitled to hear appeals from those courts.

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## 18. Advice

Eligible Employees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

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## 19. Former plans

The Plan replaces the 2009 Employee Share Option Plan. The Plan does not vary the terms of any options issued under the 2006 Plan or 2009 Plan. Consequently,

19.1 an option issued under the 2006 Plan shall be interpreted according to the terms and conditions of the 2006 Plan; and

19.2 an option issued under the 2009 Plan shall be interpreted according to the terms and conditions of the 2009 Plan.

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## 20. Definitions and Interpretation

### 20.1 Definitions

In this document unless expressed or implied to the contrary:

**2006 Plan** means the 2006 Karoon Gas Australia Employee Share Option Plan which was approved by the Shareholders in a general meeting of shareholders on 3 November 2006.

**2009 Plan** means the 2009 Karoon Gas Australia Employee Share Option Plan which was approved by the Shareholders in a general meeting of shareholders on 12 November 2009.

**Associate** has the meaning given in Section 318 of the Income Tax Assessment Act 1936 (Cth).

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means all or some of the directors of the Company acting as a board or, where appropriate, a committee of the Board.

**Certificate** means the Options Certificate issued pursuant to rule 5.2 in the form approved by the Board from time to time or, if the Board has determined that Options will be uncertificated, then the statement issued to the Participant which discloses the number of Options entered in the register of rights holders in respect of the Participant.

**Company** means Karoon Gas Australia Ltd ACN 107 001 338.

**Constitution** means the constitution of the Company.

**Control** has the meaning given in section 50AA of the Corporations Act.

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

**Disposal Restrictions** means, in relation to an Offer, a term that restricts a Participant from disposing of Shares issued or transferred to the Participant as a result of an exercise of Options the subject of the Offer for a period of time, as determined by the Board in its absolute discretion and as specified in the Offer.

**Eligible Employee** means:

- (a) a full-time or part-time employee of a Group Company; or
- (b) a director of a Group Company;.

**Expiry Date** means the date set out in the Offer on which an Option lapses (if it has not otherwise lapsed in accordance with the Plan).

**Exercise Notice** means a duly completed and executed notice of exercise of an Option by a Participant, in the form approved by the Board from time to time.

**Exercise Price** means, subject to rule 3.6, the amount payable by the holder on the exercise of an Option which amount shall, subject to the Listing Rules, be determined at the discretion of the Board.

**Grant Date** means the date on which the Board grants the Option to the Eligible Employee.

**Group** means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan and **Group Company** means any one of them.

**Holding Lock** has the meaning given to that term in Chapter 19 of the Listing Rules.

**Legal Personal Representative** means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by a person.

**Listing Rules** means the official listing rules of the ASX as they apply to the Company from time to time.

**Minimum Price** means, in respect of an Option:

$$WP \times 1.00$$

where WP is the weighted average of the prices at which Shares were traded on the ASX during the period of 5 days up to and including the day upon which the Exercise Price for that Option is to be determined.

**Offer** means an offer of Options to an Eligible Employee by the Company.

**Option** means an option granted to a Participant under the Plan to subscribe for a share subject to satisfaction of any Performance Conditions and the corresponding obligation of the Company to provide the Share, pursuant to a binding contract made by the Company and an Eligible Employee in the manner set out in these rules.

**Participant** means a person who holds Options granted under this Plan.

**Performance Conditions** means one or more conditions which must be satisfied or waived before the Option vests in the holder, as determined by the Board.

**Plan** means the plan established and operated by these rules and known as the Karoon Gas Australia Employee Share Option Plan, subject to any amendments or additions made under rule 14.

**Redundancy** means termination of the employment of an Eligible Employee by a Group Company due to economic, technological, structural or other organisational change where through no act or default of the Eligible Employee:

- (a) the Group Company no longer requires the duties and responsibilities carried out by the Participant to be carried out by anyone; or
- (b) the Group Company no longer requires the position held by the Participant to be held by anyone.

**Retirement** means, in relation to a Participant, the termination of the Participant's employment or directorship with any Group Company by reason of the attainment of such age as the Group Company may from time to time specify as the age for retirement for the Participant or such earlier age as the Group Company may in its absolute discretion approve.

**Retrenchment** means, in relation to a Participant, the termination of employment or directorship of the Participant as a result of a reconstruction or sale of part or all of the business of the Group in circumstances where the Board is satisfied that there is no continuing employment or directorship role for the Participant.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Subsidiary** means a body corporate of which the Company is a holding company within the meaning given in the Corporations Act.

**Takeover Bid** has the meaning given in section 9 of the Corporations Act.

**Tax** includes any tax, levy, impost, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing.

**Trading Halt** means any period in which the ASX applies a period during which no trading may take place in the Company's securities.

**Total and Permanent Disablement** means the termination or cessation of a Participant's employment with a Group Company as a result of total and permanent disablement as determined by the Board.

## 20.2 Interpretation

In these rules, unless a contrary intention appears:

20.2.1 headings are for convenience only and do not affect the interpretation of the Plan unless the context requires otherwise;

20.2.2 any reference in these rules to any enactment or the Listing Rules includes a reference to that enactment or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced and to all regulations or instruments issued under it;

20.2.3 any words denoting the singular include the plural and words denoting the plural include the singular;

20.2.4 any words denoting one gender include the other gender;

20.2.5 where any word or phrase is given a definite meaning in these rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;

20.2.6 a reference to a power, right or discretion being exercisable by the Board is taken to be a reference to that power, right or discretion being exercisable by a delegate of the Board; and

20.2.7 a reference to a person includes the legal representatives, successors and assigns of that person.

## 20.3 Primary Instruments

These rules are to be interpreted subject to the Constitution, the Listing Rules, the Corporations Act and any other applicable laws.

Dated: 30<sup>th</sup> November 2016