

OIL BASINS LIMITED
(ACN 006 024 764)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF MEMBERS OF OIL BASINS LIMITED (ACN 006 024 764) ("COMPANY") WILL BE HELD AT THE INSTITUTE OF CHARTERED ACCOUNTANTS, LEVEL 3, 600 BOURKE STREET, MELBOURNE, VICTORIA 3000 ON 22 NOVEMBER 2006 AT 11.00AM (AEST)

AGENDA

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions as an ordinary Resolution or as a special resolution as set out below.

1. Financial Statements and Reports

To receive and consider the Balance Sheet of the Company as at 30 June 2006, the Income Statement of the company for the year ended on that date, together with the reports of Directors and Auditors thereon.

2. Remuneration Report

To adopt the remuneration report forming part of the Directors' Report for the financial year ended 30 June 2006.

(Please note that a vote on this resolution is advisory only and does not bind the Directors or the Company.)

3. Re-election of Director

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

That Mr Graeme Alan Menzies, being a Director of the Company, who retires pursuant to the Constitution of the Company and being eligible for re-election offers himself for re-election, is hereby re-elected as a Director of the Company.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as a special resolution.

4. Adoption of New Constitution

"That, in lieu of the present Constitution of the Company, there be adopted as the Constitution of the Company, a constitution in the form of the proposed constitution marked with the letter "F", a copy of which constitution shall be tabled at the meeting and marked with the letter "F" and signed by the Chairman for the purposes of identification."

By Order of the Board of
Oil Basins Limited



Mr Kim McGrath
Chairman

Dated: 11 October 2006

EXPLANATORY NOTES

1. The Company's annual Financial Report and the reports of the Directors and Auditor thereon

The Directors will table, for the consideration of members, the Company's annual Financial Report and the reports of the Directors and Auditor thereon, for the year ended 30 June 2006, all of which accompany the Notice of Annual General Meeting.

2. Adoption of the Remuneration Report for the year ended 30 June 2006.

The Corporations Act 2001 requires listed companies to put to shareholders at the Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report. Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the Annual General Meeting. As stated, the resolution is non-binding.

3. Re-election of Directors

The Constitution of the Company requires that at every annual general meeting, one-third or the next highest number nearest one-third of the Directors, shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Menzies is a Director of the company, and being eligible, offers himself for re-election.

4. Adoption of New Constitution

This resolution is a special resolution that proposes that a new Constitution be adopted to update the existing Constitution. The proposed constitution is compliant with the provisions of the Listing Rules and contains provisions consistent with Appendix 15A of the Listing Rules that, in summary, provide that in the event of a conflict between the Listing Rules and the constitution, the Listing Rules will prevail.

The substantive rights attaching to ordinary shares in the capital of the Company will not be modified by the adoption of a new constitution. The changes from the present constitution (adopted in 2004) are minor other than for the inclusion of provisions permitting the Company to issue redeemable cumulative preference shares. Apart from inclusion of terms for preference shares as set out below the primary changes are change of the name of the Company to its present name and to recognise that proprietary companies may now have a sole director without a secretary and to provide that proxies from such entities will be valid with one signature without compliance with Section 127 of the Corporations Act 2001.

The proposed terms of the preference shares are as follows:

The Preference Shares shall be issued and allotted on the following terms and conditions and the holders shall have the following rights. The terms and conditions attaching shall be set out in the Constitution of the Company and are as follows:

- (a) *The holders of a Preference Share shall have the right to receive a cumulative fixed preferential dividend which shall be a rate of not less than 1% above the cash rate determined by the Reserve Bank of Australia as in force at the time of allotment of the Preference Share (or such higher rate as may be determined by the Board of Directors of the Company at the time of allotment) on the issue price of the Preference Share and which may by the terms of allotment as shall be determined by the directors as set out in (b) below but such Preference Share shall have no further right to participate in the profits or assets of the Company whether surplus or otherwise;*
- (b) *the directors may determine:*
 - (i) *at the directors' discretion, a specific date on which any Preference Share may become redeemable;*
 - (ii) *the issue price of the Preference Share or, in the case where the Preference Share is issued to the trustee as trustee under a scheme of arrangement as referred to below, price below which the Preference Share is not to be sold by the trustee subject always to the specific provisions of the scheme and the trustees powers of sale thereunder;*
 - (iii) *the rate of dividend which shall be payable on the issue price of the Preference Share; either at the time of issue and allotment of the Preference Share or, if the Preference Share shall be issued and allotted to a trustee on trust for sale pursuant to the terms of a deed of covenant to be entered into by the Company and the trustee holding or to hold the Preference Share on trust for sale in accordance with the terms of a scheme of arrangement to be implemented pursuant to the provisions of the Corporations Act 2001 ("the Act") then at the time at which the directors of the Company resolve to request such trustee to exercise its power of sale pursuant to any such deed of covenant and scheme of arrangement.*

It is a term of the issue of the Preference Share that the Company may by resolution of its Board as aforesaid fix the rate of dividend and the terms of payment of any such dividend in relation to any Preference Share issued pursuant to these terms in a manner which differs from those applicable to any other Preference Share issued pursuant to these terms.
- (c) *the dividend entitlement with respect to a Preference Share shall be computed from the date of receipt of the application moneys with respect to the Preference Share to the date of its redemption or conversion (whichever is applicable) and, where a dividend has been declared, shall be paid annually on 30 November of each year;*

- (d) the dividend payable on a Preference Share shall rank for payment as follows all dividends payable on any Preference Share issued pursuant to these terms shall rank in priority to all dividends on ordinary shares for the time being issued in the capital of the Company;
- (e) the holder of a Preference Share shall, in a winding up, be entitled to rank in priority to all other shares for the time being issued in the capital of the Company for repayment of the capital paid up or credited as paid up on the Preference Share but shall have no further right to participate in the profits or assets of the Company, whether surplus or otherwise;
- (f) the holder of a Preference Share shall have the same rights as the holder of an ordinary share to receive notices of general meetings, reports, balance sheets and profit and loss statements and to attend at any general meeting of the Company, but the holder of a Preference Share shall be entitled to vote only at a meeting convened for the purposes of reducing the capital, or winding up, or sanctioning a sale of the undertaking, or where the proposition to be submitted to the meeting directly affects his or her rights and privileges, or when the dividend on the Preference Shares is in arrears more than 6 months;
- (g) the Company shall be entitled to create further new preference shares which may rank equally with the Preference Shares;
- (h) subject to the provisions of the Corporations Act 2001 and to the provisions of these terms of issue, the following provisions shall apply to the redemption of the Preference Shares:
 - (i) the Company may redeem any Preference Shares from profits that would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
 - (ii) the Company shall give written notice ("**Notice of Redemption**") to the holder of a Preference Share that the Company will redeem the Preference Share on the date ("**redemption date**") specified in the Notice of Redemption (which date shall not be later than 90 days after the date the Notice of Redemption is given);
 - (iii) redemption shall be effected on the redemption date by the Company paying to the holder of the Preference Share the amount paid up on the Preference Share together with any dividend entitlement accrued but unpaid as at the date of such redemption;
 - (iv) the Company may in the Notice of Redemption as a condition of paying the money payable on redemption require delivery to it on or before the redemption date of the certificate with respect to the Preference Share; and
 - (v) should any holder of a Preference Share fail to deliver the certificate with respect to the Preference Share on or before the redemption date the dividend entitlement in respect of the Preference Share shall immediately cease to accrue and the Company may pay the amount payable on the redemption of the Preference Share to a separate account entitled "Preference Share Redemption Account", whereupon the Preference Share shall be redeemed.
 - (vi) The form of Notice of Redemption shall be in or to the following effect:

NOTICE OF REDEMPTION

IF GIVEN BY THE COMPANY

TO:
("the Preference Shareholder")

Whereas pursuant to the terms of the issue of the Preference Shares Oil Basins Limited ("the Company") has the right to give notice of redemption to the Preference Shareholder **NOW TAKE NOTICE THAT** the Company hereby pursuant to the powers contained in the terms of issue hereby gives notice of exercise of its right to redeem _____ * of the Preference Shares held under SRN/HIN [Insert relevant SRN or HIN] by you as the Preference Shareholder. Further **TAKE NOTICE THAT** if you wish to exercise your right to convert the Preference Shares the subject of this Notice of Redemption into ordinary shares in accordance with sub-clause (i) of the terms and conditions of issue thereof you must give the Company Notice of Conversion in or to the effect of the Notice of Conversion by Preference Shareholder set out in the terms and conditions of issue so that such Notice of Conversion is received by the Company within 60 days from the date of this Notice of Redemption. Failure to give such notice for any reason shall mean that the Preference Shares the subject of this Notice of Redemption shall be redeemed. **TAKE NOTICE THAT** it is your responsibility to ensure that any Notice of Conversion which you may wish to deliver to the Company is actually received by the Company.

DATED this day of 200#

.....
Director/Secretary for and on behalf of the Company
* Insert number of Preference Shares to be redeemed.

IF GIVEN BY THE PREFERENCE SHAREHOLDER

TO: OIL BASINS LIMITED
("the Company")

Whereas pursuant to the terms of the issue of the Preference Shares a Preference Shareholder has the right to give notice of redemption to the Company **NOW TAKE NOTICE THAT** pursuant to the powers contained in the terms of issue the undersigned Preference Shareholder hereby gives notice of exercise of its right to redeem _____ * of the Preference Shares held by it under SRN/HIN [Insert relevant SRN or HIN]. Further **TAKE NOTICE THAT** if the Company wishes to exercise its right to convert the Preference Shares the subject of this Notice of Redemption into ordinary shares in accordance with sub-clause (i) of the terms and conditions of issue thereof the Company must give the undersigned Preference Shareholder Notice of Conversion in or to the effect of the Notice of Conversion set out in the terms and conditions of issue in accordance with the constitution of the Company as in force at the date of the giving of such notice with such Notice of Conversion being required to be given within 60 days from the date of this Notice of Redemption. Failure to give such notice for any reason shall mean that the Preference Shares the subject of this Notice of Redemption shall be redeemed.

DATED this day of 200#

.....
Preference Shareholder**
* Insert number of Preference Shares to be redeemed.

** This Notice must be signed by the Shareholder(s) personally or by a duly appointed Attorney. If signed by an Attorney the relevant Power of Attorney must be submitted with the Notice unless already noted by the Company. If there are joint holders, each must sign. Where the Preference Shareholder is a corporation any notice of conversion must be executed in like manner as a proxy is required to be executed in accordance with the provisions of the Act and the constitution of the Company.

- (i) subject to the provisions of the Act, the following provisions shall apply to the conversion of the Preference Shares:
 - (i) the holder of a Preference Share may convert the Preference Share into an ordinary share:
 - (A) at any time after Notice of redemption is given to the Preference Shareholder;
 - (B) at the expiration of 3 years from the date of allotment or at such other date or time (if any) as is fixed by the Directors by resolution at the time of allotment, or in the case of sale by the trustee as referred to in (b) above, as fixed by the directors by resolution as specified in (b) above;
 - by giving written notice of conversion to the Company in the form set out in (vi) below ("Notice of Conversion").
 - (ii) The Company may at any time give Notice of Conversion to the Preference Shareholder and, if the Preference Shareholder does not, within 60 days of the receipt of that Notice of Conversion give the Company a Notice of Redemption the Preference Share shall, on the expiry of that period of 60 days become converted into an ordinary share in like manner as if the Preference Shareholder had given valid Notice of Conversion.
 - (iii) where at the time of the giving of any Notice of Conversion, and whether such Notice of Conversion is given by a preference shareholder or by the Company, payment of all accrued but unpaid dividends which exist in relation to the Preference Share to be converted pursuant to such Notice of Conversion shall be deemed to be waived by the preference shareholder and the Company shall be released from and against any liability in respect thereof.
 - (iv) upon receipt by the Company of a valid Notice of Conversion with respect to a Preference Share, the preferential rights set out herein shall forthwith cease to exist in respect of that Preference Share and there shall become attached to such Preference Share all of the rights attaching to an ordinary share in the capital of the Company, and such Preference Share shall thereafter rank *pari passu* with all of the other ordinary shares in the capital of the Company including in respect of any right to receive dividends declared before conversion but remaining unpaid or declared after any such conversion.
 - (v) in the event of any reconstruction of the issued ordinary capital of the Company the Preference Shares shall be reconstructed in the same proportion as the issued ordinary capital of the Company is reconstructed and, in any event, in a manner which will not result in any additional benefits being conferred on the holders of the Preference Shares which are not conferred on ordinary shareholders.
 - (vi) the form of Notice of Conversion shall be in or to the following effect for completion by any Preference Shareholder as requisite. The form of Notice of Conversion shall form part of the terms of issue of the Preference Shares and shall be printed on the reverse of the certificate in the body of the terms and conditions of issue.

**NOTICE OF CONVERSION
IF GIVEN BY THE PREFERENCE SHAREHOLDER**

TO: The Registrar
Oil Basins Limited
Insert Address

I/We the holder(s) of the Preference Shares under SRN/HIN [Insert relevant SRN or HIN] hereby give notice of exercise of the right to convert _____ * of the Preference Shares comprised in this holding into fully paid ordinary shares in the capital of the Company in accordance with the terms and conditions set out in the terms and conditions of issue relating thereto.

If this Notice is signed by an Attorney, the Attorney hereby declares that he/she has no notice or revocation of the power of attorney under the authority of which this Notice is signed.

DATED this day of 200#

Signature(s)**

* Insert number of Preference Shares you wish to convert

** This Notice must be signed by the Shareholder(s) personally or by a duly appointed Attorney. If signed by an Attorney the relevant Power of Attorney must be submitted with the Notice unless already noted by the Company. If there are joint holders, each must sign. Where the Preference Shareholder is a corporation any notice of conversion must be executed in like manner as a proxy is required to be executed in accordance with the provisions of the Act and the constitution of the Company.

IF GIVEN BY THE COMPANY

TO: The Preference Shareholder
[Insert details of Name and address as per Register]

The Company hereby gives notice to you that it exercises its right pursuant to the terms of allotment of the Preference Shares held by you in relation to your holding of Preference Shares under SRN/HIN [Insert relevant SRN or HIN] to convert * of the said Preference Shares into fully paid ordinary shares in the capital of the Company.

DATED this day of 200#

Signature(s)**

* Insert number of Preference Shares the Company elects to convert.

** This Notice must be signed by a director of the Company.

NOTES

1. Voting

- (a) The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the shares of the Company that are quoted on the Australian Stock Exchange as at 7.00pm on 20 November 2006, will be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the meeting.
- (b) A Member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
- (c) A proxy duly appointed need not be a Member. In the case of joint holders all must sign.
- (d) A form of proxy accompanies this Notice and, to be effective, the form and any document necessary to show the validity of the form of proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. Any proxy lodged after that time will be treated as invalid.
- (e) Directors and Officers of all corporate shareholders should note that unless the corporate shareholder either:
 - (i) completes and lodges with the Company a valid appointment of proxy in accordance with the instructions on the enclosed Proxy Form; or
 - (ii) completes and either lodges with the Company prior to the meeting a form of appointment of or certificate of appointment of personal representative in accordance with the provisions of Section 250D of the Corporations Act 2001 (Cth) ("Act") or causes such personal representative to attend the meeting with such form of appointment or certificate; or
 - (iii) has appointed an attorney;and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.
- (f) Proxies and corporate appointment of representative forms may be returned to the Company in any of the following ways:
 - (i) by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Oil Basins Limited at its registered office:
Oil Basins Limited
Suite 304
22 St Kilda Road
St Kilda Vic 3182
Australia
Facsimile: +613 9529 8057
- (g) Corporate Members should comply with the execution requirements set out on the proxy form or otherwise comply with the provisions of Section 127 of the Act. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:
 - (i) 2 directors of the company; or
 - (ii) a director and a company secretary of the company; or
 - (iii) 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 Sections 129(5) and (6) of the 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.
- (h) Completion of a proxy form will not prevent individual Members from attending the meetings in person if they wish. Where a Member completes and lodges a valid proxy form and attends the meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at the meeting.
- (i) Where a proxy form or form of appointment of or certificate of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.

PROXY FORM: OIL BASINS LIMITED (ACN 006 024 764)

The Company Secretary
 Oil Basins Limited
 Suite 304
 22 St Kilda Road
 St Kilda Vic 3182
 Australia

I/We (name of shareholder)
 of (address)
 being a member/members of OIL BASINS LIMITED HEREBY APPOINT
 (name)
 of (address)
 and/or failing him (name)
 of (address)

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at The Institute Of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria 3000 on 22 November 2006 at 11.00AM AEST and at any adjournment of the meeting.

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. Otherwise the Proxy is to vote for or against the resolutions referred to in the notice convening the General Meeting as follows:

Ordinary Business

To receive and consider the Financial Statements

FOR AGAINST ABSTAIN

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To adopt the Remuneration Report

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Ordinary Resolution – Re-election of Graeme Menzies as a Director of the Company

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Special Business

Special Resolution – To adopt a new Constitution

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This Proxy is appointed to represent ___% of my voting right, or if 2 proxies are appointed Proxy 1 represents ___% and Proxy 2 represents ___% of my total votes. My total voting right is _____ shares. If no direction is given above or if more than one box is marked, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of the resolution to be considered by the meeting and any adjournment of the meeting.

Signature(s)

Date

Individual or
Joint Shareholder 1

Director/Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Sole Director & Sole Company Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

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 his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
2. A proxy duly appointed need not be a Member. In the case of joint holders all must sign.
3. A form of proxy accompanies this Notice and, to be effective, the form and any document necessary to show the validity of the form of proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. Any proxy lodged after that time will be treated as invalid.
4. Directors and Officers of all corporate shareholders should note that unless the corporate shareholder either:
 - (a) completes and lodges with the Company a valid appointment of proxy in accordance with the instructions on the enclosed Proxy Form; or
 - (b) completes and either lodges with the Company prior to the meeting a form of appointment of or certificate of appointment of personal representative in accordance with the provisions of Section 250D of the Act or causes such personal representative to attend the meeting with such form of appointment or certificate; or
 - (c) has appointed an attorney;and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.
5. Proxies and corporate appointment of representative forms may be returned to the Company in the following ways:
 - (a) by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Oil Basins Limited at its registered office:

Oil Basins Limited
Suite 304
22 St Kilda Road
St Kilda Vic 3182
Australia
Facsimile: +613 9529 8057
6. Corporate Members should comply with the execution requirements set out on the proxy form or otherwise comply with the provisions of Section 127 of the Act. Section 127 of the 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; or
 - 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 Sections 129(5) and (6) of the 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.**
7. Completion of a proxy form will not prevent individual Members from attending the meetings in person if they wish. Where a Member completes and lodges a valid proxy form and attends the meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at the meeting.
8. Where a proxy form or form of appointment of or certificate of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.
9. Inasmuch as the Chairman of the meeting is appointed as proxy for a securityholder if the securityholder does not nominate another person as his primary proxy and inasmuch as, in the absence of a primary proxy so appointed, the proxy form also provides for the Chairman of the meeting to act as proxy, the following information is given pursuant to Listing Rule 14.2.

Chairman's Voting Intention in relation to Undirected Proxies

It is the Chairman's intention to vote undirected proxy in favour of each resolution to be put to the meeting.

If you do **not** wish to direct your proxy how to vote, please place a mark in the 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 that interest.