



Notice of General Meeting & Explanatory Statement

**Orpheus Energy Limited ACN 121 257 412
(To be renamed "SenSen Networks Limited")**

Time: 11.00am (AEST)

Date: Tuesday 29 August 2017

Place Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000

**The Independent Expert has determined that the proposed Acquisition is fair and reasonable
to the non-associated Shareholders of the Company**

**All Acquisition Resolutions outlined in this Notice of Meeting are inter-conditional on
Orpheus Shareholders approving all of the Acquisition Resolutions.**

Important Information

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

All Shareholders should refer to the Independent Expert's Report enclosed with this Notice of Meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact Mr David Smith, Director on +61 2 8387 5901

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Important dates

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| Execution of the Acquisition Agreement | 11 April 2017 |
| Orpheus lodges the Notice of Meeting with ASX and ASIC | 16 June 2017 |
| Despatch of this Notice of Meeting | 28 July 2017 |
| Lodgement of the Prospectus with ASIC | 11 August 2017 |
| Deadline for lodgement of proxy forms for the General Meeting | 27 August 2017 at 11:00am |
| General Meeting Voting Entitlement Time (i.e. time for determining entitlements to vote at the General Meeting) | 27 August 2017 at 11:00am |
| General Meeting | 29 August 2017 |
| Company notifies ASIC that Resolution 2 has been passed at the General Meeting (Form 2205) Company notifies ASIC that Resolution 18 has been passed at the General Meeting (Form 205) | 29 August 2017 |
| Company notifies ASX that Resolutions have been passed at the General Meeting | 29 August 2017 |
| Presently anticipated date of completion of the Acquisition Agreement and issue of Consideration Shares | 18 September 2017 |
| Anticipated date the suspension of trading is lifted and the Company's Shares commence trading again on the ASX | 25 September 2017 |
| Notification to ASIC of share issue (Form 484) | Within 28 days from the date of completion of the Acquisition |

*Dates are indicative only and subject to change. The occurrence of milestones after the General Meeting is conditional on the passing of the Resolutions at the General Meeting. The detailed Acquisition timetable, including the Consolidation is set out in paragraph 1.12 of the Explanatory Statement.

IMPORTANT NOTICES

The Independent Expert has concluded that the Acquisition is fair and reasonable to the non-associated Shareholders as a whole.

All Acquisition Resolutions outlined in this Notice of Meeting are inter-conditional on Orpheus Shareholders approving all of the Acquisition Resolutions.

Important information and notices

Shareholders are urged to read the Notice of Meeting in full before making a decision on if and how to vote on the Resolutions to be considered at the General Meeting.

No investment or financial product advice

This is an important document which requires your attention. The Notice of Meeting provides Shareholders with information which will assist them in evaluating the Resolutions contained in the Notice of Meeting. Please note that the Notice of Meeting does not take into account your investment objectives, financial situation or particular needs. You should obtain independent financial, investment, legal and taxation advice before deciding whether or not to attend and vote at the General Meeting and on how to vote in respect of the Resolutions. The Company is not licensed to provide financial product advice in relation to Shares or any other financial products.

Forward looking statements

Certain statements in the Notice of Meeting relate to the future or are forward looking statements. Forward looking statements may be identified by words such as 'expects', 'anticipates', 'intends', 'believes', 'seeks', 'estimates', 'will' or words of similar meaning and include, without limitation, forward looking statements regarding the Company's financial position and performance and its business strategy, plans and objectives for future operations. These forward looking statements are based on the Company's current expectations about future events. Shareholders are cautioned not to place undue reliance on forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the Company as well as matters pertaining to general economic conditions and the state of the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Company, any of its directors or officers or any person named in the Notice of Meeting or involved in the preparation of the Notice of Meeting makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. The forward looking statements in the Notice of Meeting reflect views held only as at the date of the Notice of Meeting.

ASIC and ASX lodgement

The Notice of Meeting (including the Notice of General Meeting, the Explanatory Statement and the Independent Expert's Report) has been lodged with ASIC in accordance with ASIC Regulatory Guide 74. It has also been provided to the ASX. Neither ASIC nor ASX takes any responsibility for the contents of the Notice of Meeting.

Other sources of information

In addition to the information set out in the Notice of Meeting (including the Independent Expert's Report), you may wish to review information contained in the following other documents in deciding whether or not to attend and vote at the General Meeting and on how to vote in respect of the Resolutions:

- ASX announcements made by the Company;
- the 2016 Annual Report of the Company which is available on its website: www.orpheusenergy.com.au;
- information regarding the Company which is available on its website: www.orpheusenergy.com.au.

A copy of any of the ASX announcements made by the Company and the 2016 Annual Report of the Company may also be obtained by contacting the Company. Note that none of the above documents forms part of the Notice of Meeting or any accompanying document.

Supplementary information

The Company will issue a supplementary document to the Notice of Meeting if it becomes aware of any of the following prior to the General Meeting:

- a material statement in the Notice of Meeting is false or misleading;
- a material omission from this Notice of Meeting;
- a significant change affecting a matter in the Notice of Meeting; or
- a significant new matter has arisen and it would have been required to be included in the Notice of Meeting if known at the date of despatch of the Notice of Meeting to Shareholders.

Depending on the nature and the timing of the changed circumstances and subject to obtaining any relevant approvals, the Company may circulate and publish any supplementary document by posting the supplementary document on the Company's website, making an announcement to ASX or sending a copy of the supplementary document to Shareholders.

Date

This Notice of Meeting is dated 31 July 2017

Letter from the Chairman

Dear Shareholders,

On 12 April 2017, Orpheus Energy Limited (**Company**) announced that it had entered into an Acquisition Agreement to acquire 100% of the issued capital of SenSen Networks Pty Ltd (**SenSen**) (the **Acquisition**).

SenSen is an unlisted private company registered in Australia, and if approved, the Acquisition will result in a significant change in the nature and scale of the Company's activities. On and from completion of the Acquisition (**Completion**), the main business activity of the Company will involve providing innovative, data driven business process enhancement solutions, initially to the intelligent transportation and gaming sectors with a view to gradually expanding into other high growth market sectors, such as the retail, logistics, manufacturing, defence, security, and mining sectors. Accordingly, the Company is required to obtain Shareholder approval under ASX Listing Rule 11.1.2 and must re-comply with Chapters 1 and 2 of the ASX Listing Rules to complete the Acquisition. Such compliance will include the requirement that the Company demonstrate that there is sufficient interest in its continued listing on the ASX which will be done by preparing and issuing a prospectus in order to increase its spread of shareholders with a marketable parcel of Shares to the number of such shareholders required by the ASX Listing Rules.

This Notice of Meeting contains the Shareholder approvals required to implement the Acquisition detailed in the announcement lodged to the ASX on 12 April 2017.

The Acquisition

The principal terms of the Acquisition include:

- **Consolidation** – a 10 for 1 Consolidation of Shares. As an example, a Shareholder with 10 Shares will hold 1 Share after the Consolidation of Shares. Shareholders will be given the opportunity to participate in the Share Purchase Plan;
- **Acquisition** – the proposed Acquisition of 100% of the issued capital of SenSen, the consideration for which will be the issue of new Consideration Shares to the vendors of SenSen shares (**Vendors**) by the Company;
- **Change of name** – the change of the Company's name to SenSen Networks Limited;
- **Regulatory requirement satisfaction** – the completion of the Acquisition is conditional on, amongst other things, the Company having satisfied the requirements of Chapters 1 and 2 of the ASX Listing Rules so as to enable trading in its Shares to recommence;
- **Director appointments & resignations** – the resignation of certain existing Directors and appointment of new Directors;
- **Capital Raising** – the issue of new Shares under a Prospectus for:
 - a Share Purchase Plan (to raise capital in the amount of \$1,500,000 by way of the issue of 15,000,000 Shares). This is both the minimum and maximum that can be issued under the Share Purchase Plan; and
 - General Offer (to raise capital of a minimum of \$3,000,000 and to a maximum of \$5,000,000 by way of the issue of 30,000,000 Shares and 50,000,000 Shares respectively).

The Share Purchase Plan and the General Offer are not underwritten.

The following table details the proposed capital restructure at the date that trading in the Company's Shares will recommence, including the various issues of equity to be made prior to that date:

| Pre Acquisition Capital Structure | |
|--|---------------------------|
| Current issued capital of the Company | 183,476,469 Shares |
| Post-Consolidation (Consolidation of capital 10:1) | |
| Post Consolidation Shares | 18,347,650 Shares |
| Securities issued as part of the Acquisition, General Offer and Share Purchase Plan (post Consolidation basis) | |
| Issue of Consideration Shares | 273,764,706 Shares |
| Issue of Shares under the Prospectus for the Share Purchase Plan* | 15,000,000 Shares |
| Issue of Shares under the Prospectus for the General Offer* | 50,000,000 Shares |
| Other Security issues (post Consolidation basis) | |
| Issue of Shares on conversion of 50% of the Director Loans and CFO Loan | 9,822,420 Shares |
| Issue of Shares on a conversion of the Notes (following approval of Resolutions 16 and 17) | 6,689,850 Shares |
| Issue of Shares to SenSen Corporate Advisor (Introduction and Advisory Fee) | 3,209,201 Shares |
| Projected issued Share capital (on a post Consolidation basis) as at the day that trading in the Company's Shares recommences (assuming the Acquisition Resolutions are passed by Shareholders) | 376,833,827 Shares |

*These numbers are based on the Maximum Subscription being raised under the Prospectus for the General Offer. The Share Purchase Plan must raise the Subscription Amount of \$1,500,000. This is both the minimum and maximum that can be issued under the Share Purchase Plan.

The dilutive impact of the Capital Raising is detailed in Schedule 2.

The purpose of this Notice of Meeting is to provide you with information to assist you in assessing the proposed Acquisition. In order to comply with the Corporations Act, the ASX Listing Rules and the Company's constitution, the proposals outlined above require the approval of Shareholders. These approvals are being sought in accordance with this Notice of Meeting with full details contained in the Explanatory Notes.

If the Acquisition is successfully completed:

- the Company will own 100% of the shares in the capital of SenSen and SenSen will be a wholly owned subsidiary of the Company;
- the Vendors will acquire a minimum of 72.6% of the Company (on issue of the Consideration Shares, assuming the maximum amount is raised under the Prospectus for the Share Purchase Plan and General Offer and assuming the issue of Shares on conversion of 50% of the Director Loans and CFO Loan and the issue of Shares on conversion of the Notes);
- The Proposed Directors will be appointed as Directors of Orpheus;
- The Retiring Directors will resign as Directors of Orpheus, noting that David Smith will be the only current Company Director that will remain on the Board;
- The name of Orpheus will change from Orpheus Energy Limited to 'SenSen Networks Limited'. There will also be a corresponding change to Orpheus's ASX code from 'OEG' to 'SNS';
- Orpheus will have raised capital under the Prospectus for the Share Purchase Plan and the General Offer in the total amount of between \$4,500,000 - \$6,500,000 (subject to whether the Minimum Subscription or Maximum Subscription is raised under the General Offer and the requirement for the Subscription Amount of \$1,500,000 to be raised under the Share Purchase Plan) at an issue price of \$0.10 per Share following the issue of between 45,000,000 to 65,000,000 Shares;

- 50% of the Director Loans and the CFO Loan will be converted in to Shares as follows:

| Name | Total Outstanding Debt | Amount to be Converted into Shares- 50% | Shares to be Issued (\$0.10 per Share) | Total Shares held after Conversion |
|----------------|------------------------|---|--|------------------------------------|
| Wayne Mitchell | \$726,837 | \$363,193.50 | 3,631,935 | 5,158,356 |
| David Smith | \$603,303 | \$301,651.50 | 3,016,515 | 6,666,515 |
| Wesley Harder | \$261,942 | \$130,971 | 1,309,710 | 1,954,992 |
| Michael Rhodes | \$199,756 | \$99,878 | 998,780 | 1,426,563 |
| Barry Neal | \$173,096 | \$86,548 | 865,480 | 865,480 |
| TOTAL | \$1,964,484 | \$982,242 | 9,822,420 | 16,071,836 |

Upon Completion of the Acquisition it is intended that Orpheus's Shares will be requoted on the ASX. If Completion does not occur, Orpheus's Shares will remain suspended from trading until such time as Orpheus finds an alternative investment that Shareholders approve.

The General Meeting

The General Meeting is scheduled to be held at Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000 on Tuesday 29 August 2017 commencing at 11.00 am (AEST).

The Notice of General Meeting contains the Resolutions required to approve the Acquisition.

Detail of the Acquisition is provided in the Explanatory Statement which forms part of the Notice of Meeting.

Independent Expert's Report

In considering the Acquisition, the Directors without any interest in the Acquisition engaged BDO Corporate Finance (QLD) Ltd (**Independent Expert**) to prepare an Independent Expert's Report on the Acquisition. The Independent Expert's Report is included in full in Appendix B of this Notice of Meeting and should be read by Shareholders in its entirety. The Independent Expert has concluded that the Acquisition is fair and reasonable to the non-associated Shareholders as a whole.

Voting instructions

Voting instructions for the General Meeting are contained in Section D of this Notice of Meeting and personalised proxy forms are enclosed. Your vote is important and we encourage you to vote at the General Meeting either in person or by proxy. If you are unsure as to how to vote, we recommend that you speak with your professional adviser.

Questions

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact Orpheus Director, Mr David Smith, on +61 2 8387 5901 or consult your licensed financial adviser, stockbroker or other professional adviser. If you have any questions in regards to your holding in Shares or other Share registry matters, please consult Computershare on 1300 651 303 (from within Australia) and +61 3 9415 4281 (from outside Australia).

We look forward to the participation of all Shareholders at the General Meeting on Tuesday 29 August 2017.

Yours faithfully

Chairman

Note: This document contains general information only, and has been prepared without taking account of the objectives, financial situation or needs of any particular person. Accordingly, before acting on any information in this letter, you should consider the appropriateness of the information to your objectives, financial situation and needs and consult a professional adviser where necessary. Orpheus is not licensed to provide financial product advice.

Section A – Glossary

| | |
|--------------------------------|--|
| \$ or A\$ | Australian dollars |
| Acquisition | Has the meaning given to that term in paragraph 1.2 of Section E and for the avoidance of doubt, includes the acquisition by the Company of the shares issued by SenSen to the SenSen Investors under the SenSen Pre-RTO Capital Raising, as detailed in paragraphs 1.2 and 1.6 of Section E. |
| Acquisition Agreement | The share purchase agreement dated 11 April 2017 entered into between the Company, SenSen and the Vendors in respect of the acquisition of all issued shares in SenSen, the material terms of which are summarised in paragraph 1.7 of Section E, and includes all amendments thereto. |
| Acquisition Resolutions | The inter-conditional resolutions to this Notice of Meeting, being Resolutions 1 to 18 (inclusive). |
| ASIC | The Australian Securities & Investments Commission. |
| Associate | Has the meaning given to that term in section 12 of the Corporations Act. |
| ASX | The Australian Securities Exchange operation by ASX Limited. |
| ASX Listing Rules | The Listing Rules of the ASX. |
| ASX Waivers | The waivers issued by the ASX on 23 June 2017 and detailed in paragraph 1.21 . |
| Board | The current board of directors of the Company. |
| Business Day | Monday to Friday inclusive, except any day that the ASX declares is not a business day. |
| Capital Raising | The capital raising to be conducted pursuant to the Prospectus and will contain the Share Purchase Plan Offer and the General Offer. |
| Chairman | The chair of the General Meeting. |
| CFO Loan | The loan from Barry Neal to the Company plus any payables owed to Barry Neal. Detail is provided in the Letter from the Chairman. |
| Company or Orpheus | Orpheus Energy Limited ACN 121 257 412. |
| Completion | Completion of the Acquisition in accordance with the Acquisition Agreement. |
| Consideration Shares | The 273,764,706 Shares to be issued to the Vendors on completion of the Acquisition. |
| Conditions Precedent | The conditions precedent to Completion of the Acquisition Agreement, as summarised in paragraph 1.7 of Section E. |
| Consolidation | The proposed consolidation of Shares under Resolution 2 at a ratio of 10 to 1. |
| Continuing Director | Mr David Smith, with all other Board members being Retiring Directors. |
| Corporations Act | The <i>Corporations Act 2001</i> (Commonwealth) for the time being in force together with the <i>Corporations Regulations 2001</i> (Cth). |
| Directors | The directors of the Company. |
| Director Loans | The loans from each of David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes to the Company plus any payables owed to each of David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes. Detail is provided in paragraph 12 of Section E. |
| Existing Shareholders | Shareholders as at the date of this Notice of Meeting. |
| Explanatory Statement | The information set out in Section E of this Notice of Meeting. |
| General Offer | Has the meaning given to that term in paragraph 1.7 of Section E. |

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| General Meeting | The meeting of Shareholders convened by the Notice of Meeting. |
| Glossary | The glossary contained in Section A to this Notice of Meeting. |
| IDR | Indonesian Rupiah. |
| Independent Expert | BDO Corporate Finance (QLD) Ltd. |
| Independent Expert's Report | The report prepared by the Independent Expert set out in Appendix B of this Notice of Meeting. |
| Introduction and Advisory Fee | The issue of 3,209,201 Shares (on a post Consolidation basis) to the SenSen Corporate Advisor for introduction and advisory services provided to the Company. |
| Maximum Subscription | The maximum number of Shares to be issued under the General Offer, namely 50,000,000 Shares. |
| Minimum Subscription | The minimum number of Shares to be issued under the General Offer, namely 30,000,000 Shares. |
| Notes | The notes issued to sophisticated or professional investors (as defined in section 708 of the Corporations Act) pursuant to the terms of the Note Deed Poll, the material terms which are summarised in Schedule 3 . |
| Note Deed Poll | The note deed poll for the issue of the Notes in the Company dated 11 April 2017. |
| Notice of General Meeting | The notice of General Meeting set out in Section B of this Notice of Meeting. |
| Notice of Meeting | This notice of meeting including the Notice of General Meeting, Explanatory Statement and the Schedules, the Appendices and the Proxy Form. |
| Official List | The official list of the ASX. |
| Orpheus or Company | Orpheus Energy Limited ACN 121 257 412. |
| Proposed Directors | Each of: <ul style="list-style-type: none"> • Mr Subhash Challa (Executive Chairman) • Mr Zenon Pasieczny (non-executive director); and • Mr Jason Ko (non-executive director). |
| Prospectus | The prospectus proposed to be lodged by the Company with ASIC in relation to the Share Purchase Plan and the General Offer. |
| Proxy Form | The proxy form accompanying the Notice of Meeting. |
| Receivable | The IDR70 billion (approximately \$7 million) receivable owing to the Company from Mr Suksmanto |
| Resolutions | The resolutions set out in the Notice of Meeting, or any one of them, as the context requires. |
| Restricted Securities | Securities of the Company that: <ul style="list-style-type: none"> • are subject to escrow restrictions as determined in accordance with Appendix 9B of the ASX Listing Rules; or • in the ASX's opinion, should be treated as restricted securities. |
| Retiring Directors | Mr Wesley Harder, Mr Michael Rhodes and Mr Wayne Mitchell. |
| RTO | means the reverse takeover of SenSen by the Company. |
| Section | A section of this Notice of Meeting. |

| | |
|---------------------------------------|--|
| Security | A security issued in the capital of the Company. |
| SenSen | SenSen Networks Pty Ltd ACN 115 838 036. |
| SenSen Corporate Advisor | Tat Capital Pty Ltd ACN 605 777 759. |
| SenSen Investors | The persons who have agreed to invest in SenSen under the SenSen Pre-RTO Capital Raising, being the persons named in items 2 and 26 to 41 of Schedule 1, and SenSen Investor means any one of them. |
| SenSen Pre-RTO Capital Raising | The raising of up to \$1,000,000 by SenSen in equity funding, prior to the General Public Offer, pursuant to the Acquisition Agreement. |
| SenSen Technology | The technology of SenSen as described in paragraph 1.4 of Section E. |
| Shares | All of the shares on issue in the share capital of the Company and Share means any one of them. |
| Shareholder | A holder of one or more Shares. |
| Share Purchase Plan | Has the meaning given to that term in paragraph 1.7 of Section E. |
| Share Purchase Plan Offer | The offer under the Share Purchase Plan contained in the Prospectus. |
| Special Resolution | means a resolution: <ul style="list-style-type: none"> • of which notice as set out in Section 249L(1)(c) of the Corporations Act has been given; and • that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution. |
| Subscription Amount | The number of Shares to be issued under the Share Purchase Plan Offer, namely 15,000,000 Shares. |
| Subsidiary | Has the meaning ascribed to that term in Section 46 of the Corporations Act. |
| Vendors | The current shareholders of SenSen, detailed in Schedule 1 which consist of: <ul style="list-style-type: none"> • the shareholders of SenSen who entered into the Acquisition Agreement with the Company on or around 11 April 2017, being the entities named in items 1 to 25 in Schedule 1; and • each SenSen Investor who has agreed to be bound by, and sell its shares in SenSen to the Company on, the terms and conditions contained in the Acquisition Agreement, as if they were a party to the Acquisition Agreement as a “vendor”. |

Section B – Notice of General Meeting

Time and place

Notice is hereby given that the General Meeting will be held as follows:

- Held at Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000
- Commencing at 11.00am (AEST) on Tuesday 29 August 2017.

Explanatory Statement

The Explanatory Statement which accompanies and forms part of this Notice of General Meeting describes the matters to be considered at the General Meeting.

Defined terms

Terms used in this Notice of General Meeting have the meaning given to them in the Glossary in Section A of this Notice of Meeting in which this Notice of General Meeting is contained.

1. Resolution 1: Approval of the change in nature and scale of activities

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

“That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to:

- *make a significant change in both the nature and the scale of its activities by entering into and performing its obligations in accordance with the provisions of the Acquisition Agreement for the acquisition of the entire issued share capital in SenSen Networks Pty Ltd in consideration for the issue of Consideration Shares;*
- *issue Shares upon re-compliance with the ASX Listing Rules at an issue price of not less than \$0.02 per Share post Consolidation, namely \$0.10,*

as described in the Explanatory Statement accompanying this Notice of General Meeting.”

Short explanation

The Company entered into an Acquisition Agreement on 11 April 2017 with SenSen Networks Pty Ltd (**SenSen**) pursuant to which the Company will (if approved by Shareholders) acquire 100% of the issued capital in SenSen. If successful, the Acquisition will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. The ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- any person who is excluded from casting votes on Resolutions 3, 7, 8, 12, 13, 14, 15, 16 and 17; and
- any other person who might 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.

However, the Company need not disregard a vote cast in favour 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.

2. Resolution 2: Approval of the Consolidation of the Company's issued capital

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

"That, subject to the passing of all Acquisition Resolutions, in accordance with section 254H(1) of the Corporations Act, ASX Listing Rule 7.22 and for all other purposes, approval is given for the issued capital of the Company to be consolidated on the basis that:

- *every ten (10) Shares be consolidated into one (1) Share, and*
- *where this Consolidation results in a fraction of a Share being held by a Shareholder, the Directors be authorised to round that fraction up to the nearest whole Share".*

Short explanation

The Company must consolidate its capital in order to satisfy Chapters 1 and 2 of the ASX Listing Rules and as a condition of the Company's securities recommencing trading on the ASX following completion of the Acquisition.

3. Resolution 3: Approval of the issue of Consideration Shares to the Vendors

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

"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue 273,764,706 Consideration Shares (on a post-Consolidation basis) to the Vendors under the Prospectus on completion of the Acquisition".

Short explanation

The Company entered into an Acquisition Agreement on 11 April 2017 with SenSen pursuant to which the Company will (subject to Shareholder approval) acquire 100% of the issued capital of SenSen in consideration for the issue of Consideration Shares.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities (which includes shares) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**). Approval under ASX Listing Rule 7.1 is being sought for the issue of the Consideration Shares as the Consideration Shares equate to more than the Placement Capacity.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- the Vendors;
- any person who is excluded from casting votes on Resolutions 1, 7, 8, 12, 13, 14, 15, 16 and 17; and
- any other person who may participate in the proposed issue and a 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.

However, the Company need not disregard a vote cast in favour 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.

4. Resolution 4: Approval of the issue of Consideration Shares to Subhash Challa

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

“That, subject to the passing of all Acquisition Resolutions, for the purposes of section 611 paragraph 7 of the Corporations Act and for all other purposes, approval be given for the following:

- *The Company to issue and allot the following Consideration Shares under the Prospectus in consideration for the transfer to the Company of all of the shares in the capital of SenSen held by Subhash Challa (or for the benefit of Subhash Challa) (detailed below) pursuant to the Acquisition Agreement:*
 - *28,778,002 Consideration Shares to Mr Subhash Challa;*
 - *141,450,407 Consideration Shares to SmartEquity EIS Pty Ltd ACN 606 521 233, of which 49,246,968 Consideration Shares are held for the benefit of Mr Subhash Challa,*

(all on a post-Consolidation basis);
- *Subhash Challa will consequently acquire a relevant interest in the issued voting shares in the Company otherwise prohibited by section 606(1) of the Corporations Act of up to a maximum of 21.87% (based on the Share Purchase Plan being fully subscribed and the General Offer being subscribed to the Minimum Subscription and all other Shares being issued as a result of all Resolutions being passed),*

on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting”.

Short explanation

The Company entered into an Acquisition Agreement on 11 April 2017 with SenSen pursuant to which the Company will (subject to Shareholder approval) acquire 100% of the issued capital of SenSen in consideration for the issue of Consideration Shares. Approval is required under section 611, paragraph 7 of the Corporations Act for the acquisition of voting power in the Company by a person in excess of the thresholds set out under the takeover prohibition in the Corporations Act.

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611, paragraph 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 4 to the non-associated Shareholders in the Company. The Independent Expert has determined the proposed acquisition, which includes Mr Subhash Challa acquiring a relevant interest greater than 20% through the issue of the Consideration Shares, is fair and reasonable to the non-associated Shareholders.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by the Vendors and any associates of those persons and any person who may participate in the proposed issue and a 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.

However, the Company need not disregard a vote cast in favour 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.

5. Resolution 5: Approval of the issue of Consideration Shares to SmartEquity EIS Pty Ltd

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

“That, subject to the passing of all Acquisition Resolutions, for the purposes of section 611 paragraph 7 of the Corporations Act and for all other purposes, approval be given for the following:

- *The Company to issue and allot 141,450,407 Consideration Shares (on a post-Consolidation basis) under the Prospectus in consideration for the transfer to the Company of all of the shares in the capital of SenSen held by SmartEquity EIS Pty Ltd ACN 606 521 233 pursuant to the Acquisition Agreement; and*
- *SmartEquity EIS Pty Ltd ACN 606 521 233 to consequently acquire a relevant interest in the issued voting shares in the Company otherwise prohibited by section 606(1) of the Corporations Act of up to a maximum of 39.64% (based on the Share Purchase Plan being fully subscribed and the General Offer being subscribed to the Minimum Subscription and all other Shares being issued as a result of all Resolutions being passed),*

on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting”.

Short explanation

The Company entered into an Acquisition Agreement on 11 April 2017 with SenSen pursuant to which the Company will (subject to Shareholder approval) acquire 100% of the issued capital of SenSen in consideration for the issue of Consideration Shares. Approval is required under section 611, paragraph 7 of the Corporations Act for the acquisition of voting power in the Company by a person in excess of the thresholds set out under the takeover prohibition in the Corporations Act.

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611, paragraph 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 5 to the non-associated Shareholders in the Company. The Independent Expert has determined the proposed acquisition, which includes SmartEquity EIS Pty Ltd ACN 606 521 233 acquiring a relevant interest greater than 20% through the issue of the Consideration Shares, is fair and reasonable to the non-associated Shareholders.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by the Vendors and any associates of those persons and any person who may participate in the proposed issue and a 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.

However, the Company need not disregard a vote cast in favour 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.

6. Resolution 6: Approval of the issue of Shares pursuant to the Capital Raising (Share Purchase Plan Offer)

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

"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 15,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.10 cents per Share to raise up to \$1,500,000 under the Share Purchase Plan Offer on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Short explanation

The Company must issue a Prospectus in order to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules and to achieve the shareholder spread and free float requirements of the ASX Listing Rules. Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities (which includes shares) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**). Approval under ASX Listing Rule 7.1 is being sought so as not to reduce the Placement Capacity.

Voting Exclusion Statement

Note: A waiver has been received from ASX Listing Rule 7.3.8 to the extent necessary to permit the resolution in the Notice of Meeting not to include a voting exclusion statement that excludes the votes of any person who may participate in the Share Purchase Plan or any associate of such a person, provided the Company excludes any votes cast on the resolution by any proposed underwriter or sub-underwriter of the Share Purchase Plan. The Share Purchase Plan will not be underwritten.

7. Resolution 7: Approval of the issue of Shares pursuant to the Capital Raising (General Offer)

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

"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.10 cents per Share to raise up to \$5,000,000 under the General Offer on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Short explanation

The Company must issue a Prospectus in order to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules and to achieve the shareholder spread and free float requirements of the ASX Listing Rules. Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities (which includes shares) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**). Approval under ASX Listing Rule 7.1 is being sought so as not to reduce the Placement Capacity.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- any person who may participate in the proposed issue;
 - any person who is excluded from casting votes on Resolutions 1, 3, 8, 12, 13, 14, 15, 16 and 17; and
 - any other person who might 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.

However, the Company need not disregard a vote cast in favour 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.

8. Resolution 8: Approval of the issue of Shares to David Smith, a Director (and his associates) under the Share Purchase Plan

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

"That, subject to the passing of all Acquisition Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of a maximum of 900,000 Shares (on a post-Consolidation basis) under the Share Purchase Plan to David Smith (and his associates) in his capacity as a Shareholder and Director on the terms and conditions set out in the Explanatory Statement".

Short explanation

David Smith and his associates, seek to participate in the Share Purchase Plan to a maximum of 900,000 Shares under the Share Purchase Plan.

Approval under ASX Listing Rule 10.11 is being sought given ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, equity securities (which includes Shares) to a related party unless an exception under ASX Listing Rule 10.12 applies. Exception 8 of ASX Listing Rule 10.12 cannot be relied upon because the Company's securities have been suspended for more than five days in the previous 12 months.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- Mr David Smith;
- any person who is excluded from casting votes on Resolutions 1, 3, 7, 12, 13, 14, 15, 16 and 17; and
- any other person who might 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.

However, the Company need not disregard a vote cast in favour 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.

9. Resolution 9: Appointment of Mr Subhash Challa as a Director

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

"That, subject to the passing of all Acquisition Resolutions, for the purposes of rule 69.1 of the Company's constitution and for all other purposes, Mr Subhash Challa be appointed as a director of the Company, to take effect subject to and upon completion of the Acquisition".

10. Resolution 10: Appointment of Mr Zenon Pasieczny as a Director

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

"That, subject to the passing of all Acquisition Resolutions, for the purposes of rule 69.1 of the Company's constitution and for all other purposes, Mr Zenon Pasieczny be appointed as a director of the Company, to take effect subject to and upon completion of the Acquisition".

11. Resolution 11: Appointment of Mr Jason Ko as a Director

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

"That, subject to the passing of all Acquisition Resolutions, for the purposes of rule 69.1 of the Company's constitution and for all other purposes, Mr Jason Ko be appointed as a director of the Company, to take effect subject to and upon completion of the Acquisition".

12. Resolution 12: Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr David Smith

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

"That, subject to the passing of all Acquisition Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Director Loan between the Company and Mr David Smith, such that 50% of the Director Loan becomes a convertible Director Loan, a form of 'equity security' together with the issue of Shares upon conversion of the convertible Director Loan on the terms and conditions set out in the Explanatory Statement".

Short explanation

The inclusion of a conversion mechanism into the Director Loans effectively transforms the Director Loans into a "convertible security", a form of equity security.

Approval under ASX Listing Rule 10.11 is being sought given ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, equity securities to a related party unless an exception under ASX Listing Rule 10.12 applies.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- Mr David Smith;
- any person who is excluded from casting votes on Resolutions 3, 7, 8, 13, 14, 15, 16 and 17; and
- any other person who might 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.

However, the Company need not disregard a vote cast in favour 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.

13. Resolution 13: Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr Wayne Mitchell

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

"That, subject to the passing of all Acquisition Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Director Loan between the Company and Mr Wayne Mitchell, such that 50% of the Director Loan becomes a convertible Director Loan, a form of 'equity security' together with the issue of Shares upon conversion of the convertible Director Loan on the terms and conditions set out in the Explanatory Statement".

Short explanation

The inclusion of a conversion mechanism into the Director Loans effectively transforms the Director Loans into a "convertible security", a form of equity security.

Approval under ASX Listing Rule 10.11 is being sought given ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception under ASX Listing Rule 10.12 applies.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- Mr Wayne Mitchell;
- any person who is excluded from casting votes on Resolutions 1, 3, 7, 8, 12, 14, 15, 16 and 17; and
- any other person who might 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.

However, the Company need not disregard a vote cast in favour 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.

14. Resolution 14: Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr Wesley Harder

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

"That, subject to the passing of all Acquisition Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Director Loan between the Company and Mr Wesley Harder, such that 50% of the Director Loan becomes a convertible Director Loan, a form of 'equity security' together with the issue of Shares upon conversion of the convertible Director Loan on the terms and conditions set out in the Explanatory Statement".

Short explanation

The inclusion of a conversion mechanism into the Director Loans effectively transforms the Director Loans into a "convertible security", a form of equity security.

Approval under ASX Listing Rule 10.11 is being sought given ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception under ASX Listing Rule 10.12 applies.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- Mr Wesley Harder;
- any person who is excluded from casting votes on Resolutions 1, 3, 7, 8, 12, 13, 15, 16 and 17; and
- any other person who might 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.

However, the Company need not disregard a vote cast in favour 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.

15. Resolution 15: Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr Michael Rhodes

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

"That, subject to the passing of all Acquisition Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Director Loan between the Company and Mr Michael Rhodes, such that 50% of the Director Loan becomes a convertible Director Loan, a form of 'equity security' together with the issue of Shares upon conversion of the convertible Director Loan on the terms and conditions set out in the Explanatory Statement".

Short explanation

The inclusion of a conversion mechanism into the Director Loans effectively transforms the Director Loans into a "convertible security", a form of equity security.

Approval under ASX Listing Rule 10.11 is being sought given ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception to ASX Listing Rule 10.12 applies.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- Mr Michael Rhodes; and
- any person who is excluded from casting votes on Resolutions 1, 3, 7, 8, 12, 13, 14, 16 and 17; and
- any other person who might 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.

However, the Company need not disregard a vote cast in favour 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.

16. Resolution 16: Approval of conversion mechanism in the Note Deed Poll and the issue of Shares on conversion of the Notes

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

"That, subject to and conditional on the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the inclusion of the conversion mechanism in the Note Deed Poll such that the non-convertible note becomes a convertible Note, a form of 'equity security' together with the issue of Shares upon conversion of the Note on the terms and conditions set out in the Explanatory Statement".

Short explanation

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities (which includes convertible securities) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**).

The inclusion of a conversion mechanism into the Note Deed Poll effectively transforms the non-convertible Note into a convertible Note, being a "convertible security", a form of equity security.

Approval under ASX Listing Rule 7.1 is being sought so that the issue of the equity securities, in the form of the convertible Notes (and the Shares on conversion of the Notes) does not reduce the 15% Placement Capacity of the Company.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- a holder of Notes;
- any person who is excluded from casting votes on Resolutions 1, 3, 7, 8, 12, 13, 14, 15 and 17; and
- any other person who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons.

However, the Company need not disregard a vote cast in favour 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.

17. Resolution 17: Approval of conversion mechanism in Note Deed Poll and issue of Shares to Related Party on conversion of the Note - Mr David Smith (and his associate)

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

"That, subject to the passing of all Acquisition Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the inclusion of the conversion mechanism in the Note Deed Poll between the Company and Mr David Smith, such that the non-convertible Note becomes a convertible Note, a form of 'equity security' together with the issue of 1,341,100 Shares to Mr David Smith and his associates upon conversion of the Note on the terms and conditions set out in the Explanatory Statement".

Short explanation

The inclusion of a conversion mechanism into the Note Deed Poll effectively transforms the non-convertible Note into a convertible Note, being a "convertible security", a form of equity security.

Approval under ASX Listing Rule 10.11 is being sought given ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception under ASX Listing Rule 10.12 applies.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- Mr David Smith; and
- any person who is excluded from casting votes on Resolutions 1, 3, 7, 8, 12, 13, 14, 15 and 16; and
- any other person who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons.

However, the Company need not disregard a vote cast in favour 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.

18. Resolution 18: Approval of change of company name

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **Special Resolution**:

"That, subject to the passing of all Acquisition Resolutions, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed from "Orpheus Energy Limited" to "SenSen Networks Limited" that change to take effect upon alteration of the details of the Company's registration by the Australian Securities and Investments Commission.

Short explanation

The Company proposes to change the name to more accurately reflect the proposed future activities of the Company, subject to the Acquisition proceeding.

Other business

To transact any other business which may be brought forward in accordance with the Company's constitution.

Section C – Directors’ and Proposed Directors interests and Directors’ recommendations

1. Director interests

1.1 General

Other than as set out below, no Director will receive any payment or benefit of any kind as a consequence of the approval of the Resolutions contained in this Notice of Meeting other than in their capacity as Shareholders of the Company.

1.2 The Acquisition

None of the Company's Directors:

- are related parties of any of the Vendors or any of their associates;
- have any interest in any shares in the Vendors or their respective associates (to the extent they are companies);
- have any interest in the proposed Acquisition of the shares of SenSen pursuant to the Acquisition Agreement other than in their capacity as Shareholders of the Company.

1.3 Interests in Shares

The following table sets out the interests in Shares in the Company held by or on behalf of each Director of the Company on a post-Consolidation basis:

- Scenario 1 – as at the date of this Notice of Meeting.
- Scenario 2 – if:
 - all Resolutions are passed;
 - David Smith (and his associates) take up the maximum number of Shares under the Share Purchase Plan (as per Resolution 8);
 - the Share Purchase Plan and General Offer are fully subscribed;
 - 50% of both the Director Loans and CFO Loans are converted into Shares;
 - the Notes are all converted into Shares; and
 - all Consideration Shares are issued.
- Scenario 3 – if:
 - all Resolutions are passed;
 - David Smith (and his associates) take up the maximum number of Shares under the Share Purchase Plan (as per Resolution 8);
 - the Share Purchase Plan is subscribed to the Subscription Amount and the General Offer is subscribed to the Minimum Subscription;
 - 50% of both the Director Loans and CFO Loans are converted into Shares;
 - the Notes are all converted into Shares; and

- all Consideration Shares are issued.

| Director | Scenario 1 | Scenario 2 | Scenario 3 |
|----------------|--|--|--|
| Wayne Mitchell | 1,526,421 Shares held directly (being 0.43%) 0 Shares held indirectly (being 0%) | 5,158,356 Shares held directly (being 1.37 %) 0 Shares held indirectly (being 0%) | 5,158,356 Shares held directly (being 1.45%) 0 Shares held indirectly (being 0%) |
| David Smith | 1,000,000 Shares held directly (being 0.28%) 2,650,000 Shares held indirectly (being 0.74%) | 5,371,915 Shares held directly (being 1.43%) 3,535,700 Shares held indirectly (being 0.94%) | 5,371,915 Shares held directly (being 1.51%) 3,535,700 Shares held indirectly (being 0.99%) |
| Wesley Harder | 645,282 Shares held directly (being 0.18%) 0 Shares held indirectly (being 0%) | 1,954,992 Shares held directly (being 0.52%) 0 Shares held indirectly (being 0%) | 1,954,992 Shares held directly (being 0.55%) 0 Shares held indirectly (being 0%) |
| Michael Rhodes | 427,783 Shares held directly (being 0.12%) 0 Shares held indirectly (being 0%) | 1,426,563 Shares held directly (being 0.38%) 0 Shares held indirectly (being 0%) | 1,426,563 Shares held directly (being 0.40%) 0 Shares held indirectly (being 0%) |

1.4 Remuneration

For the previous 2 financial years the Directors have been, and following completion of the Acquisition the Directors will be, remunerated by the Company as follows:

| Director | Financial Year ending 30 June 2016 ¹ | Financial Year ending 30 June 2017 | Financial Year ending 30 June 2018 |
|----------------|---|------------------------------------|------------------------------------|
| Wayne Mitchell | \$34,813 | N/A | N/A |
| David Smith | \$85,408 | \$72,000 ² | \$220,000 |
| Wesley Harder | \$15,056 | N/A | N/A |
| Michael Rhodes | \$14,902 | N/A | N/A |

1. These amounts have accrued and not been paid and the payables will be converted into equity as part of the resolutions 12-15

2. 50% of this amount has been accrued and not paid and the payables will be converted into equity as part of resolution 12

2. Proposed Director interests

2.1 General

Other than as set out below, no Proposed Director will receive any payment or benefit of any kind as a consequence of the approval of the Resolutions contained in this Notice of Meeting other than in their capacity as Vendors of SenSen.

2.2 Interests in Shares

The following table sets out the interests in Shares in the Company held by or on behalf of each Proposed Director of the Company:

- Scenario 1 – as at the date of this Notice of Meeting.
- Scenario 2 – if:
 - all Resolutions are passed;

- the Share Purchase Plan is fully subscribed and the General Offer is subscribed to the Minimum Subscription;
- 50% of both the Director Loans and CFO Loan are converted into Shares;
- the Notes are converted into Shares; and
- all Consideration Shares are issued.

| Proposed Director | Scenario 1 | Scenario 2 |
|-------------------|--|---|
| Subhash Challa | 0 Shares held directly (being 0%) 0 Shares held indirectly (being 0%) | 28,778,002 Shares held directly (being 8.06%) 49,246,968 Shares held indirectly (being 13.80%) |
| Zenon Pasieczny | 0 Shares held directly (being 0%) 0 Shares held indirectly (being 0%) | 0 Shares held directly (being 0%) 46,376,259 Shares held indirectly (being 13%) |
| Jason Ko | 0 Shares held directly (being 0%) 0 Shares held indirectly (being 0%) | 0 Shares held directly (being 0%) 0 Shares held indirectly (being 0%) |

2.3 Remuneration

For the previous 2 financial years the Proposed Directors have been, and following completion of the Acquisition the Proposed Directors will be, remunerated by the Company as follows:

| Director | Financial Year ending 30 June 2016 | Financial Year ending 30 June 2017 | Financial Year ending 30 June 2018 |
|-----------------|------------------------------------|------------------------------------|------------------------------------|
| Subhash Challa | nil | nil | \$250,000 |
| Zenon Pasieczny | nil | nil | \$30,000 |
| Jason Ko | nil | nil | \$30,000 |

3. Recommendations and open proxies

3.1 Recommendations

The Directors recommend that the Shareholders vote in favour of the Resolution (with the exceptions as detailed below) on the basis that they believe the advantages outweigh the disadvantages and consider the Acquisition is in the best interests of the Company.

In forming this recommendation, the Directors considered the following:

- The advantages and disadvantages and risks of the Acquisition are detailed in paragraph 1.13, paragraph 1.14 and paragraph 1.15 of the Explanatory Statement and the view formed by the Directors that the advantages outweigh the disadvantages;
- The view formed by the Independent Expert that the proposed Acquisition is fair and reasonable to the non-associated Shareholders of the Company.

| Director | Recommendation |
|-------------|--|
| David Smith | Recommends that Shareholders vote in favour of all Resolutions at the General Meeting with the exception of the following as he has an interest in them and is accordingly excluded from making a recommendation: <ul style="list-style-type: none"> • Resolution 6 |

| | |
|----------------|--|
| | <ul style="list-style-type: none"> • Resolution 8 • Resolution 12 • Resolution 17 |
| Wayne Mitchell | <p>Recommends that Shareholders vote in favour of all Resolutions at the General Meeting with the exception of the following as he has an interest in them and is accordingly excluded from making a recommendation:</p> <ul style="list-style-type: none"> • Resolution 13 |
| Wesley Harder | <p>Recommends that Shareholders vote in favour of all Resolutions at the General Meeting with the exception of the following as he has an interest in them and is accordingly excluded from making a recommendation:</p> <ul style="list-style-type: none"> • Resolution 14 |
| Michael Rhodes | <p>Recommends that Shareholders vote in favour of all Resolutions at the General Meeting with the exception of the following as he has an interest in them and is accordingly excluded from making a recommendation:</p> <ul style="list-style-type: none"> • Resolution 15 |

3.2 Open proxies

For the reasons set out in this Notice of Meeting, the Chairman intends to vote open proxies **in favour of** the Resolutions to the extent that he is not excluded from doing so.

Section D – How to vote

If you are entitled to vote at the General Meeting, you may vote by attending the General Meeting in person or by attorney, proxy or, in the case of corporate shareholders, corporate representative.

1. How to vote

You may vote in one of two ways:

- attending the General Meeting and voting in person (if a corporate shareholder, by representative); or
- voting by proxy (see below on how to vote by proxy).

2. Your vote is important

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

3. Corporations

To vote at the General Meeting, a Shareholder that is a corporation must appoint an individual to act as its representative. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the General Meeting evidence of his or her appointment, including any authority under which it is signed.

Alternatively, a corporation may appoint a proxy.

4. Voting in person

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

5. Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy says so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the General Meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a General Meeting of the Company's members; and
- the appointed proxy is not the chair of the General Meeting; and
- at the General Meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the General Meeting; or
 - the proxy does not vote on the resolution,

the chair of the General Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the General Meeting.

6. Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those that are registered Shareholders at 5:00pm (EST) on Sunday, 27 August 2017. If you are not the registered holder of a relevant share in the Company at that time you will not be entitled to vote in respect of that share.

7. Voting procedure

Every question arising at this General Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's current constitution. On a show of hands, every shareholder entitled to vote who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person entitled to vote who is present in person or by proxy, representative or attorney will have one vote for each voting share held by that person.

8. Enquiries

For all enquiries, please call 1300 651 303 (from within Australia) and +61 3 9415 4281 (from outside Australia).

Section E – Explanatory Statement

The Explanatory Statement forms part of the Notice of Meeting of Orpheus Energy Limited (**Company**) to be held at Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000, commencing at 11.00am (AEST) on Tuesday 29 August 2017.

The Explanatory Statement is to be read in conjunction with the Notice of General Meeting.

The purpose of the Explanatory Statement is to provide information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions to be put forward in the General Meeting.

Inter-conditionality of Resolutions

Resolutions 1 to 18 (inclusive) are inter-conditional on all of those Resolutions being approved. If any of Resolutions 1 to 18 (inclusive) are not passed, then all of Resolutions 1 to 18 (inclusive) will be taken to have been rejected by Shareholders.

For the avoidance of doubt, the Resolutions 1 to Resolution 18 (inclusive) are referred to as "Acquisition Resolutions".

Read the Notice of General Meeting and this Explanatory Statement

The Directors recommend Shareholders read the Notice of General Meeting and this Explanatory Statement in full before making any decisions relating to the Resolutions contained in the Notice of General Meeting.

Defined terms

Terms used in this Explanatory Statement have the meaning given to them in the Glossary in Section A of this Notice of Meeting in which this Explanatory Statement is contained.

General information

1. The proposed Acquisition of SenSen

1.1 Background

Orpheus Energy Limited is an Australian public company that has been listed on the ASX (ASX code: OEG) since 28 May 2007 (originally under ASX code BVP).

The Company previously conducted the business of producing and exploring for coal from Indonesia. The Company has been actively seeking to identify and evaluate new opportunities in related and non-related industries that may increase shareholder value.

1.2 Background to the Acquisition

On 12 April 2017, the Company announced that it had executed a binding conditional share purchase agreement (**Acquisition Agreement**) with the shareholders of SenSen Networks Pty Ltd ACN 115 838 036 (**SenSen**) pursuant to which the Company proposes to acquire all of the issued shares in SenSen from the shareholders of SenSen in consideration for the issue of the Consideration Shares (the subject of Resolution 3) to the Vendors (**Acquisition**).

Subsequently, SenSen issued and allotted additional shares to SenSen Investors in order to raise up to \$1,000,000 pursuant to the Acquisition Agreement (**SenSen Pre-RTO Capital Raising**). These SenSen Investors have agreed to sell their shares in SenSen acquired under the SenSen Pre-RTO Capital Raising, to the Company on the same terms and conditions of the Acquisition Agreement, as if they were parties to the Acquisition Agreement as Vendors.

The current shareholders of SenSen are referred to as the "Vendors" and are detailed in **Schedule 1** along with full details of the Consideration Shares to be issued to them.

SenSen is a company incorporated in Australia and was established on 18 August 2005. It is a leading provider of innovative, data driven business process enhancement solutions, in the intelligent transportation systems and gaming sectors.

Further detail on SenSen is set out in **paragraph 1.5** of this Explanatory Statement.

A summary of the material terms of the Acquisition Agreement is set out in **paragraph 1.7** of this Explanatory Statement.

Subject to Shareholders' approval of the Acquisition Resolutions and subject to the terms of the Acquisition Agreement, including satisfaction or waiver of the conditions precedent summarised in **paragraph 1.7**, the Company proposes to:

- Change the Company's nature and scale of activities to a technology consulting business via the proposed Acquisition (Resolution 1);
- Consolidate the issued capital of the Company on the basis that every 10 Shares are consolidated into 1 Share (Resolution 2);
- Issue, on a post-Consolidation basis, 273,764,706 Consideration Shares to the Vendors in consideration for 100% of the issued capital in SenSen (Resolution 3, 4 and 5);
- Raise new capital by way of a Share Purchase Plan Offer and General Offer to Shareholders (Resolution 6 and Resolution 7). Details of the Share Purchase Plan Offer and General Offer are provided below and in **paragraph 1.7**. The Share Purchase Plan and the General Offer are together referred to as the 'Capital Raising';
- Issue Shares to David Smith (Director) and his associates under the Share Purchase Plan (Resolution 8).

Mr Subhash Challa, Mr Zenon Pasieczny and Mr Jason Ko, each a director of SenSen, are proposed to become directors of the Company subject to and with effect from completion of the Acquisition (Resolution 9, Resolution 10 and Resolution 11). They are referred to in this Notice of Meeting as the Proposed Directors.

The Company proposes to change the Company's name to SenSen Networks Limited with effect from when ASIC alters the details of the Company's registration (Resolution 18). The Company will only change its name if completion of the Acquisition occurs and where all of the Acquisition Resolutions are passed. Given the Company and SenSen cannot have the same name, SenSen will change its name to an alternative if completion of the Acquisition occurs and where all of the Acquisition Resolutions are passed.

The Share Purchase Plan is on the following terms:

- The offer will be to Shareholders in Australia and New Zealand and any other jurisdiction where it is lawful to make such an offer for 15,000,000 Shares (**on a post-Consolidation basis**) in the Company at an offer price A\$0.10 per share to raise A\$1,500,000.
- Shareholders will be offered parcels of shares to a maximum of A\$15,000 per Shareholder.
- Subscription Amount of A\$1,500,000 for the Share Purchase Plan must be raised (both the minimum and maximum subscription for the Share Purchase Plan)

The General Offer is an offer of a minimum of 30,000,000 Shares, and up to a maximum of 50,000,000 Shares (on a post-Consolidation basis) in the Company at an offer price of A\$0.10 per share to raise a Minimum Subscription of A\$3,000,000, up to a Maximum Subscription of A\$5,000,000.

The Company also proposes to:

- revise the terms of the Director Loans and the CFO Loan so that 50% of the loans can be repayable by way of the issue of Shares to the Directors and the CFO on the basis that 50% of the Director Loans and CFO Loan will be divided by \$0.10 to equal the number of Shares issued (Resolution 12, Resolution 13, Resolution 14 and Resolution 15 (with respect to Directors). The balance of the Director Loans and the CFO Loan will be repaid within 12 months of Completion in cash, or in the Company's Shares, at the election of the Company's Board. If the Company's Board elects to repay the Loans in the Company's Shares, this will be subject to Shareholder approval and the number of the Company's Shares to be issued will be calculated by dividing the relevant Director and CFO Loan amounts by the 30 day Volume-Weighted-Average-Price (**VWAP**) of the Company's Shares trading on ASX.
- include a conversion mechanism into the Note Deed Poll such that:
 - the Notes issued to all other Noteholders under the Note Deed Poll become convertible Notes and the issue of Shares on conversion of the Note are approved (Resolution 16); and
 - the Notes issued to David Smith and his associates under the Note Deed Poll become a convertible Note and the issue of Shares on conversion of the Note are approved (Resolution 17).

1.3 Change in nature and scale of activities

As stated above, the Company and the Vendors have entered into the Acquisition Agreement, pursuant to which the Company will, subject to Shareholders' approval of the Acquisition Resolutions and the terms of the Acquisition Agreement, including satisfaction or waiver of the conditions precedent summarised in **paragraph 1.7**, acquire 100% of the issued share capital of SenSen. Refer to **paragraph 2** for information on the application of Listing Rule 11.1 to the Acquisition.

1.4 Dilutive impact of the Acquisition and the Capital Raising

The dilutive impact of the Acquisition and the Capital Raising on the holdings of Existing Shareholders is contained in a table in Schedule 2. This table provides a snapshot of the dilutive impact to Existing Shareholders in the event:

- The Share Purchase Plan is fully subscribed by Company Shareholders to the Subscription Amount & General Offer is subscribed to the Maximum Subscription (raising \$6,500,000);
- The Share Purchase Plan is fully subscribed by Company Shareholders to the Subscription Amount & General Offer is subscribed to the Minimum Subscription (raising \$4,500,000);

By way of summary, the table below sets out the percentage holdings based on the Minimum Subscription and the Maximum Subscription being achieved under the General Offer and the Share Purchase Plan being subscribed to the Subscription Amount:

| Holder | Maximum Subscription | Minimum Subscription |
|---|----------------------|----------------------|
| Top 5 Shareholders (post Acquisition) - | 37.54% | 39.64% |

| | | |
|--|--------|-------|
| SmartEquity EIS Pty Ltd | | |
| Top 5 Shareholders (post Acquisition) - Speedshield Holdings Pty Ltd ACN 603 052 866 | 7.70% | 8.13% |
| Top 5 Shareholders (post Acquisition) - Mr Subhash Challa | 7.64% | 8.06% |
| Top 5 Shareholders (post Acquisition) - Saphet Capital Management Pty Limited ACN 105 869 378 | 5.91% | 6.24% |
| Top 5 Shareholders (post Acquisition) - Mr William Moran | 2.45% | 2.59% |
| Existing Shareholders (not taking into account take-up under the Share Purchase Plan by Existing Shareholders) | 4.87% | 5.14% |
| Additional % held by Existing Shareholders (based on 100% take-up of the Share Purchase Plan) | 3.98% | 4.20% |
| Investors under the General Offer (Maximum Subscription) | 13.27% | 8.41% |
| Directors (on conversion of the 50% of Director Loans) | 2.60% | 2.75% |
| Noteholders on conversion of the Notes | 1.78% | 1.87% |
| SenSen Corporate Advisor (Introduction and Advisory Fee) | 0.85% | 0.90% |

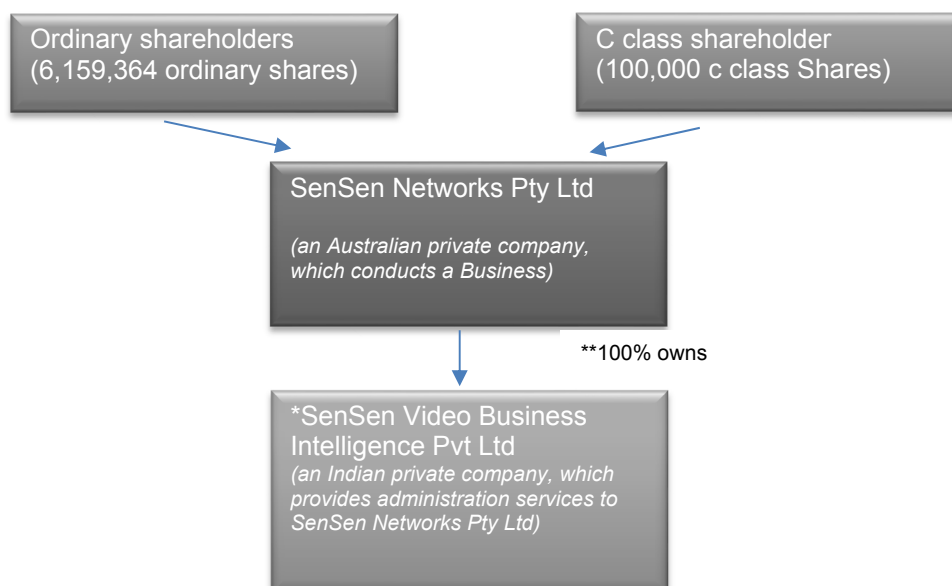
1.5 About SenSen

General

SenSen is an Australian proprietary company founded on 18 August 2005 and is currently the holding company of:

- a private company incorporated in India, namely SenSen Video Business Intelligence Pvt Ltd (**SenSen India**), which provides administrative support and services to SenSen, including software testing, software quality assurance, offshore software development, global customer support and global project delivery support.

The corporate structure of SenSen and SenSen India is provided below:



* In India, SenSen Video Business Intelligence Pvt Ltd is required to have a minimum of 2 shareholders. In order to comply with this requirement, the 10,000 equity shares issued in the capital of SenSen Video Business Intelligence Pvt Ltd are currently registered in the names of SenSen Networks Pty Ltd (9,999 equity shares) and Subhash Challa (1 equity share) who holds 1 equity share as nominee for SenSen Networks Pty Ltd.

The SenSen business

SenSen's business model is focused principally on the development, commercialization and supply of innovative, data driven business process enhancement solutions, designed to assist the customers in their business operations in order to improve business efficiency and productivity (**SenSen Business**).

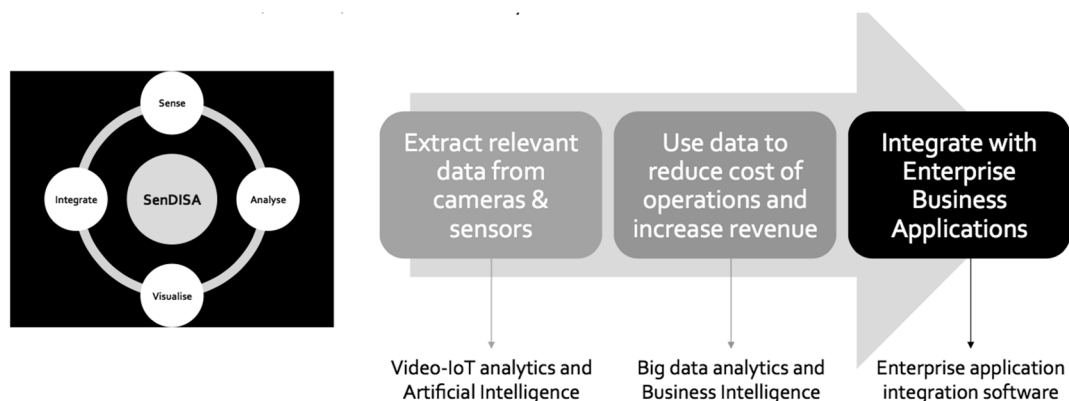
Under the current business model, SenSen focuses on providing video analytics & artificial intelligence data analytics software solutions, namely the SenSen Technology (as described below), to customers in the intelligent transportation systems and gaming sectors that are located in Australia, Canada, Europe, India, Singapore and UAE.

SenSen business operations are conducted principally by SenSen, which has approximately 13 employees and consultants, in Australia, and are supported by SenSen India which provides administrative and back end support and services, including, software testing, software quality assurance, offshore software development, global customer support and global project delivery support.

SenSen Technology

The core SenSen Technology consists of the following:

- SenDISA Platform which combines enterprises video and sensor data acquisition, data fusion and big data analytics into a scalable and configurable platform, to help its customers improve speed and accuracy of decisions they take and to automate business process.



SenDISA is currently being commercialised in Australia, Singapore, Canada, Norway, Denmark, Germany, USA, UAE and India and is subject to the following granted or pending claims of patents:

| Country | Application No. (Patent No.) | Filing Date | Patent Expiry Date | Next Renewal Date | Owner | Status |
|-----------|---------------------------------|-------------|--------------------|-------------------|-------------------------|-----------|
| Australia | 2006904797 | 01/09/2006 | N/A | N/A | SenSen Networks Pty Ltd | Completed |
| PCT | PCT/AU2007/ | 31/08/2007 | N/A | N/A | SenSen Networks | Completed |

| | | | | | | |
|---------------|----------------------------|------------|------------|------------|-------------------------|---------|
| | 001274 | | | | Pty Ltd | |
| Australia | 2007291884 (2007291884) | 31/08/2007 | 31/08/2027 | 31/08/2017 | SenSen Networks Pty Ltd | Granted |
| United States | 12/439,531 (8,457,408) | 31/08/2007 | 28/08/2029 | 04/06/2020 | SenSen Networks Pty Ltd | Granted |
| United States | 13/604,536 (9,111,169) | 5/09/2012 | 31/08/2027 | 18/08/2018 | SenSen Networks Pty Ltd | Granted |
| Europe | 07800232.6 | 31/08/2007 | 31/08/2027 | 31/08/2017 | SenSen Networks Pty Ltd | Pending |

- 'SenFORCE, SenSIGN and SenPARK' which offers insights on traffic data and law enforcement solutions to city councils, national parks, road authorities and transit agencies worldwide, substantially increasing productivity and parking compliance, thereby making parking in cities safer.

These technologies are currently being utilised in Australia, Singapore, Canada, Norway, Denmark, Germany, USA, UAE and India. However, at this stage, SenSen has not sought patents for any of these technologies.

- Time of Flight cameras and patent pending AI algorithms, 'SenGAME', which offers accurate actionable insights about table occupancy, hands per hour, bet type and value for every bet placed on the gaming floor, allowing customers to more accurately monitor traffic inflow and analyse impact of non-gaming events.

SenGAME is currently subject to the following granted or pending claims of patents:

| Country | Application No. | Filing Date | Patent Expiry Date | Next Renewal Date | Owner | Status |
|-----------|-------------------|-------------|--------------------|-------------------|-------------------------|-----------|
| Australia | 2016901829 | 15/05/2016 | N/A | N/A | SenSen Networks Pty Ltd | Completed |
| PCT | PCT/AU2017/050452 | 16/05/2017 | N/A | N/A | SenSen Networks Pty Ltd | Pending |

Following completion of the Acquisition, SenSen intends to apply for patent registration in relation to SenGAME in each country where casinos are operated.

The SenSen client base

SenSen's key customers include:

- Roads and Maritime Services (RMS), New South Wales, Australia
- Land Transport Authority, Singapore
- Growing list of City Councils (Smart Cities)
 - Australia: Brisbane City Council, Ipswich, Logan, Vicpark, Subiaco, Maribyrnong, Manly
 - Europe: Copenhagen (Denmark), Trondheim (Norway), Frederiksberg (Denmark)
 - Canada: Calgary

- Crown Casino, Melbourne, Australia
- National Parks of NSW, Australia

In Australia, approximately 90% of all the domestic SenSen customers are contracted directly by SenSen and the remaining 10% are contracted through SenSen's Australian channel partners, being Duncan Solutions, and Thales Australia Limited, pursuant to terms agreed to between the parties on a case to case basis and specific to the projects. These terms are succinctly elicited in the respective quotations submitted by SenSen and purchase orders issued by the relevant channel partners.

SenSen's offshore customers are predominantly contracted through its offshore channel partners, being Cubic Transportation Systems-USA, Panstreet International GmbH, ATT Systems-(S'pore) Pte Ltd, Schweers International, Thales Australia Limited and Tyco Fire, Security & Services Pte Ltd pursuant to the terms and conditions agreed between SenSen and the relevant channel partners. It is noted that except for Schweers International and Tyco Fire, Security & Services Pte Ltd, which have entered into formal agreements with SenSen, there are no formal agreements between SenSen and the other channel partners. Instead, the terms and conditions are on a case by case basis and specific to the relevant projects. These terms are detailed in the respective quotations submitted by SenSen and purchase orders issued by the relevant channel partners.

Key markets and business divisions of SenSen

With its potential for multiple industry usage, the SenSen Business is currently focused on two market segments, being:

- Intelligent Transportations Systems (**ITS**)

SenSen delivers solutions for the parking, traffic safety and ITS Industry, especially when the solutions must work under very challenging environments. In its 10 year history as a leader in this sector, SenSen has delivered a number of different solutions using our video-IoT analytics platform across different countries including Australia, Singapore, Canada, Norway, Denmark, Germany, USA, UAE and India.

The SenSen approach is fundamentally different to most vendors who operate in this sector. SenSen is driven by a strong culture to innovate using ever advancing technology in smart sensors, cameras and processing platforms, with a focus to deliver highest possible accuracy in the most cost effective way to its customers. To gain advantage from sensing technologies, SenSen designed a product platform SenDISA with open interfaces to any sensing device and cameras. This allows it to control and process the incoming signals and fuse the data in order to accurately detect, track and identify vehicles and people and to generate evidential data to support a range of enforcement applications.

With its innovations, SenSen is challenging the industry as a leader in video & sensor analytics and data-fusion (of GPS & Video Imaging sensors) delivering end-to-end automation for parking management and enforcement using high accuracy systems. This is evidenced by systems already deployed in Australia, Norway, Copenhagen, Germany, US, Singapore and many more overseas jurisdictions.

- Casino Gaming

Using time of flight cameras and patent pending artificial intelligence algorithms, the SenSen casino gaming solution improves table game operations in casinos delivering accurate actionable insights about table occupancy, hands per hour, bet type and value for every bet placed on the gaming floor.

Traditional systems have typically proven to be expensive to install and maintain, and have failed to achieve accuracy levels which are needed to be truly useful. Such traditional systems include sensors in casino chips and other offline yield

management solutions which are less effective as the operating environment is too fast paced for the product.

By working closely with leading casino clients, SenSen's smarter gaming solutions overcomes these obstacles with an all-in-one package that adds increased visibility from the moment it is installed.

- Revenues

Table 1: Snap shot of the revenues generated for each industry sector*

| | 2015 | 2016 | 2017 (31 December 2016) |
|--------------------------|------|------|-------------------------|
| ITS | 67% | 39% | 97% |
| Gaming and retail | 33% | 61% | 3% |
| Total | 100% | 100% | 100% |

**The 2017 figures were derived from the total revenues generated by SenSen for the 6 month period ended on 31 December 2016, whereas the 2015 and 2016 figures were derived from the total revenues generated by SenSen for full financial years ended 30 June 2015 and 30 June 2016 respectively.*

SenSen's revenues are generated from commercialization of its SenSen Technology and provision of related support and services to its customers in Australia and overseas.

Table 2: Snap shot of the revenues generated from domestic and overseas sales*

| | 2015 | 2016 | 2017 (31 December 2016) |
|----------------------------|--------------|----------------|-------------------------|
| Sales - Domestic | \$141,716.52 | \$799,646.85 | \$483,699.00 |
| Sales - Overseas | \$276,870.00 | \$308,942.00 | \$196,722.00 |
| Total sales revenue | \$418,586.52 | \$1,108,588.85 | \$680,471.00 |

**The 2017 figures represent the total revenues for the 6 month period ended on 31 December 2016, whereas the 2015 and 2016 figures are the total revenues for full financial years ended 30 June 2015 and 30 June 2016 respectively.*

Business and Future Growth Strategy

With rising demand for big data, artificial intelligence, computer vision and machine learning, SenSen's vision and strategy is to expand its Business operations internationally and continue to develop and innovate new technology with a view to maintaining a competitive advantage over the market in which it operates.

Following completion of the Acquisition, SenSen intends to focus on:

- expanding its service offerings to its existing customers in the ITS & casino gaming markets, including, but not limited to, providing training and support and other value added services on SenSen product offerings;
- expanding its business operations in the Casino Gaming Market focusing initially in Australia, New Zealand, Macau and Las Vegas and gradually internationally;
- extending the ambit of its product offerings, to high growth market segments, including, but not limited to, retail, logistics, manufacturing, defence, security, and mining sectors; and
- pursuing strategic acquisition opportunities with a view to penetrating its business options into high growth markets and enhancing its service offerings.

Key management

Details of the key management team of SenSen are provided below:

Dr. Subhash Challa – Executive Chairman

Subhash founded SenSen as a spin off from the University of Technology Sydney where he was the Professor of Computer Systems in 2007. He is a leading authority in data science specialising in the analysis of video and sensor data with a focus on solving every day business problems. Between 2007-2011, he was a Professor at National ICT Australia, University of Melbourne and the author of the reference text “Fundamentals of Object Tracking” published by Cambridge University Press. Subhash was a visiting scholar at Harvard University (1997) and Tan-Chin Tau fellow at Nanyang Technological University in Singapore (2003). Subhash joined SenSen as a full time CEO in January 2012 after leaving a successful career in academia. Since then, Subhash has led the development of the Video-IoT platform SenDISA and its applications to diverse market segments. He has built a team of 30 engineers and marketing/sales executives and led the expansion of SenSen offerings into overseas markets including Singapore, India, Europe, UAE and Canada.

Zenon Pasieczny – Non-Executive Director

Zenon is an experienced venture capital investor screening 300+ deals annually and investing in only a handful. He backed SenSen for its outstanding potential as an Australian technology company with innovative and IP-driven solutions, helping it grow from an R&D focused startup to a globally respected industry leader. Zenon is closely involved in SenSen's strategic marketing and delivery of global communication messages to clients, partners and the media.

Jason Ko - Non Executive Director

Jason is the CEO of NexPac, an IoT platform and consumer device business, a Company Director at Speedshield Technologies and former CEO, who led Speedshield from a loss making business to consistent profitability before joining NexPac. Jason is a Dean's scholar of Computer Science (Monash University) with a keen sense and passion for IoT and data where the businesses he has been involved in all have a unique data proposition. He brings a unique blend of high technical skill and business acumen with proven experience in setting up and operating successful businesses in Australia, China, and the US.

Mr Subhash Challa, Mr Zenon Pasieczny and Mr Jason Ko, each a director of SenSen, are proposed to become directors of the Company subject to and with effect from completion of the Acquisition (Resolution 9, Resolution 10 and Resolution 11). They are referred to in this Notice of Meeting as the Proposed Directors.

1.6 Market overview

McKinsey Global Institute (**MGI**) predicts that IoT applications will have a potential economic impact of USD\$3.9 trillion to USD\$11.1 trillion a year by 2025, and that the demand for video-analytics (**VA**) applications will be greatest in the city, retail, vehicle, and office site by 2020. Much of VA application is likely to be employed in the spheres of business operations, public safety, employee productivity, and improving maintenance.

(Source: “Unlocking the potential of the Internet of Things”, McKinsey Global Institute, June 2015)

Retailers for example, use VA for heat mapping, people counting, shopper-demographics analysis, loitering detection, and dwell-time analysis. Thus sifting through various customers, assessing their age range, demographic profile, and behaviours to decide on product placement. These inferences facilitate considerable economies of scale, as it helps businesses make crucial decisions in milliseconds.

By offering real-time processing and greater accuracy across multiple sources, VA delivers better business insights than traditional surveillance cameras, and are considered as the most innovative of IoT apps by MGI.

By 2025, this will facilitate cities to capture USD\$14 - \$31 billion in economic value through improved crime detection and monitoring, and retailers could capture between USD\$410.0 billion and USD\$1.2 trillion in annual economic value.

Likewise, Smart cities are anticipated to create huge business opportunities with a market value of USD\$1.565 trillion by 2020, according to Frost & Sullivan, and Navigant Research estimates that the global smart city technology market will be over USD\$27.5 billion annually by 2023, compared to USD\$8.8 billion in 2014, translating to a compound annual growth rate (CAGR) of 13.5%.

This places SenDISA at a unique advantage, for being an advanced video and sensor analytics based AI software platform with over 200 man-years of effort by a team of experienced scientists.

1.7 Key terms of the Acquisition Agreement

In accordance with the Acquisition Agreement, the Company will acquire 100% of the issued share capital of SenSen.

The key terms of the Acquisition Agreement are provided below:

| | |
|-----------------------|--|
| Parties: | The Company, SenSen and the Vendors. |
| Acquisition: | The entire issued share capital in SenSen. |
| Consideration: | <p>273,764,706 Consideration Shares issued pro-rata to each of the Vendors (on a post-Consolidation basis).</p> <p>The Consideration Shares are on terms that are the same as the Company's quoted ordinary Shares.</p> <p>Any escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules applying to the Consideration Shares will be determined by the ASX after the Prospectus is lodged with the ASX for the Capital Raising.</p> <p>Approval for the issue of the Consideration Shares is the subject of Resolution 3, Resolution 4 and Resolution 5.</p> |
| Conditions Precedent: | <p>The Acquisition is conditional upon, and subject to, a number of conditions. Material conditions precedent include:</p> <ul style="list-style-type: none"> • Due Diligence: Completion of legal, financial and technical due diligence on SenSen to the satisfaction of the Company in its absolute discretion; • Independent Expert's Report: receipt of an independent expert's report by the Company confirming that the Acquisition is fair and reasonable, or not fair but reasonable to the Company, or is deemed by the Company, in its absolute discretion, to be satisfactory and sufficient to proceed with seeking Shareholder approval for the Acquisition; • Compliance with ASX Listing Rules and the Corporations Act: The Company has received all necessary or desirable regulatory approvals to effect the Acquisition as required under the Corporations Act and the ASX Listing Rules, these include: <ul style="list-style-type: none"> ○ Shareholders Resolutions: The Resolutions contained in this Notice of General Meeting; ○ Re-compliance with ASX Listing Rules Chapters 1 and 2: The Company receives from the ASX written conditional approval that the ASX will re-admit the Company to the Official List of the ASX subject to the terms and conditions as are prescribed by the ASX and the ASX Listing Rules; |

| | |
|--------------------------------|---|
| | <ul style="list-style-type: none"> ○ ASX waiver: the ASX grants certain waivers in respect of ASX Listing Rules 2.1 Condition 2 and 7.3.8 and the Company has complied with the requirements of such waivers (Note: These waivers have been received. Refer to paragraph 1.21); • Capital Raising: raising a range of between \$4,500,000 - \$6,500,000 under a Share Purchase Plan and the General Offer. |
| Consolidation of capital | <p>As required by the ASX Listing Rules, the Company proposes to undertake a Consolidation of its issued capital on the basis of 1 Share for every 10 Shares held, as set out further in paragraph 3.</p> <p>Approval for the Consolidation is the subject of Resolution 2.</p> |
| Capital raising | <p>In order to re-comply with Chapters 1 and 2 of the ASX Listing Rules and meet the conditions of the Acquisition Agreement, the Company proposes to conduct a capital raising by way of the following:</p> <ul style="list-style-type: none"> • share purchase plan offer to its Shareholders on the following terms: <ul style="list-style-type: none"> ○ The offer will be to Shareholders in Australia and New Zealand and any other jurisdiction where it is lawful to make such an offer for 15,000,000 Shares (on a post-Consolidation basis) in the Company at an offer price of A\$0.10 per share to raise A\$1,500,000. ○ Shareholders will be offered parcels of shares to a maximum of A\$15,000 per Shareholder. <p>(Share Purchase Plan).</p> <ul style="list-style-type: none"> • A general offer of a minimum of 30,000,000 Shares, and up to a maximum of 50,000,000 Shares (on a post-Consolidation basis) in the Company at an offer price of A\$0.10 per share to raise a Minimum Subscription of A\$3,000,000, up to a Maximum Subscription of A\$5,000,000 (General Offer). <p>The Share Purchase Plan Offer and the General Offer will be conducted under a full form prospectus to be prepared by the Company (Prospectus).</p> <p>Approval for the issue of Shares pursuant to the Capital Raising (Share Purchase Plan and the General Offer) is the subject of Resolution 6, Resolution 7 and Resolution 8.</p> |
| Introduction and advisory fee | <p>The Company has agreed to issue 3,209,201 Shares (on a post Consolidation basis) to the SenSen Corporate Advisor, Tat Capital Pty Ltd, for introduction and advisory services provided to the Company.</p> |
| Proposed Directors | <p>In accordance with the terms of the Acquisition Agreement, Shareholders are being asked to approve the appointment of Mr Subhash Challa, Mr Zenon Pasieczny and Mr Jason Ko (Proposed Directors) as directors of the Company, with effect from completion of the Acquisition.</p> <p>A summary of the background and experience of Mr Subhash Challa, Mr Zenon Pasieczny and Mr Jason Ko is set out in paragraph 1.5 above.</p> <p>Approval for the appointment of the Proposed Directors is the subject of Resolution 9, Resolution 10 and Resolution 11.</p> <p>After the appointment of the Proposed Directors each of the Existing Directors of the Company (with the exception of David Smith) will resign as Directors of the Company.</p> |
| Change of name | <p>As a result of the Acquisition, the Company proposes to change its name to "SenSen Networks Limited".</p> <p>Approval for the change of name is the subject of Resolution 18.</p> |
| SenSen Pre-RTO Capital Raising | <p>Pursuant to the Acquisition Agreement, SenSen was permitted to raise up to A\$1,000,000 in equity funding prior to the General Offer (SenSen Pre-RTO Capital Raising).</p> <p>In the event that the SenSen Pre-RTO Capital Raising is undertaken prior to the</p> |

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| | <p>General Offer:</p> <ul style="list-style-type: none"> the investors under the SenSen Pre-RTO Capital Raising shall be subject to a condition that they agree to be bound by the provisions of the Acquisition Agreement and any amendments thereto; the additional equity investment in SenSen will result in the number of Consideration Shares increasing as a result of the further shares in the Company to be issued. <p><i>Note:</i> subsequent to the execution of the Acquisition Agreement, SenSen raised A\$1,000,000 by way of the issue of 268,989 ordinary shares in SenSen to the SenSen Investors. These SenSen Investors have agreed to be bound by the provisions of the Acquisition Agreement and to sell their shares in SenSen to the Company. These SenSen Investors are detailed in items 2, 26 to 41 of Schedule 1.</p> |
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1.8 Pro-forma balance sheet

The unaudited pro-forma balance sheet is set out in **Appendix A** and assumes that all of the Acquisition Resolutions are passed, the Acquisition, Capital Raising, Consolidation and other events the subject of the Acquisition Resolutions have occurred.

The historical and pro-forma information is presented in abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

In terms of historical earnings or losses, the Company notes that Sensen has generated historical losses.

Further, the assets of both the Company and SenSen are yet to prove that they can generate sustainable positive operating cash flows. The value of such companies may increase or decrease materially over short time periods depending on their ability to meet certain milestones.

As detailed in the Independent Expert Report, the Independent Expert regards any investment in the Company (post Acquisition) as high risk and speculative and Shareholders should consider that there is a risk that the share price may move materially before Shareholders are able to sell and realise the proceeds of their shares.

In terms of expected future capital requirements and associated dilution (post completion of the Acquisition), the Company is presently of the view that it will not seek further capital (in either debt or equity) in the short to medium term and, as such, there is no current intention of a dilutive event in the short to medium term.

1.9 Pro-forma capital structure

The capital structure of the Company following completion of the matters contemplated by the Resolutions is set out below:

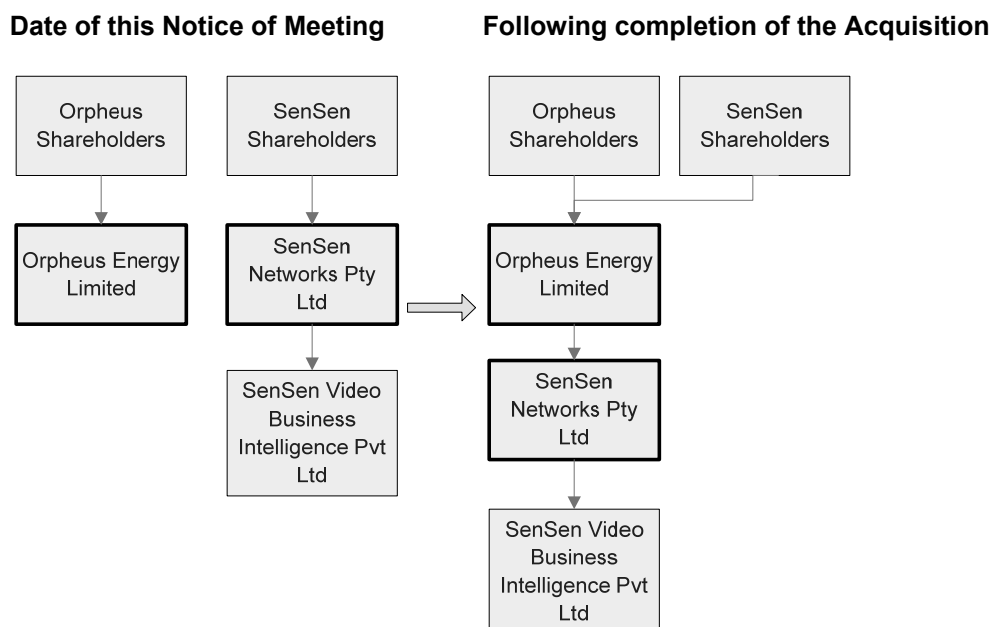
| | Shares | Notes (assuming Resolutions 16 and 17 are passed and they become convertible into Shares (i.e. convertible Notes)) |
|---|-------------|--|
| Pre Consolidation | | |
| Current issued capital (prior to Consolidation) | 183,476,500 | - |
| Current issued Notes (prior to Consolidation) | - | 500,000 |

| Post Consolidation | | |
|--|--------------------|------------|
| Estimated issued capital following the proposed Consolidation but prior to the completion of the Acquisition | 18,347,650 | - |
| Introduction and Advisory Fee | 3,209,201 | |
| Proposed issue of Consideration Shares | 273,764,706 | - |
| Proposed issue pursuant to the Share Purchase Plan | 15,000,000 | - |
| Proposed issue pursuant to the General Offer (Maximum Subscription) | 50,000,000 | - |
| Proposed issue on conversion of the Notes | 6,689,850 | Nil |
| Proposed issue on conversion of the Director Loans and CFO Loan | 9,822,420 | - |
| Total estimate on completion of the matters contemplated by the Acquisition Resolutions | 376,833,827 | Nil |

*Assumes no further Securities are issued prior to completion of the matters the subject of the Resolutions, other than as set out in the table. The post-Consolidation issued capital of the Company is only an estimate and is subject to variation, for example arising from the rounding of individual Security holdings.

1.10 Pro-forma corporate structure

The below diagrams depict the corporate structure of the Company as at the date of this Notice of Meeting and the corporate structure of the Company assuming that all of the Acquisition Resolutions are passed and the Acquisition, Capital Raising and other events the subject of the Acquisition Resolutions have occurred.



1.11 Proposed budget

As at 31 December 2016, the Company had cash reserves of approximately \$24,444 and as at 31 December 2016, SenSen had cash reserves of approximately \$54,620.

If the Acquisition is completed, the Company intends to combine its cash reserves with the cash reserves of SenSen up to settlement of the Acquisition and the proposed Capital Raising and intends to apply these funds plus any profits earned as follows:

| Item | Proposed Raising and cash reserves ¹ | Capital existing reserves ² | Capital and cash |
|---|---|--|------------------|
| Total Cash in Bank as at 31 Dec 2016 and the Capital Raisings | \$5,918,067 | \$7,918,067 | |
| Total Costs of the transaction for the Company ³ | \$467,400 | \$467,400 | |
| Total Costs of the transaction for SenSen | \$465,190 | \$585,190 | |
| Total Funds available after capital raisings and transaction costs | \$4,985,476 | \$6,865,476 | |
| Use of Funds | Minimum Subscription | Maximum Subscription | |
| ITS, Gaming Marketing and New Product Development | \$2,500,000 | \$4,000,000 | |
| Platform Development, Patents & Trademarks | \$500,000 | \$750,000 | |
| Repayment of loans owing from SenSen to a director of SenSen and a related party of a director of SenSen ⁴ | \$750,000 | \$750,000 | |
| Working Capital ⁵ | \$1,235,476 | \$1,365,476 | |
| Total | \$4,985,476 | \$6,865,476 | |

1. Comprising the minimum amount proposed to be raised under the Capital Raising (namely \$4,500,000), the Company's existing cash reserves of \$24,444 as at 31 Dec 2016, SenSen's cash reserve of \$54,620 as at 31 Dec 2016.

2. Comprising the maximum amount proposed to be raised under the Capital Raising (namely \$6,500,000), the Company's existing cash reserves of \$24,444 as at 31 Dec 2016, SenSen's cash reserve of \$54,620 as at 31 Dec 2016.

3. Refer to the table below for the itemised costs of the matters proposed in the Acquisition Resolutions.

4. These loans are owed to a related party of Subhash Challa and directly to William Moran. Subhash Challa is a director of SenSen and William Moran is a former director of SenSen. These loans were entered into on arms length terms and are unsecured and have accrued interest of 10% per annum. These loans were provided for working capital in SenSen. The Company directors are of the view that these loans were entered into on arms length terms (given the interest rate and the unsecured nature of the loans) and the repayment of these loans would be reasonable in the circumstances if the parties were dealing at arms length terms and note that at the time agreement was made to repay the loans (during negotiation of the Acquisition Agreement), the parties were in fact dealing at arms length terms.

5. This includes funds to continue pursuing the collection of the Receivable from Suksmanto.

| Estimated costs of the matters proposed in the Acquisition Resolutions, including the Capital Raising | |
|---|------------------|
| ASX fees | \$70,000 |
| ASIC fees | \$2,400 |
| Legal, accounting and due diligence expenses | \$230,000 |
| Share registry and Shareholder communication Costs | \$75,000 |
| Capital raising fees | \$90,000 |
| Total | \$467,400 |

The above tables are statements of current intentions as at the date of this Notice of Meeting. Intervening events may alter the way funds are ultimately applied by the Company and may alter the costs estimated above.

1.12 Anticipated timetable for the key matters the subject of the Resolutions

| | Indicative timing ¹ |
|---|--------------------------------|
| Record Date (for the Share Purchase Plan) | 31 July 2017 |
| Lodgement of Prospectus with ASIC | 11 August 2017 |
| Prospectus offer opens | 18 August 2017 |
| General Meeting of Shareholders General Meeting convened and ASX notified whether Shareholders' approval has been granted for the Resolutions | 29 August 2017 |
| Consolidation Record Date | 1 September 2017 |
| Consolidation First day for the Company to send notices to each security holder of the change in their details of holdings First day for the Company to register securities on a post-Consolidation basis First day for issue of new holding statements | 4 September 2017 |
| Consolidation Issue date Last day for the Company to send notice of each security holder of the change in their details of holding Last day to send new holding statements and enter securities in the holders' security holdings | 8 September 2017 |
| Prospectus offer closes | 11 September 2017 |
| Issue of Shares pursuant to the Capital Raising Subject to the Directors' satisfaction that the Conditions Precedent in the Acquisition Agreement are satisfied (or waived), completion of the Acquisition Agreement, including the issue of the Consideration Shares to Vendors and appointment of Proposed Directors, take effect | 18 September 2017 |
| Trading commences Normal T+3 trading anticipated to commence on a post-Consolidation basis and commencement of trading of Shares on the ASX (subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and subject to the ASX agreeing to reinstate the Company's Shares to quotation) | 25 September 2017 |

¹ The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders.

1.13 Advantages of the proposals in the Resolutions

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

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| The Acquisition provides the Company with a revenue producing business | The Company does not currently hold any revenue producing assets. The Directors have investigated a number of opportunities which have been available to the Company and are of the view that the Acquisition represents the best opportunity for the Company to generate revenue. |
| Principal business activity will be clearly focussed on the development of data driven business process enhancement solutions | The Company does not currently have any material business activities. The Acquisition will result in Company shareholders gaining exposure to a business in the IT sector with operations clearly focussed on tailoring integrated and interactive data analytics solutions. SenSen's business is discussed in more detail in paragraph 1.5 above. This more defined focus will allow the Company to be identifiable by the market as a technology company and the market will more easily be able to assess the future prospects of the Company. |
| The Acquisition will include a capital raising of up to \$6.5 million | As at 31 December 2016, the Company had a cash balance of \$24,444. Without the completion of a capital raising or alternative transaction, the Company has minimal working capital available and relies on the |

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| which will provide working capital for the Company | <p>continuing support of the Directors to remain solvent.</p> <p>As part of the Acquisition, the Company will complete the Share Purchase Plan and General Offer which will aim to collectively raise up to \$6.5 million before costs with a minimum amount of \$4.5 million before costs. The Company will use the funds raised under the Capital Raising to continue pursuing the collection of the Receivable from Suksmanto.</p> |
| Settle a portion of Directors' Loans in shares | <p>If the Acquisition is approved, it will allow 50% of Orpheus Directors' Loans totalling \$982,242 to be repaid through the issue of shares. This allows for the repayment of monies owing to Company Directors without using cash from working capital or seeking external funding.</p> |
| Potential for increased liquidity and larger market capitalisation | <p>The Company's shares have been suspended from trading on the ASX since 10 June 2015. The Acquisition will assist the Company to re-comply with ASX listing rules and to relist on the ASX. Shares in the Company post Acquisition will be more liquid than shares in the Company prior to the Acquisition (which were unable to be traded on the ASX) and will enable Company Shareholders to more easily buy and sell their Shares.</p> <p>Post Acquisition, the Company is also likely to have a higher market capitalisation than the Company prior to the Acquisition which may lead to greater market awareness.</p> |
| New Directorship: | <p>The new board of Directors will provide a new set of skills to guide the growth of the Company in the activities relevant to the new business.</p> |

1.14 Disadvantages of the proposals in the Resolutions

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

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| Dilutionary impact on the existing Company Shareholders | <p>Existing Company Shareholders currently hold 100% of the issued share capital in the Company. If the Acquisition is approved and implemented, existing Company Shareholders will hold up to 5.1% of the Company post Acquisition. In particular, this will significantly dilute Company Shareholders entitlement to any funds received from the collection efforts associated with the Receivable.</p> <p>Whilst existing Company Shareholders will effectively hold shares in a different corporation with different prospects to the Company (post Acquisition), Shareholders may be of the view that it is preferable to collectively hold 100% of the shares in the Company (pre Acquisition).</p> |
| It may be possible for a smaller number of shareholders to pass a special resolution or block an ordinary resolution | <p>Shareholders in the Company (post Acquisition) must obtain 50% of votes from its shareholders to pass an ordinary resolution. In order to pass a special resolution, the Company (post Acquisition) is required to obtain votes from 75% or more of its shareholders.</p> <p>If the Acquisition is approved, following completion, SmartEquity EIS Pty Ltd and Mr Challa will have a relevant interest in the Company (post Acquisition) of 39.64% and 21.87% respectively. At this level of interest, SmartEquity EIS Pty Ltd can unilaterally block special resolutions and it is likely that the passing of any special resolutions will require the support of Mr Challa. It will also be more difficult for ordinary resolutions to be approved without SmartEquity EIS Pty Ltd's and Mr Challa's support.</p> <p>SenSen shareholders collectively will have control over the Company (post Acquisition) and may be able to influence the outcomes of resolutions sought at meetings of the Company.</p> |
| Reduced chance of receiving a future takeover offer | <p>As noted directly above, if the Acquisition is approved and implemented, SmartEquity EIS Pty Ltd and Mr Challa will hold a maximum relevant interest of 39.64% and 21.87% respectively of the Company. The opportunity for the Company to attract a takeover offer may be reduced without the support of SmartEquity EIS Pty Ltd and Mr Challa.</p> |
| Change in nature and scale of business | <p>The Company previously operated as a coal company with a portfolio of exploration, pre-development and producing assets in Indonesia. If the Acquisition is approved and implemented, the Company (post Acquisition) will operate in the technology sector with a focus on designing and developing consumer focused software products.</p> <p>The Acquisition results in a change to the nature and scale of the</p> |

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| | activities of Orpheus which may not be consistent with existing Company Shareholders' investment objectives. |
| Risk factors: | There are risk factors associated with the change in nature and scale of the Company's activities, some of which are summarised in paragraph 1.15 below. |

1.15 Risk factors

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from SenSen, parties contracted or associated with SenSen and the Acquisition and other agreements, including but not limited to, those summarised in this Explanatory Statement. The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, SenSen and their related entities.

Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to acquire all of the SenSen shares are as follows:

| Risk | Summary |
|--------------------------------------|--|
| Company specific risks | |
| Reinstatement to ASX's official list | <p>The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.</p> <p>Trading in the Company's quoted Shares are currently suspended and will continue to be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. It is anticipated that this will occur during September 2017. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the quoted Securities may consequently remain suspended from quotation.</p> |
| Reliance on key personnel | <p>SenSen's success is dependent upon the retention of key personnel, in particular, its directors. In addition, the Company need to attract and retain highly skilled software development engineers. Competition for such personnel is intense. There is a risk that the Company may not be able to attract and retain key personnel or be able to find effective replacements for them in a timely manner.</p> <p>The Company intends to put in place systems and processes to mitigate the risk of losing key personnel. However, the loss of key personnel within the Company, or any delay in their replacement, could have a negative impact on the Company.</p> |
| Dilution risk | <p>The Company currently has 183,476,469 Shares on issue (on a pre-Consolidation basis).</p> <p>On completion of the Acquisition, the Company proposes to issue the relevant number of Consideration Shares under the Acquisition and issue a minimum of Shares to raise \$4,500,000 as part of the Capital Raising.</p> <p>On issue of the Consideration Shares under the Acquisition, the Shares under the Capital Raising, the Shares on conversion of 50% of the Director Loans and CFO Loan and the Shares on conversion of the Notes (assuming no issue of further Shares), the Existing Shareholders will retain approximately 13.97% of the issued capital of the Company, with the Vendors holding 76.7% (based on the Share Purchase Plan being fully subscribed and the General Offer being subscribed to the Minimum Subscription). Accordingly the Existing Shareholders interests in the Company will have been significantly diluted.</p> <p>There is also a risk that the interests of the Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the SenSen business.</p> |
| Liquidity risk | On completion of the Acquisition, the Company proposes to issue 273,764,706 Consideration Shares to the Vendors, 9,822,420 Shares on |

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| | <p>conversion of 50% of the Director Loans and CFO Loans and 6,689,850 Shares on conversion of the Notes (on a post-Consolidation basis).</p> <p>These securities will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. Based on the post-offer capital structure (on a post-Consolidation basis) and the issue of the Shares under the Capital Raising (and assuming no further Shares are issued), these Shares will equate to approximately 20.8% of the post-Offer issued Share capital. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.</p> |
| Contractual risk | <p>Pursuant to the Acquisition Agreement (summarised in paragraph 1.7) the Company has agreed to acquire 100% of SenSen, subject to the fulfilment of certain conditions precedent.</p> <p>The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> |
| Industry and SenSen specific risks | |
| Uncertainty of Future Profitability | <p>SenSen is in the commercialisation stage for its SenSen Technology. To date, it has funded its activities principally through issuing securities and other capital raising activities.</p> <p>SenSen's profitability will be impacted by its ability to successfully deliver a high level of service to any future potential customers, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of such profitability cannot be predicted.</p> |
| Development and Commercialisation of SenSen Technology | <p>SenSen's business model is reliant on its ability to develop and commercialise its SenSen Technology. A failure to develop and commercialise its SenSen Technology successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of SenSen. Furthermore, any third party developing superior technology or with greater commercial appeal in the fields in which SenSen operates may harm the future prospects of SenSen.</p> |
| New Market Entrants and Technology Risk | <p>The emergence of new competitors in the market, or any technological developments providing an alternative to SenSen's product offerings could impact the market share that SenSen is able to acquire and cause downward price pressure on cloud based consumer software, services and analytics platforms, thus reducing SenSen's margins and revenue. Further, existing providers of similar consumer services may also respond aggressively to SenSen's market entry to retain or regain market share, which could also impact SenSen's margins and revenue.</p> |
| Failure to Deal with Growth | <p>SenSen's business has the potential to grow rapidly. If that occurs and SenSen fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the business, including demand for SenSen's products/services, revenue collection, customer satisfaction and public perception.</p> |
| Availability of IT Staff in the Market | <p>SenSen is reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of SenSen's products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on SenSen's profitability.</p> |
| Dependence on Third Party Servers and Products | <p>Part of the business model of the Company will be reliant upon leased third party servers and the performance of those servers. If servers upon which the technology of SenSen depends do not operate as expected then the services that SenSen provides may be adversely affected.</p> <p>The majority of the SenSen Technology requires the use of Cloud or other similar online management devices and as such the business model of</p> |

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| | SenSen will be dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which SenSen's technology will not function as intended which could impact on the profitability of SenSen. |
| Failure to retain and attract new customers | SenSen's ability to generate revenue and profit depends on the sales it makes on its platform, across its product offerings. As with any business there is a risk that SenSen's marketing strategies are not effective in generating the increased customer scale the Company is targeting. |
| Customer preferences may change | A significant proportion of SenSen's revenues are generated from the SenSen Technology which are subject to rapid and occasionally unpredictable changes in customer preferences. If SenSen misjudges customer preferences or fails to provide appealing product offerings when required, this may result in a decline in financial performance. |
| Failure to increase margins per customer | The Company's ability to increase profit relies on its ability to increase the margins per customer. Whilst the Company's technology allows it to increase these, there is a risk that customers will reject the increased margins and cease to be SenSen customers. |
| Increased investment of product development and support | There is a risk that maintaining and upgrading current products as well as new product development may lead to a higher than anticipated investment spend on IT development. |
| Reliance on Core Information Technology and Other Systems | <p>The availability of SenSen's cloud platform is dependent upon the performance, reliability and availability of its IT and communication systems. This includes its core technologies such as computer services and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war, a breakdown in utilities such as electricity and fibre optic cabling and even pandemics. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. SenSen's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that SenSen suffers as a result of a system failure.</p> <p>The business is particularly reliant on the successful implementation and operation of its cloud technology. There is a risk that the Company may fail to build and maintain a platform that is suitable to the needs of its business as it expands into new product offerings.</p> |
| Security Breaches and Hacker Attacks | A malicious attack on SenSen's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used by SenSen at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or failing revenues. SenSen follows best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise this risk. |
| Customer Service Risk | SenSen's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if SenSen loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of SenSen's products or services. If any of these occur, it may adversely impact SenSen's revenues. |
| Cessation of Supply and Service Contracts | SenSen relies on relationships with key parties including Crown Casino. The non-performance or termination of contracts with any of these key parties could have a negative impact on the Company. SenSen will likely enter into further contracts, which will also be material to the Company's business. Some of these contracts are, or will be, governed by laws other than laws of Australia. There may be difficulties in enforcing contracts in |

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|---|---|
| | jurisdictions other than Australia. |
| Brand and Reputation Risks | The reputation and brand of SenSen and its individual products are important in attracting potential customers. Any reputational damage or negative publicity around SenSen or its products could adversely impact on SenSen's business. |
| Retention and Recruitment of Key Personnel | <p>The emergence of SenSen and development of its products has been in a large part due to the talent, effort, experience and leadership of its management team, including its directors, Mr Subhash Challa and Jason Ko. SenSen is substantially dependent on the continued service of its existing management team due to the complexity of its services and products. There is no assurance that SenSen will be able to retain the services of such persons.</p> <p>Furthermore SenSen expects to grow its sales and marketing teams in both Australia and internationally. An inability to attract quality sales and marketing personnel may adversely impact on SenSen's growth plans.</p> |
| Validity of patents | <p>The ultimate validity of the claims of a patent cannot be guaranteed. Various legal mechanisms exist to challenge the validity of patents and patent applications. For example, validity may be challenged in the following ways:</p> <ul style="list-style-type: none"> • during examination; • in opposition proceedings once the application has been examined and found allowable; • in court during revocation proceedings brought by a third party; or • during infringement proceedings initiated against an alleged infringer. <p>While as at the date of this Notice, SenSen is not aware of any litigation being commenced in respect to any patent or patent application referred to in this Notice, there is no guarantee that the validity of the SenSen Technology will not be challenged in the future.</p> <p>It is also noted that some of the patent rights relating to the SenSen Technology are still pending patent applications. There are no guarantee that these applications (or any applications stemming from them) will proceed to grant or, if grant is achieved, that the claims will remain in their present form. It is possible, for example, that the scope of the claims of these patent applications may be restricted during examination of the applications.</p> |
| Infringement of Third Party Intellectual Property Rights | <p>If a third party accuses SenSen of infringing its intellectual property rights or if a third party commences litigation against SenSen for the infringement of patent or other intellectual property rights, SenSen may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that SenSen incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.</p> <p>In addition, parties making claims against SenSen may be able to obtain injunctive or other equitable relief that could prevent SenSen from further developing discoveries or commercialising its products. In the event of a successful claim of infringement against SenSen, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent SenSen from commercialising available products and could cause it to incur substantial expenditure.</p> |
| Regulation | Any increased regulation in data protection, privacy, information, security and intellectual property rights may increase the cost of providing services or the quality of services provided by the Company which may adversely impact the profitability of the Company. |
| Country/region specific risks in new and /or unfamiliar markets | SenSen has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which SenSen is expanding its operations. As |

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|-----------------------|---|
| | <p>SenSen expands its presence in new international jurisdictions, SenSen is subject to the risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks including, (i) unexpected changes in, or inconsistent application of applicable foreign laws and regulatory requirements (ii) less sophisticated technology standards; (iii) difficulties engaging local resources; and (iv) potential for political upheaval or civil unrest.</p> <p>As SenSen enters newer and less familiar regions, there is a risk that it fails to understand the law, regulations and business customs of these regions. This gives rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which SenSen may operate. This could interrupt or adversely affect parts of SenSen's business and may have an adverse effect on SenSen's business operations and financial performance.</p> |
| General risks | |
| Country risks | <p>There are risks associated with operating in foreign countries. Country risks include exchange rate risk, economic risk, sovereign risk, political risk, and transfer risk.</p> <p>SenSen's operating results and financial conditions are highly susceptible to changes in the political, economic and social conditions in Australia, Canada, Europe, India, Singapore and UAE as the majority of SenSen's revenue is currently derived from its operations in Australia, Canada, Europe, India, Singapore and UAE.</p> <p>There can be no guarantee that the government regulations in Australia, Canada, Europe, India, Singapore and UAE, in particular in relation to foreign investment, repatriation of foreign currency, taxation and the regulation of the information technology industry, will not be amended in the future to the detriment of the Company's business.</p> <p>Reporting requirements of SenSen India in India may impose more onerous obligations on SenSen. Costs of compliance with laws and regulations in Australia and India may vary from current estimates.</p> |
| Management of growth | <p>There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Acquisition. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.</p> |
| Acquisitions | <p>As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to SenSen's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.</p> |
| Regulatory risk | <p>Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may also have a material adverse effect on SenSen's financial performance, financial position and cash flows.</p> |
| Financial Volatility | <p>Market</p> <p>A fall in global or Australian equity markets, global or Australian bond markets or a rapid change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on Share prices.</p> |
| Currency fluctuations | <p>SenSen derives approximately 35% of its revenue from outside Australia. The Company's Australian denominated results are therefore exposed to exchange rate fluctuations with respect to the currencies of these countries. Those exposures may change over time as business practices evolve, and they could have an adverse impact on the Company's Australian dollar-denominated financial results and cash flows.</p> |

| | |
|-------------------------------------|---|
| Additional requirements for capital | <p>The funds to be raised under the Capital Raising are considered sufficient to meet the immediate objectives of SenSen. Additional funding may be required in the event that costs exceed SenSen's estimates and to effectively implement its business and operations plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which SenSen may incur. If such events occur, additional funding will be required.</p> <p>Following the Acquisition, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for SenSen's activities and future projects may result in delay and indefinite postponement of their activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and SenSen and might involve substantial dilution to Shareholders.</p> |
| Economic and political risks | <p>Changes in the general economic and political climate in Australia, Canada, Europe, India, Singapore and UAE and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws and domestic security which may affect the value and viability of any operations that may be conducted by the Company.</p> |
| Competition risk | <p>Post Acquisition, the industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p> |
| Insurance risks | <p>Insurance against all risks associated with the Company's activities is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs. However, it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.</p> |
| Market conditions | <p>Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> • general economic outlook; • interest rates and inflation rates; • currency fluctuations; • commodity price fluctuations; • changes in investor sentiment toward particular market sectors; • the demand for, and supply of, capital; and • terrorism and other hostilities. |

1.16 Suspension from trading

The Company's Shares are currently suspended from trading.

If the Acquisition Resolutions are approved at the General Meeting, it is expected that the Company's Securities will remain suspended from trading until the Company has acquired SenSen pursuant to the Acquisition Agreement and re-complied with Chapters 1 and 2 of the Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

If the Acquisition Resolutions are not approved at the General Meeting or the Acquisition does not occur in accordance with the terms (including the approval of ASX for reinstatement of the Company's securities to quotation), the Company's Shares will remain in suspension on the ASX Official List as detailed in the paragraph below.

1.17 Board intentions if completion of the Acquisition occurs

In the event the Acquisition is completed and the Capital Raising is successful, the funds raised from the Capital Raising, together with the Company's and SenSen's existing cash reserves (including any profits earned from 30 June 2017 until settlement of the Acquisition) will be allocated as set out in **paragraph 1.10**.

1.18 Plans for the Company if the Acquisition Resolutions are not passed

If the Acquisition Resolutions are not approved at the General Meeting or the Acquisition does not occur in accordance with the terms (including the approval of ASX for reinstatement of the Company's securities to quotation), the Acquisition will not complete and the Company will not issue the Consideration Shares contemplated in the Resolutions.

If the Company does not complete the Acquisition, the Company will continue to undertake due diligence on new opportunities.

If the Company cannot acquire a new business or project quickly, the ASX may continue to suspend the quotation of Shares on the ASX until such time as an alternative business is identified. If an alternative business is not identified within the ASX's three year time period, the ASX will seek to delist the Company from the ASX.

Please refer to section 10.3 of the Independent Expert's Report which contains additional detail of the possible impacts on the non-associated Shareholders in the event that the Acquisition is not approved.

1.19 Intention of the Company in regards to the Receivable

In regards to the Receivable, the Company notes as follows:

As at the date of this Notice of Meeting, the Directors note the following developments in relation to the Receivable:

- The Directors are confident that they are able to recover a portion of the Receivable over time. However, the timing of collection remains uncertain;
- Mr Suksmanto is currently experiencing cash flow difficulties and owes money to many creditors;
- The Company is pursuing the sale of shares in PT Abadi Guna Papan ('AGP'), (a property development company in which Mr Suksmanto has a controlling interest and whose shares were pledged as security) to recover a portion of the Receivable. Any sale of the AGP shares will constitute settlement of the outstanding debt in full. To that end:
 - The Company has been in advanced negotiations with a potential acquirer of the shares. A formal offer to acquire the shares for IDR35 billion has been submitted to the Company and has been agreed to by the Board, subject to cash funds actually being received. Under AGP articles of association any share sale must be approved by all shareholders. As at the date of this Notice of Meeting all documentation has been completed and approval has been granted by all shareholders with the exception of Mr Suksmanto himself. Until such time as Mr Suksmanto agrees to the share sale, the transaction cannot proceed. Mr Suksmanto has requested more time before approving the share sale to allow a pending property transaction to proceed that would alleviate the need to sell the AGP shares. There is no evidence at this time from Mr Suksmanto of the pending property sale and the Company will continue to pursue the sale of the AGP shares;

- The Company has advised that other parties are also interested in acquiring the AGP equity, however the current buyer represents the best deal for the Company; and
- As at 31 December 2016 the total receivable was IDR73.605 billion (approximately \$7.36 million) inclusive of IDR3.605 billion in interest (approximately \$0.36 million).

In the event the Company receives the Receivable, the Company intends to use the funds to advance the interests of the Company for the benefit of all Shareholders.

The Company will continue to keep the market updated in accordance with its obligations under the ASX Listing Rules.

1.20 Interests of the Vendors

None of the Vendors has an existing interest in the Company's Securities separate from the Resolutions and the Acquisition Agreement.

1.21 ASX Waivers

On 23 June 2017, the ASX granted the following waivers to the Company:

- **Waiver 1** - Waiver from ASX Listing Rule 2.1 condition 2 to the extent necessary to permit the issue of up to 65,000,000 fully paid Shares under the Capital Raising not to be at least \$0.20 each, on the following conditions:
 - The issue price of the Shares under the Capital Raising is not less than \$0.02 each;
 - The Company completes a consolidation of its capital structure in conjunction with the Backdoor Listing such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days prior to the Company's suspension, to achieve a market value for its securities of not less than \$0.02 each;
 - The terms and conditions of this waiver are clearly disclosed in the Notice and the Prospectus; and
 - Shareholders approve the issue price of the Shares under the Capital Raising in conjunction with the approvals to be obtained under ASX Listing Rule 11.1.2 in respect of the Acquisition and the Capital Raising.
- **Waiver 2** - Waiver from ASX Listing Rule 7.3.8 to the extent necessary to permit the Resolution in the Notice of Meeting approving the issue of securities under the Share Purchase Plan (Resolution 6) not to include a voting exclusion statement that excludes the votes of any person who may participate in the Share Purchase Plan or any associate of such a person, provided the Company excludes any votes cast on the resolution by any proposed underwriter or sub-underwriter of the Share Purchase Plan. *Note: The Share Purchase Plan will not be underwritten.*

The conditions in Waivers 1 and 2 are satisfied by way of the terms of the Notice of Meeting and Resolution 1 and Resolution 2 and the voting exclusion in Resolution 6.

1.22 Independent Expert's Report

The Independent Expert has provided the Independent Expert's Report with respect to the proposed issue of Consideration Shares pursuant to Resolution 4 and Resolution 5. The Independent Expert has determined the proposed acquisition, which includes Mr Subhash Challa and SmartEquity EIS Pty Ltd ACN 606 521 233 acquiring a relevant interest greater

than 20% through the issue of the Consideration Shares, is fair and reasonable to the non-associated Shareholders.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Acquisition. This assessment is designed to assist Shareholders in reaching their voting decision.

The Independent Expert's Report is enclosed with this Notice of Meeting in **Appendix B**. It is recommended that all Shareholders read the Independent Expert's Report in its entirety before deciding whether or not to vote in favour of Resolution 4 and Resolution 5.

1.23 Directors' interests in the Acquisition

A Directors interest statement is contained in Section C of the Notice of Meeting.

1.24 Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

The Resolutions – Notice requirements and disclosures

2. Resolution 1 – Approval to change the nature and scale of activities

2.1 Overview

Resolution 1 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company via the 100% acquisition of SenSen. This acquisition will change the focus of the Company's activities into providing business process automation using video-IoT analytics solutions across intelligent transportation and gaming sectors.

Additionally, Resolution 1 seeks approval to issue shares and options upon re-compliance at an issue price of not less than \$0.02 (2 cents) per share and exercise price of not less than \$0.02 (2 cents) per option.

An indicative timetable for the Acquisition has been included at **paragraph 1.12** of this Explanatory Statement.

A detailed description of the proposed Acquisition, including details of the material terms of the Acquisition and the business of SenSen, is outlined in **paragraph 1** of this Explanatory Statement.

Shareholders should consider all of the information contained in this Explanatory Statement before making a decision as to whether to vote in favour of the change in nature and scale of the Company's activities. In particular Shareholders should carefully consider the advantages, disadvantages and risks of the proposed acquisition of SenSen set out in **paragraph 1.13, 1.14 and 1.15**.

Resolution 1 is conditional on the Shareholders approving all of the Acquisition Resolutions.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities it must provide full details to the ASX as soon as practicable (and before making the change) and comply with the following:

- Provide to the ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;

- If the ASX requires, obtain the approval of holders of its ordinary securities and comply with any requirements of the ASX in relation to the notice of meeting; and
- If the ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the official list of the ASX.
- The Notice of Meeting must include a voting exclusion statement.

The ASX has confirmed to the Company that the significant change in the nature and scale of the Company's activities as a result of the proposed Acquisition:

- will require the Company, in accordance with ASX Listing Rule 11.1.2, to obtain Shareholder approval and to comply with the requirements of the ASX in relation to the Notice of Meeting.
- is a back-door listing of SenSen which requires the Company to, in accordance with ASX Listing Rule 11.1.3, re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including any ASX requirement to treat the Company's Securities as Restricted Securities).

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2 and pursuant to ASX Listing Rule 11.1.3, is working to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are set out throughout this Explanatory Statement.

2.3 Guidance Note 12

Listing Rule 2.1 Condition 2 and Listing Rule 1.1 Condition 11 require that the offer price per security, and the exercise of options, respectively, are a minimum of 20 cents.

Previously a company had to re comply to the Official List of the ASX at an issue price of \$0.20 per share and only have options on issue with an exercise price of \$0.20 as part of compliance with Chapters 1 and 2 of the ASX Listing Rules. Guidance Note 12 states that this issue price and exercise price can now be below \$0.20 when an entity's securities have been trading on the ASX at less than \$0.20 and the entity receives a conditional waiver to allow it to do so.

The Company applied to the ASX and received the following ASX Waiver on 23 June 2017:

- Waiver from ASX Listing Rule 2.1 condition 2 to the extent necessary to permit the issue of up to 65,000,000 fully paid Shares under the Capital Raising not to be at least \$0.20 each, on the following conditions:
 - The issue price of the Shares under the Capital Raising is not less than \$0.02 each;
 - The terms and conditions of the waiver are clearly disclosed in the Notice and the Prospectus; and
 - The Company completes a consolidation of its capital structure in conjunction with the Backdoor Listing such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days prior to the Company's suspension, to achieve a market value for its securities of not less than \$0.02 each;

- Shareholders approve the issue price of the Shares under the Capital Raising in conjunction with the approvals to be obtained under ASX Listing Rule 11.1.2 in respect of the Acquisition and the Capital Raising.

For this reason, the Company is seeking Shareholder approval under Resolution 1 for the Company to issue Shares under the Capital Raising at an issue price of not less than \$0.02 per Share as part of the approvals sought under ASX Listing Rule 11.1.2.

Refer to **paragraph 1.21** for full details of all of the ASX Waivers obtained.

2.4 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

2.5 Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

2.6 Voting requirements

Resolution 1 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

3. Resolution 2 – Approval of the Consolidation of the Company's issued capital

3.1 Overview

Resolution 2 seeks Shareholder approval to consolidate the number of Shares on a one (1) for ten (10) basis (**Consolidation**).

The Consolidation is a requirement in order for the Company to re-comply with ASX Listing Rules 1 and 2 (which as set out in **paragraph 2.2** above, is necessary in order for the Acquisition to proceed).

The Directors intend to implement the Consolidation immediately prior to completion of the Acquisition Agreement and prior to the proposed issue of Consideration Shares pursuant to the Acquisition Resolutions.

Resolution 2 and the Consolidation are conditional on the Shareholders approving all of the Acquisition Resolutions.

3.2 Regulatory requirements

Section 254H(1) of the Corporations Act:

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

Listing Rule 7.20:

Listing Rule 7.20 requires that the following information be provided to Shareholders where there is to be a reorganisation of securities:

| Rule | Detail |
|---|--|
| Rule 7.20.1: The effect of the consolidation on the | The existing issued share capital of the Company, being 183,476,469 Shares, will be consolidated at the ratio of 10 Shares |

| | |
|---|---|
| number of securities and the amount unpaid (if any) on the securities: | equal 1 Consolidated Share. There are no Shares in respect of which an amount is unpaid. The final number of shares after Consolidation will be 18,347,650 Shares (subject to rounding). This does not include the issue of the Shares under the Share Purchase Plan, General Offer or as consideration for the Acquisition; each of which will be issued post Consolidation. |
| Rule 7.20.2: The proposed treatment of any fractional entitlements arising from the reorganisation: | Details are provided at paragraph 3.4 below. |
| Rule 7.20.3: The proposed treatment of any convertible securities on issue: | Details are provided at paragraph 3.3 below. There are no convertible securities (including options) on issue at the date of this Notice of Meeting. |

3.3 Effect of the Consolidation

General

The estimated effect which the Consolidation will have on the capital structure of the Company is set out in the table in **paragraph 1.9**.

Shares

If Resolution 2 is approved, every ten (10) Shares on issue will be consolidated into one (1) Share (subject to rounding). Overall, this will result in the number of Shares on issue reducing from 183,476,469 to approximately 18,347,650 (subject to rounding).

As the Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, assuming no other market movements or impacts occur, the Consolidation will have no effect on the percentage interest in the Company of each Shareholder.

The Consolidation will not result in any change to the substantive rights and obligations of Existing Shareholders.

Options

As at the date of this Notice of Meeting, the Company has no options on issue.

Notes

As at the date of this Notice of Meeting, the Company has 500,000 Notes on issue. These Notes will become convertible on approval of Resolutions 16 and 17. On approval of Resolutions 16 and 17, the Notes convert to Shares based on the following calculation:

$$\frac{\text{Face Value} + \text{interest received} + \text{Utilization Fee (5\% of the amount subscribed)}}{\$0.08 \text{ (being 80\% of the RTO share price)}}$$

Consequently, Notes have been issued based on a 20% discount to the offer price under the Share Purchase Plan and the General Offer.

Assuming that the Acquisition completes in accordance with the timeframes detailed in the Timetable in **paragraph 1.12**, 6,689,850 Shares (on a post Consolidation basis) will be issued on completion of the Acquisition.

3.4 Fractional entitlements

Not all Shareholders will hold that number of Shares which can be evenly divided by 10. Where the Consolidation results in an entitlement to a fraction of a Share that fraction will be rounded up to the nearest whole number of Shares.

3.5 Taxation

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and the Company, the Directors and the Proposed Directors and their advisors do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other Acquisition Resolutions.

3.6 Holding statements

From the date of the Consolidation, all holding statements for previously quoted Shares will cease to have any effect as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

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

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

3.7 Indicative timetable

If Resolution 2 and all other Acquisition Resolutions are passed, the Consolidation of capital is proposed to take effect pursuant to the timetable at **paragraph 1.12** of this Explanatory Statement in accordance with the timetable as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules.

3.8 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

3.9 Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

3.10 Voting requirements

Resolution 2 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

4. Resolution 3 – Approval of the issue of Consideration Shares to Vendors

4.1 Overview

Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1, for the Company to issue 273,764,706 Consideration Shares (on a post-Consolidation basis) on completion of the Acquisition.

The Consideration Shares proposed to be issued to Vendors under Resolution 3 will be issued under the Prospectus.

Resolution 3 and the Consolidation are conditional on the Shareholders approving all of the Acquisition Resolutions.

4.2 ASX Listing Rule 7.1 and 7.2***ASX Listing Rule 7.1***

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during a 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Company to issue the Consideration Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by the ASX), without using the Company's 15% annual placement capacity.

For the purposes of Listing Rule 7.2 (Exception 16), an issue of securities approved for the purposes of section 611, item 7 of the Corporations Act is an exception to Listing Rule 7.1 and therefore does not count toward calculating the Company's 15% placement capacity (either now or in the future). However, given not all of the Consideration Shares are being approved for the purposes of section 611, item 7 of the Corporations Act, approval under Listing Rule 7.1 is being sought for the issue of all of the Consideration Shares.

Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Consideration Shares to be issued to Vendors:

| Requirement | Detail |
|--|---|
| Maximum number of securities | 273,764,706 Consideration Shares. |
| The date by which the securities will be issued | The Consideration Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). |
| The issue price | The issue price will be nil cash consideration, as they are being issued as part consideration for the Acquisition. |
| The names of the persons to whom the Company will issue the securities | The Consideration Shares will be issued to the Vendors as detailed in Schedule 1 . |
| The terms of the securities | The Consideration Shares are on the same terms as the ordinary fully paid Shares on issue in the Company. |
| The intended use of the funds raised | The Consideration Shares will be issued as part of the consideration for the Company's Acquisition of SenSen and as such no funds will be raised from the issue. |
| Voting exclusion statement | A voting exclusion statement is contained in Resolution 3. |

4.3 Restrictions from trading

In accordance with Appendix 9B of the ASX Listing Rules, the Consideration Shares issued under Resolution 3 will be classified by the ASX as "Restricted Securities" and unable to be traded for a period of:

- 12 month post issue; or
- 24 months from the date of the Company's re-quotation on the ASX.

The Company intends to apply to ASX for the exercise of its discretion to apply look through relief such that the Consideration Shares will be subject to a lower restriction threshold based on the cash formula provisions in Appendix 9B.

4.4 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

4.5 Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

4.6 Voting requirements

Resolution 3 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

5. Resolution 4 – Issue of Consideration Shares to Subhash Challa

5.1 Overview

Resolution 4 seeks Shareholder approval for the purposes of section 611 paragraph 7 of the Corporations Act, for:

- The Company to issue and allot the following securities under the Prospectus in consideration for the transfer to the Company of all of the shares in the capital of SenSen held by Subhash Challa (detailed below) pursuant to the Acquisition Agreement:
 - 28,778,002 Consideration Shares to Mr Subhash Challa;
 - 141,450,407 Consideration Shares to SmartEquity EIS Pty Ltd ACN 606 521 233, of which 49,246,968 Consideration Shares are held for the benefit of Mr Subhash Challa,

(all on a post-Consolidation basis); and
- Subhash Challa consequently acquires a relevant interest in the voting power in the Company otherwise prohibited by section 606(1) of the Corporations Act of up to a maximum of 21.87% (based on the Share Purchase Plan being fully subscribed to the Subscription Amount and the General Offer being subscribed to the Minimum Subscription and all other Shares being issued as detailed in this Notice of Meeting).

Resolution 4 is conditional on the Shareholders approving all of the Acquisition Resolutions.

5.2 Section 208 of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in section 201 to 216.

The issue of the Consideration Shares constitutes the giving of a financial benefit and Mr Subhash Challa is a related party by virtue of Subhash Challa being a Proposed Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Consideration Shares because the Acquisition Agreement was negotiated on an arms' length basis.

5.3 Listing Rule 10.11

Unless one of the exceptions in Listing Rule 10.12 applies, ASX Listing Rule 10.11 also 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

Listing Rule 10.12 exception 6 provides that where a person is only a related party by reason of the transaction which is the reason for the issue of the securities and the application of section 228(6) of the Corporations Act, Listing Rule 10.11 shall not apply.

As the issue of Consideration Shares to Mr Subhash Challa involves the issue of securities to a related party of the Company, shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that Exception 6 set out in ASX Listing Rule 10.12 applies in the current circumstances.

5.4 Item 7 of 611 of the Corporations Act

The result of the proposed issue of Consideration Shares as detailed in 5.1 above is that voting power of Subhash Challa in the Company will increase from 0% to more than 20%. On this basis, the Company seeks Shareholder approval for the proposed issues under Resolution 4 in accordance with item 7 of section 611 of the Corporations Act to enable Subhash Challa to increase his voting power in the Company in excess of the threshold limit prescribed in the Corporations Act.

A summary of the requirements of item 7 of section 611 of the Corporations Act is set out **paragraphs 5.5, 5.6 and 5.7** of this Explanatory Statement.

5.5 Section 606 of the Corporations Act – statutory prohibition

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

- from 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%,

(Prohibition).

Voting power

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

Associates

For the purposes of determining voting power under the Corporations Act, a person (second person) is an 'associate' of the person (first person) if:

- (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - a body corporate the first person controls;
 - a body corporate that controls the first person; or

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

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs. An entity controls another entity if it has the capacity to determine the outcome of decisions about that other entity's financial and operating policies.

A relevant agreement includes an agreement, arrangement or understanding, whether written or oral, formal or informal and whether or not having legal or equitable force.

There are no persons who are associates of Mr Subhash Challa in accordance with this definition.

Relevant interests

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

- are holders of the securities;
- have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- have power to dispose of, or control the exercise of a power to dispose of, the securities.

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

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- a body corporate in which the person's voting power is above 20%;
- a body corporate that the person controls.

Mr Subhash Challa does not currently have a relevant interest in the Company's issued share capital. However, upon completion of the Acquisition, he will have a relevant interest in 28,778,002 Consideration Shares in the Company, which will represent 8.06% of the total voting securities in the Company (based on the assumptions as detailed).

Additionally, upon completion of the Acquisition, Mr Subhash Challa is deemed to hold, via SmartEquity EIS Pty Ltd ACN 606 521 233, a relevant interest in 49,246,968 Consideration Shares in the Company, which will represent 13.8% of the total voting securities in the Company (based on the assumptions as detailed). This is because SmartEquity EIS Pty Ltd ACN 606 521 233 currently holds its securities in SenSen (and following completion of the Acquisition, will hold its 141,450,407 Consideration Shares in the Company) which will represent 39.64% of the total voting securities in the Company based on the assumption as detailed) as trustee of an employee equity trust and Mr Subhash Challa has been allocated 34.82% of those securities (and following completion of the Acquisition, those Consideration Shares) pursuant to the employee equity trust established by SenSen.

Therefore, upon completion of the Acquisition, Mr Subhash Challa's voting powers in the Company will increase from 0% to 21.87% (based on the assumptions as detailed).

ASX imposed escrow pursuant to the ASX Listing Rules is subject to class order relief, which modifies the relevant interest sections of the Corporations Act so that a listed company does not have a relevant interest in its own securities merely because the company must apply restrictions to the disposal of the securities as part of the ASX Listing Rules escrow.

5.6 Reasons why Item 7 section 611 approval is required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition described in **paragraph 4.6** above, whereby a person and their associates may acquire a relevant interest in a company's voting shares with shareholder approval.

Following the issue of the Consideration Shares, Mr Subhash Challa will have a relevant interest in a maximum of 78,024,971 Shares in the Company, representing 21.87% voting power in the Company (based on the assumptions as detailed). This assumes that no other Shares are issued.

Accordingly, Resolution 4 seeks Shareholder approval for the purpose of Section 611 Item 7 and all other purposes to enable the Company to issue the Consideration Shares to Subhash Challa and SmartEquity EIS Pty Ltd ACN 606 521 233 and hence increase the voting power of Subhash Challa in the Company in excess of the threshold limit prescribed in the Corporations Act.

5.7 Specific information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

A snapshot of the proposed registered holder, holder of the relevant interest and nature of the relevant interest is provided below:

| Holder of relevant interest | Registered holder of shares | Nature of relevant interest |
|-----------------------------|-----------------------------|---|
| Subhash Challa | Subhash Challa | Direct shareholding |
| Subhash Challa | SmartEquity EIS Pty Ltd | SmartEquity EIS Pty Ltd will hold 141,450,407 Consideration Shares (which represents 39.64% of the total voting securities in the Company based on the assumption as detailed) as trustee of an employee trust. Subhash Challa has been allocated 34.82% of those Consideration Shares, giving rise to an indirect relevant interest of 18.8% pursuant to the employee trust (sections 608(1)(b) and (c) or 608(8) of the Corporations Act) |

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

Identity of persons proposing to participate in the issue and their associates

It is proposed that Mr Subhash Challa will acquire a relevant interest in the Consideration Shares in accordance with the terms of the Acquisition Agreement as follows:

- 28,778,002 Consideration Shares to be issued to and acquired by Mr Subhash Challa;
- 49,246,968 of the total of 141,450,407 Consideration Shares to be issued to SmartEquity EIS Pty Ltd ACN 606 521 233,

The maximum extent of the increase in the relevant interest and voting power

As at the date of this Notice of Meeting, Mr Subhash Challa does not have a relevant interest in any existing Shares and his voting power is nil.

Upon completion of the issue of the Consideration Shares on completion of the Acquisition; the Capital Raising (assuming the Share Purchase Plan is fully subscribed, the General Offer is subscribed to the Minimum Subscription, the issue of Shares on conversion of the Director Loans, CFO Loan and Notes and the Introduction and Advisory Fee), the total number of Shares on issue would be 356,833,827 Shares.

The relevant interest of Mr Subhash Challa which includes the voting shares in the capital of the Company (both current and following the issue of the Consideration Shares are set out below (based on the assumptions as detailed):

| Party | Relevant Interest as at Notice of Meeting | Voting power as at Notice of Meeting | Relevant Interest after the issue of the Consideration Shares | Voting power after issue of the Consideration Shares |
|-------------------|---|--------------------------------------|---|--|
| Mr Subhash Challa | nil | 0% | 78,024,970 | 21.87% |
| Total | nil | 0% | 78,024,970 | 21.87% |

Assumptions

The following assumptions have been made in calculating the above:

- The Company has 183,476,469 Shares (pre-Consolidation) on issue as at the date of this Notice of Meeting;
- The Company does not issue any additional Shares other than pursuant to the Resolutions set out in the Notice of Meeting (this includes the issue of Shares on conversion of 50% of the Director Loans, CFO Loan and Notes). The issue of additional Shares would result in a decrease to the relative voting power of the Related Vendors;
- The Share Purchase Plan is subscribed to the Subscription Amount; and
- The Minimum Subscription under the General Offer is raised.

Further details of the voting power of Mr Subhash Challa is set out in the Independent Expert's Report.

Intentions as to the future of the Company

Three of the Directors (Michael Rhodes, Wesley Harder and Wayne Mitchell) will resign or retire from the Board on Completion.

Other than as disclosed elsewhere in this Explanatory Statement and changes pursuant to the Acquisition and the Resolutions, the Company understands that Subhash Challa:

- has no present intention of making any significant changes to the business of the Company;
- has no present intention to inject further capital into the Company other than to participate in further capital raisings to maintain their shareholding interests;

- has no present intention of making changes regarding the future employment of the present employees of the Company, other than as contemplated under the Acquisition Agreement and set out in this Explanatory Statement;
- does not presently intend to redeploy any fixed assets of the Company;
- does not presently intend to transfer any property between the Company and the Related Vendors or any entity associated with any one of them, other than as contemplated under the Acquisition and set out in this Explanatory Statement;
- does not presently intend to significantly change the financial policy of the Company; and
- has no present intention to change the composition of the Board other than the proposal as described in this Notice of Meeting for the Proposed Directors to become directors on completion of the Acquisition.

These intentions are based on the Company's understanding of Subhash Challa's intentions as at the date of this Notice of Meeting and on information concerning the Company, SenSen and the business environment which is known to Subhash Challa as at the date of this Notice of Meeting. These present intentions may change as new information becomes available, as circumstances change or in light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

Details of proposed directorships

Subject to Completion, Mr Subhash Challa, Mr Zenon Pasieczny and Mr Jason Ko will be appointed as directors of the Company. Details of these Proposed Directors are contained in **paragraph 1.5**. The interests of all Proposed Directors are contained in Section C.

Reason for the proposed issue

The Consideration Shares the subject of Resolution 4 will be issued to Subhash Challa and SmartEquity EIS Pty Ltd ACN 606 521 233 in consideration of the Acquisition of their shares in SenSen, pursuant to the Acquisition Agreement. In the absence of Shareholder approval of Resolution 4, the Acquisition will not proceed.

Material terms of the Acquisition

A summary of the material terms of the Acquisition Agreement is set out in **paragraph 1.7** above.

Date of the proposed Acquisition

The issue of the Consideration Shares will occur on completion of the Acquisition which is intended to be as set out in the timetable at **paragraph 1.12** of this Explanatory Statement.

Capital structure

The proposed capital structure of the Company following completion of the Acquisition is set out in **paragraph 1.9** above.

Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

No Directors of the Company are related parties of any of the Related Vendors or any of their associates. Nor do the Directors have any interest in any shares in the Related Vendors or their respective associates (to the extent they are a company).

Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

The advantages and disadvantages and risks of the Acquisition are detailed in **paragraph 1.13, paragraph 1.14 and paragraph 1.15**. The Directors recommend that the Shareholders vote in favour of the Resolution as they believe the advantages outweigh the disadvantages and consider the Acquisition is in the best interests of the Company.

The Directors recommend the Shareholders review **paragraph 1.13, paragraph 1.14 and paragraph 1.15** with care.

Independent expert's report

In relation to Chapter 6 of the Corporations Act, ASIC Regulatory Guide 74 requires the Company to commission an independent expert's report to provide Shareholders with an analysis of whether the issue of the Shares is fair and reasonable when considered in the context of the interests of the Shareholders.

The Independent Expert has provided the Independent Expert's Report with respect to the proposed issue of Consideration Shares pursuant to Resolution 4.

The Independent Expert has determined the proposed acquisition, which includes Mr Subhash Challa acquiring a relevant interest greater than 20% through the issue of the Consideration Shares, is fair and reasonable to the non-associated Shareholders. The Independent Expert's Report is enclosed with this Notice of Meeting at **Appendix B**.

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

5.8 Voting requirements

Resolution 4 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

6. Resolution 5 – Issue of Consideration Shares to SmartEquity EIS Pty Ltd

6.1 Overview

Resolution 5 seeks Shareholder approval for the purposes of section 611 paragraph 7 of the Corporations Act, for:

- The Company to issue and allot the following securities under the Prospectus in consideration for the transfer to the Company of all of the shares in the capital of SenSen held by SmartEquity EIS Pty Ltd (detailed below) pursuant to the Acquisition Agreement:
 - 141,450,407 Consideration Shares to SmartEquity EIS Pty Ltd;
 (all on a post-Consolidation basis); and
- SmartEquity EIS Pty Ltd consequently acquires a relevant interest in the voting power in the Company otherwise prohibited by section 606(1) of the Corporations Act of up to a maximum of 39.64% (based on the Share Purchase Plan being subscribed to the Subscription Amount and the General Offer being subscribed to

the Minimum Subscription and all other Shares being issued as detailed in this Notice of Meeting).

Resolution 5 is conditional on the Shareholders approving all of the Acquisition Resolutions.

6.2 Item 7 of 611 of the Corporations Act

The result of the proposed issue of Consideration Shares as detailed in 5.1 above is that voting power of SmartEquity EIS Pty Ltd in the Company will increase from 0% to more than 20%. On this basis, the Company seeks Shareholder approval for the proposed issues under Resolution 5 in accordance with item 7 of section 611 of the Corporations Act to enable SmartEquity EIS Pty Ltd to increase its voting power in the Company in excess of the threshold limit prescribed in the Corporations Act.

A summary of the requirements of item 7 of section 611 of the Corporations Act is set out **paragraphs 6.3, 6.4, 6.5** of this Explanatory Statement.

6.3 Section 606 of the Corporations Act – statutory prohibition

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

- from 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%,

(Prohibition).

Voting power

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

Associates

For the purposes of determining voting power under the Corporations Act, a person (second person) is an 'associate' of the person (first person) if:

- (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - a body corporate the first person controls;
 - a body corporate that controls the first person; or
 - a body corporate that is controlled by an entity that controls the first person;
- the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in

concert with a person in relation to the entity's business affairs. An entity controls another entity if it has the capacity to determine the outcome of decisions about that other entity's financial and operating policies.

A relevant agreement includes an agreement, arrangement or understanding, whether written or oral, formal or informal and whether or not having legal or equitable force.

There are no persons who are associates of SmartEquity EIS Pty Ltd in accordance with this definition.

Relevant interests

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

- are holders of the securities;
- have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- have power to dispose of, or control the exercise of a power to dispose of, the securities.

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

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- a body corporate in which the person's voting power is above 20%;
- a body corporate that the person controls.

SmartEquity EIS Pty Ltd ACN 606 521 233 does not currently have a relevant interest in the Company's issued share capital. However, upon completion of the Acquisition, it will have a relevant interest in 141,450,407 Consideration Shares in the Company, resulting in an increase in its voting powers in the Company from 0% to 39.64%..

6.4 Reasons why Item 7 section 611 approval is required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition described in **paragraph 4.6** above, whereby a person and their associates may acquire a relevant interest in a company's voting shares with shareholder approval.

Following the issue of the Consideration Shares, SmartEquity EIS Pty Ltd ACN 606 521 233 will have a relevant interest in a maximum of 141,450,407 Shares in the Company, representing 39.64% voting power in the Company (based on the assumptions detailed). This also assumes that no other Shares are issued.

Accordingly, Resolution 5 seeks Shareholder approval for the purpose of Section 611 Item 7 and all other purposes to enable the Company to issue the Consideration Shares to Subhash Challa and SmartEquity EIS Pty Ltd ACN 606 521 233 and hence increase the voting power of SmartEquity EIS Pty Ltd ACN 606 521 233 in the Company in excess of the threshold limit prescribed in the Corporations Act.

6.5 Specific information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

A snapshot of the proposed registered holder, holder of the relevant interest and nature of the relevant interest is provided below:

| Holder of relevant interest | Registered holder of shares | Nature of relevant interest | Class and number of securities in the Company |
|-----------------------------|-----------------------------|-----------------------------|---|
| SmartEquity EIS Pty Ltd | SmartEquity EIS Pty Ltd | Direct shareholding | 141,450,407 |

| Holder of relevant interest | Registered holder of shares | Nature of relevant interest |
|-----------------------------|-----------------------------|---|
| Subhash Challa | Subhash Challa | Direct shareholding |
| Subhash Challa | SmartEquity EIS Pty Ltd | SmartEquity EIS Pty Ltd will hold 141,450,407 Consideration Shares (which represents 39.64% of the total voting securities in the Company based on the assumption as detailed) as trustee of an employee trust. Subhash Challa has been allocated 34.82% of those Consideration Shares, giving rise to an indirect relevant interest of 18.8% pursuant to the employee trust (sections 608(1)(b) and (c) or 608(8) of the Corporations Act) |

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

Identity of persons proposing to participate in the issue and their associates

It is proposed that SmartEquity EIS Pty Ltd will acquire a relevant interest in the Consideration Shares in accordance with the terms of the Acquisition Agreement as follows:

- 141,450,407 Consideration Shares to be issued to SmartEquity EIS Pty Ltd ACN 606 521 233.

SmartEquity EIS Pty Ltd (**SmartEquity**), an entity unrelated to SenSen, is the current corporate trustee of the Employee Share Trust of SenSen Networks Pty Ltd (**Trust**). As at the date of this Notice of Meeting, the directors of SmartEquity are Devendra Vasant Billimoria, Michael James Ellies, Timothy Seng Meng Looi and John Kenneth Day. These directors are not related to SenSen.

The Trust has been established to, amongst other things, support employee retention, enhance employee involvement and focus, and increase wealth distribution amongst employees of SenSen. Employees are offered shares in SenSen via the Trust, in the form of units in the trust (**Share Units**), which correlate to shares in SenSen held by SmartEquity as trustee for the Trust, on a one-for-one basis.

The Trust is operated such that the Share Units provide their holders with substantially the same rights in respect of shares in SenSen as if the holders were the legal owners of the shares, which include the rights to direct SmartEquity how the voting rights attached to the shares shall be exercised and to receive the dividend income from the shares in SenSen as declared by SenSen from time to time.

On receipt of Board approval, Employees who are no longer employed on a full-time basis in SenSen are not required to dispose of their Share Units under the terms of the deed of the Trust. The Share Units are not transferrable nor assignable and no equitable, contingent, future or partial interest or other security interest can be created in a Share Unit. It is proposed that:

- on and from the date of this Notice of Meeting, no further Share Units be issued in the Trust; and
- subject to receiving all necessary relief from the ASX in terms of escrow requirements, within the first few months following completion of the Acquisition, the Trust will be wound up and Shares held by SmartEquity in the Company will be transferred to the holders of Share Units on a pro-rata basis in accordance with their holdings of Share Units in the Trust. The new holders will then be subject to the balance of the escrow period which was applicable to SmartEquity.

The maximum extent of the increase in the relevant interest and voting power

As at the date of this Notice of Meeting, SmartEquity EIS Pty Ltd ACN 606 521 233 does not have a relevant interest in any existing Shares and its voting power is nil.

Upon completion of the issue of the Consideration Shares on completion of the Acquisition, the Capital Raising (assuming the Share Purchase Plan is fully subscribed, the General Offer is subscribed to the Minimum Subscription, the issue of Shares on conversion of the Director Loans, CFO Loan and Notes and the Introduction and Advisory Fee), the total number of Shares on issue would be 356,833,827 Shares.

The relevant interest of SmartEquity EIS Pty Ltd (which includes the voting shares in the capital of the Company (both current and following the issue of the Consideration Shares are set out below (based on the assumptions as detailed):

| Party | Relevant Interest as at Notice of Meeting | Voting power as at Notice of Meeting | Relevant Interest after the issue of the Consideration Shares | Voting power after issue of the Consideration Shares |
|---|---|--------------------------------------|---|--|
| SmartEquity EIS Pty Ltd ACN 606 521 233 | nil | 0% | 141,450,407 | 39.64% |
| Total | nil | 0% | 141,450,407 | 39.64% |

Assumptions

The following assumptions have been made in calculating the above:

- The Company has 183,476,469 Shares (pre-Consolidation) on issue as at the date of this Notice of Meeting;
- The Company does not issue any additional Shares other than pursuant to the Resolutions set out in the Notice of Meeting (this includes the issue of Shares on conversion of 50% of the Director Loans, CFO Loan and Notes). The issue of additional Shares would result in a decrease to the relative voting power of the Related Vendors;
- The Share Purchase Plan is subscribed to the Subscription Amount; and
- The Minimum Subscription under the General Offer is raised.

Further details of the voting power of Smart Equity EIS Pty Ltd ACN 606 521 233 is set out in the Independent Expert's Report.

Intentions as to the future of the Company

Three of the Directors (Michael Rhodes, Wesley Harder and Wayne Mitchell) will resign or retire from the Board on Completion.

Other than as disclosed elsewhere in this Explanatory Statement and changes pursuant to the Acquisition and the Resolutions, the Company understands that SmartEquity EIS Pty Ltd ACN 606 521 233:

- has no present intention of making any significant changes to the business of the Company;
- has no present intention to inject further capital into the Company other than to participate in further capital raisings to maintain their shareholding interests;
- has no present intention of making changes regarding the future employment of the present employees of the Company, other than as contemplated under the Acquisition Agreement and set out in this Explanatory Statement;
- does not presently intend to redeploy any fixed assets of the Company;
- does not presently intend to transfer any property between the Company and the Related Vendors or any entity associated with any one of them, other than as contemplated under the Acquisition and set out in this Explanatory Statement;
- does not presently intend to significantly change the financial policy of the Company; and
- has no present intention to change the composition of the Board other than the proposal as described in this Notice of Meeting for the Proposed Directors to become directors on completion of the Acquisition.

These intentions are based on the Company's understanding of SmartEquity EIS Pty Ltd's ACN 606 521 233 intentions as at the date of this Notice of Meeting and on information concerning the Company, SenSen and the business environment which is known to SmartEquity EIS Pty Ltd ACN 606 521 233 as at the date of this Notice of Meeting. These present intentions may change as new information becomes available, as circumstances change or in light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

Details of proposed directorships

Subject to Completion, Subhash Challa, Mr Zenon Pasieczny and Mr Jason Ko will be appointed as directors of the Company. Details of these Proposed Directors are contained in **paragraph 1.5**. The interests of all Proposed Directors are contained in Section C.

Reason for the proposed issue

The Consideration Shares the subject of Resolution 5 will be issued to SmartEquity EIS Pty Ltd ACN 606 521 233 in consideration of the Acquisition of its shares in SenSen, pursuant to the Acquisition Agreement. In the absence of Shareholder approval of Resolution 5, the Acquisition will not proceed.

Material terms of the Acquisition

A summary of the material terms of the Acquisition Agreement is set out in **paragraph 1.7** above.

Date of the proposed Acquisition

The issue of the Consideration Shares will occur on completion of the Acquisition which is intended to be as set out in the timetable at **paragraph 1.12** of this Explanatory Statement.

Capital structure

The proposed capital structure of the Company following completion of the Acquisition is set out in **paragraph 1.9** above.

Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

No Directors of the Company are related parties of any of the Related Vendors or any of their associates. Nor do the Directors have any interest in any shares in the Related Vendors or their respective associates (to the extent they are a company).

Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

The advantages and disadvantages and risks of the Acquisition are detailed in **paragraph 1.13**, **paragraph 1.14** and **paragraph 1.15**. The Directors recommend that the Shareholders vote in favour of the Resolution as they believe the advantages outweigh the disadvantages and consider the Acquisition is in the best interests of the Company.

The Directors recommend the Shareholders review **paragraph 1.13**, **paragraph 1.14** and **paragraph 1.15** with care.

Independent expert's report

In relation to Chapter 6 of the Corporations Act, ASIC Regulatory Guide 74 requires the Company to commission an independent expert's report to provide Shareholders with an analysis of whether the issue of the Shares is fair and reasonable when considered in the context of the interests of the Shareholders.

The Independent Expert has provided the Independent Expert's Report with respect to the proposed issue of Consideration Shares pursuant to Resolution 5.

The Independent Expert has determined the proposed acquisition, which includes SmartEquity EIS Pty Ltd ACN 606 521 233 acquiring a relevant interest greater than 20% through the issue of the Consideration Shares, is fair and reasonable to the non-associated Shareholders. The Independent Expert's Report is enclosed with this Notice of Meeting at **Appendix B**.

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

6.6 Voting requirements

Resolution 5 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

7. Resolutions 6 and 7 – Approval of the issue of Shares pursuant to the Capital Raising (Share Purchase Plan Offer & General Offer)

7.1 Overview

As detailed in **paragraph 1.8**, the Company proposes under the Capital Raising:

- **Share Purchase Plan** – to issue 15,000,000 Shares at an issue price of \$0.10 cents per Share to Shareholders pursuant to the Prospectus to raise a maximum amount of \$1,500,000.
- **General Offer** – to issue a maximum of 50,000,000 Shares at an issue price of \$0.10 cents per Share pursuant to the Prospectus to raise a maximum amount of \$5,000,000.

Resolution 6 seeks Shareholder approval under the Share Purchase Plan Offer for the issue of up to a maximum of 15,000,000 Shares at \$0.10 per Share.

Resolution 7 seeks Shareholder approval under the General Offer for the issue of up to a maximum of 50,000,000 Shares at \$0.10 per Share.

As a result of the ASX Waivers:

- related parties will be able to subscribe for Shares under the Share Purchase Plan without a separate resolution under ASX Listing Rule 10.11 being required to approve such issue; and
- the Shares pursuant to the Capital Raising (Share Purchase Plan and General Offer) under the Prospectus can be issued for less than \$0.20; and
- Resolution 6 is not required to include a voting exclusion statement that excludes the votes of any person who may participate in the Share Purchase Plan or any associate of such a person, provided the Company excludes any votes cast on the resolution by any proposed underwriter or sub-underwriter of the Share Purchase Plan. *Note: The Share Purchase Plan will not be underwritten.*

Please refer to **paragraph 1.21** for further detail of the ASX Waivers.

The Share Purchase Plan and General Offer will be conditional on the following:

- Shareholders passing all of the Acquisition Resolutions; and
- the Shares to be issued pursuant to the Share Purchase Plan and the General Offer will not be issued before completion of the Acquisition; and
- ASX confirming that it will re-admit the Company to the Official List and terminate the suspension from Official Quotation of Shares, subject to such terms and conditions (if any) as are prescribed by ASX or the ASX Listing Rules.

Resolution 6 and Resolution 7 are conditional on the Shareholders approving all of the Acquisition Resolutions.

7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**15% Placement Capacity**).

The effect of Resolution 6 and Resolution 7 will be to allow the Company to issue up to 65,000,000 Shares pursuant to the Share Purchase Plan and the General Offer during the period of 3 months after the General Meeting (or a longer period if allowed by the ASX), without using the Company's 15% Placement Capacity under ASX Listing Rule 7.1.

7.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Purchase Plan:

| Information | Detail |
|--|--|
| Maximum number of securities | <p>Resolution 6</p> <p>The maximum number of Shares to be issued under Resolution 5 is 15,000,000 Shares.</p> <p>Resolution 7</p> <p>The maximum number of Shares to be issued under Resolution 6 is 50,000,000 Shares.</p> |
| The date by which the securities will be issued | The Shares the subject of Resolution 6 and Resolution 7 will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). |
| The issue price | The issue price will be \$0.10. |
| The names of the persons to whom the Company will issue the securities | <p>Resolution 6 – Share Purchase Plan</p> <p>The Shares are proposed to be issued to applicants under the Share Purchase Plan who will all be Shareholders of the Company who are resident in Australia, New Zealand or otherwise eligible to receive an offer under the Share Purchase Plan in their jurisdiction.</p> <p>Resolution 7 – General Offer</p> <p>The General Offer is open to all applicants other than any applicant that requires pre-approval under ASX Listing Rule 10.11.</p> |
| The terms of the securities | The Company will apply to the ASX to have the Shares issued pursuant to the Share Purchase Plan and General Offer officially quoted and these Shares will rank equally with all the other Shares on issue. In all other respects the rights and entitlements of the holders in respect of the Shares issued pursuant to the Prospectus will be identical to the rights and entitlements of the holders of issued Shares. |
| The intended use of the funds raised | The Company intends to use the funds raised from the Shares issued under the Share Purchase Plan and General Offer in the manner outlined in paragraph 1.10 . |
| Voting exclusion statement | <p>Resolution 6</p> <p>A voting exclusion statement is not required for Resolution 6 as a waiver was received allowing all other Shareholders to vote on this Resolution. See paragraph 1.21 for details on this ASX Waiver.</p> <p>Resolution 7</p> <p>A voting exclusion statement is contained in Resolution 7.</p> |

7.4 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

7.5 Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

7.6 Voting requirements

Resolution 6 and Resolution 7 of the General Meeting are ordinary resolutions and so require the approval of more than 50% of the votes cast by Shareholders.

8. Resolution 8 – Approval of the issue of Shares to David Smith, a Director (and his associates) under the Share Purchase Plan

8.1 Overview

As detailed in **paragraph 1.8**, the Company proposes under the Capital Raising:

- **Share Purchase Plan** – to issue 15,000,000 Shares at an issue price of \$0.10 per Share to Shareholders pursuant to the Prospectus to raise a maximum amount of \$1,500,000.
- **General Offer** – to issue a maximum of 50,000,000 Shares at an issue price of \$0.10 per Share pursuant to the Prospectus to raise a maximum amount of \$5,000,000.

Mr David Smith and his associates would like to take up their entitlement under the Share Purchase Plan.

This Resolution seeks Shareholder approval to allow Mr David Smith and his associates to take-up Shares under the Share Purchase Plan.

The maximum number of Shares to be issued to Mr David Smith and his associates in their roles as Shareholders is 900,000 Shares.

Shareholder approval is required under ASX Listing Rule 10.11 to approve the issue of Shares (being an 'equity security'), and hence for the issue of an equity security to a related party.

Resolution 8 is conditional on Shareholders approving the Acquisition Resolutions.

8.2 The law

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- Obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- Give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

The issue of Shares under the Share Purchase Plan would constitute giving a financial benefit to Mr David Smith by virtue of him being a Director of the Company.

The Directors (other than Mr David Smith) consider that Shareholders' approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares proposed to be issued to Mr David Smith in his capacity as a Shareholder (and his associates) as such issue is at the same price as Shares proposed to be issued to non-related party participants in the Share Purchase Plan and was negotiated on arm's length terms. As such, the giving of the financial benefit is on arm's length terms.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception under ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

ASX Listing Rule 7.1

As approval for the issue of the 'equity security' (being the Shares) to David Smith is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

8.3 Specific information

Listing Rule 10.13 requires certain information to accompany a Notice of General Meeting in relation to approval sought under Listing Rule 10.11. This information is set out below:

| Listing Rule 10.13 requirement | Information |
|--|---|
| The name of the person: | <p>The equity security in the form of the Shares are proposed to be issued to David Smith and his associates (each of which are related parties) under the Share Purchase Plan in their capacity as Shareholders.</p> <p>These associates include his wife, Gillian Smith, children and controlled entities, being each of:</p> <ul style="list-style-type: none"> • Octopi Enterprises Pty Ltd, an entity 100% owned by David Smith; and • Dagidoch Pty Ltd, a self managed superannuation fund controlled by David Smith. |
| The maximum number of securities to be issued: | The maximum number of Shares that may be issued to David Smith and his associates is 900,000. |
| The date by which the securities will be issued: | The Shares will be issued on completion of the Capital Raising and in any event no later than 1 month after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). |
| The issue price: | The issue price will be the same as under the Share Purchase Plan, \$0.10 per Share. |
| Terms of the equity securities: | The Shares to be issued to David Smith and his associates will be on the same terms as all other fully paid ordinary shares on issue in the Company. |
| The intended use of funds raised: | The Company intends to use the funds raised from the Shares issued under the Share Purchase Plan in the manner outlined in paragraph 1.10 . |
| Voting exclusion statement: | A voting exclusion statement is contained in Resolution 8. |

8.4 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

8.5 Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

8.6 Voting requirements

Resolution 8 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained in Resolution 8. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

9. Resolution 9 – Appointment of Mr Subhash Challa as a Director

9.1 General

Mr Subhash Challa became a director of SenSen on 18 August 2005.

Under Rule 69.1 of the constitution of the Company, the Company may by resolution in general meeting appoint a person as a director.

Resolution 9 seeks the approval of Shareholders for the appointment of Mr Subhash Challa Boga as a director of the Company, to take effect on and from completion of the Acquisition.

Resolution 9 is subject to all Acquisition Resolutions being approved by Shareholders.

9.2 Biography

Please refer to **paragraph 1.5** of this Explanatory Statement for a snapshot of the background of Subhash Challa.

9.3 Directors' interests

A Directors' interest statement is contained in Section C of the Notice of Meeting.

9.4 Directors recommendations

A Directors' recommendation statement is contained in Section C of the Notice of Meeting.

9.5 Voting requirements

Resolution 9 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

10. Resolution 10 – Appointment of Mr Zenon Pasieczny as a Director

10.1 General

Mr Zenon Pasieczny became a director of SenSen on 15 May 2007.

Under Rule 69.1 of the constitution of the Company, the Company may by resolution in general meeting appoint a person as a director.

Resolution 10 seeks the approval of Shareholders for the appointment of Mr Zenon Pasieczny as a director of the Company, to take effect on and from completion of the Acquisition.

Resolution 10 is subject to all Acquisition Resolutions being approved by Shareholders.

10.2 Biography

Please refer to **paragraph 1.5** of this Explanatory Statement for a snapshot of the background of Zenon Pasieczny.

10.3 Directors' interests

A Directors' interest statement is contained in Section C of the Notice of Meeting.

10.4 Directors recommendations

A Directors' recommendation statement is contained in Section C of the Notice of Meeting.

10.5 Voting requirements

Resolution 10 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

11. Resolution 11 – Appointment of Mr Jason Ko as a Director

11.1 General

Mr Jason Ko became a director of SenSen on 10 April 2017.

Under Rule 69.1 of the constitution of the Company, the Company may by resolution in general meeting appoint a person as a director.

Resolution 11 seeks the approval of Shareholders for the appointment of Mr Jason Ko as a director of the Company, to take effect on and from completion of the Acquisition.

Resolution 11 is subject to all Acquisition Resolutions being approved by Shareholders.

11.2 Biography

Please refer to **paragraph 1.5** of this Explanatory Statement for a snapshot of the background of Mr Jason Ko.

11.3 Directors' interests

A Directors' interest statement is contained in Section C of the Notice of Meeting.

11.4 Directors' recommendations

A Directors' recommendation statement is contained in Section C of the Notice of Meeting.

11.5 Voting requirements

Resolution 11 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

12. Resolution 12–15 (inclusive) – Approval of conversion mechanism in Director Loan and issue of Shares to Related Parties on conversion of Director Loans

12.1 Overview

David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes have loaned the Company the following amounts:

- David Smith – \$603,303;
- Wayne Mitchell – \$726,387;
- Wesley Harder – \$261,942;
- Michael Rhodes – \$199,756,

being a total of \$1,791,388 (**Director Loans**).

It is proposed that 50% of the Director Loans (namely \$895,694) be repaid by way of the issue of Shares in the Company to each of David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes. \$895,694 will therefore remain owing by the Company to David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes.

Resolutions 12-15 (inclusive) are conditional on Shareholders approving the Acquisition Resolutions.

This Resolution seeks Shareholder approval of a conversion mechanism (**Conversion Mechanism**) such that 50% of the Director Loans will become convertible Director Loans, meaning that \$895,694 of the payment obligations of the Company may be satisfied (at the election of the Company) by way of the issue of Shares in the Company.

The number of Shares to be issued on conversion of 50% of the Director Loans will be calculated by dividing \$895,694 by \$0.10 per Share (**Conversion Price**).

The Conversion Mechanism allows (at the election of the Company) for 50% of the Director Loans to be repaid by way of the issue of Shares in the Company at a fixed price to David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes as detailed in the table below:

| Name | Total Outstanding Debt | Amount to be Converted - 50% | New Shares to be Issued (@\$0.10) | Total Shares Held After Conversion (assuming all Resolutions are passed) |
|----------------|------------------------|------------------------------|-----------------------------------|--|
| David Smith | \$603,303 | \$301,651.50 | 3,016,515 | 6,666,515 |
| Wayne Mitchell | \$726,387 | \$363,193.50 | 3,631,935 | 5,158,356 |
| Wesley Harder | \$261,942 | \$130,971 | 1,309,710 | 1,954,992 |
| Michael Rhodes | \$199,756 | \$99,878 | 998,780 | 1,426,563 |

Shareholder approval is required under ASX Listing Rule 10.11 to approve the Director Loans becoming a convertible Director Loan, (being an 'equity security'), and hence for the issue of an equity security to a related party.

Resolutions 12-15 (inclusive) are subject to all Acquisition Resolutions being approved by Shareholders.

5.3 The law

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

The issue of Shares would constitute giving a financial benefit and Mr David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes are all related parties of the Company by virtue of being Directors of the Company.

The Directors (with respect to each of Resolutions 12-15 that do not relate directly to themselves) consider that Shareholders' approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares proposed to be issued to Mr David Smith, Mr Wayne Mitchell, Mr Wesley Harder and Mr Michael Rhodes as such issue is at the same price as Shares proposed to be issued to non-related party participants in the Share Purchase Plan and General Offer and was negotiated on arm's length terms. As such, the giving of the financial benefit is on arm's length terms.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception under ASX Listing Rule 10.12 applies.

In the event the Shareholders approve the Conversion Mechanism of the Director Loans, this effectively transforms the Director Loans into a "convertible security". A convertible security is a form of equity security.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

In the event Resolutions 12-15 (inclusive) are approved, any Shares issued upon exercise of the Conversion Mechanism in the Director Loans would then fall under Exception 7 to listing rule 10.12 and not require further shareholder approval under Listing Rule 10.11.

ASX Listing Rule 7.1

As approval for the issue of the 'equity securities' to David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

12.2 Specific information

Listing Rule 10.13 requires certain information to accompany a Notice of General Meeting in relation to approval sought under Listing Rule 10.11. This information is set out below:

| Listing Rule 10.13 requirement | Information | | | | | | | | | | |
|--|--|----------------|---|-------------|-----------|----------------|-----------|---------------|-----------|----------------|---------|
| The name of the person: | The equity securities in the form of convertible Director Loans (i.e upon the approval of the Conversion Mechanism by way of Resolutions 12-15 (inclusive)) are being issued to David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes, each a Director of the Company. | | | | | | | | | | |
| The maximum number of securities to be issued: | <p>Upon the approval of the Conversion Mechanism for the Director Loans, the Director Loans are convertible into a maximum of 8,956,940 Shares. In regards to each of the Directors, this is as follows:</p> <table> <tr> <th>Name</th><th>New Shares to be issued (\$0.10 per Share)</th></tr> <tr> <td>David Smith</td><td>3,016,515</td></tr> <tr> <td>Wayne Mitchell</td><td>3,631,935</td></tr> <tr> <td>Wesley Harder</td><td>1,309,710</td></tr> <tr> <td>Michael Rhodes</td><td>998,780</td></tr> </table> | Name | New Shares to be issued (\$0.10 per Share) | David Smith | 3,016,515 | Wayne Mitchell | 3,631,935 | Wesley Harder | 1,309,710 | Michael Rhodes | 998,780 |
| Name | New Shares to be issued (\$0.10 per Share) | | | | | | | | | | |
| David Smith | 3,016,515 | | | | | | | | | | |
| Wayne Mitchell | 3,631,935 | | | | | | | | | | |
| Wesley Harder | 1,309,710 | | | | | | | | | | |
| Michael Rhodes | 998,780 | | | | | | | | | | |
| The date by which the securities will be issued: | The equity securities in the form of the <u>convertible</u> Director Loans will be issued immediately upon Shareholder approval of the Conversion Mechanism for the Director Loan. | | | | | | | | | | |
| The issue price: | <p>The Director Loans are for a total amount of \$1,791,388.</p> <p>Upon the approval of the Conversion Mechanism, 50% of the Director Loans may be converted into 8,956,940 Shares at an issue price per Share of \$0.10 per Share.</p> | | | | | | | | | | |
| Terms of the equity securities: | <p>The terms of the Director Loans along with the Conversion Mechanism are provided below:</p> <table> <tr> <td>Parties</td><td>The Company and David Smith.</td></tr> </table> | Parties | The Company and David Smith. | | | | | | | | |
| Parties | The Company and David Smith. | | | | | | | | | | |

| | | |
|--|---|--|
| | | The Company and Wayne Mitchell The Company and Wesley Harder The Company and Michael Rhodes |
| | Loan Amount | <ul style="list-style-type: none"> David Smith– \$603,303 Wayne Mitchell– \$726,387 Wesley Harder– \$261,942 Michael Rhodes – \$199,756 |
| | Interest | Nil |
| | Security | Nil |
| | Repayment Date | <p>The Shares will be issued on Completion.</p> <p>The balance of the Director Loans and the CFO Loan will be repaid within 12 months of Completion in cash, or in the Company's Shares, at the election of the Company's Board. If the Company's Board elects to repay the Loans in the Company's Shares, this will be subject to Shareholder approval and the number of the Company's Shares to be issued will be calculated by dividing the relevant Director and CFO Loan amounts by the 30 day VWAP of the Company's Shares trading on ASX.</p> |
| | Conversion | <p>Subject to approval of Resolutions 12-15 (inclusive):</p> <ul style="list-style-type: none"> David Smith– \$301,651.50 owed by the Company to David Smith may be satisfied by way of the issue of 3,016,515 Shares, calculated by dividing \$301,651.50 by \$0.10. Wayne Mitchell– \$363,193.50 owed by the Company to Wayne Mitchell may be satisfied by way of the issue of 3,631,935 Shares, calculated by dividing \$363,193.50 by \$0.10. Wesley Harder– \$130,971 owed by the Company to Wesley Harder may be satisfied by way of the issue of 1,309,710 Shares, calculated by dividing \$130,971 by \$0.10. Michael Rhodes – \$99,878 owed by the Company to Michael Rhodes may be satisfied by way of the issue of 998,780 Shares, calculated by dividing \$99,878 by \$0.10. |
| The Shares to be issued to David Smith, Wayne Mitchell, Wesley Harder and Michael Rhodes on conversion of the Director Loans will be on the same terms as all other ordinary shares on issue in the Company. | | |
| The intended use of funds raised: | <p>By making the Director Loans convertible loans, the Company satisfies the repayment of 50% of the obligation under the Director Loans in the amount of:</p> <ul style="list-style-type: none"> David Smith– \$301,651.50 Wayne Mitchell– \$363,193.50 Wesley Harder– \$130,971 Michael Rhodes – \$99,878 | |
| Voting exclusion statement: | A voting exclusion statement is contained in Resolutions 12-15 (inclusive). | |

12.3 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

12.4 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

12.5 Voting requirements

Resolutions 12-15 (inclusive) of the General Meeting are ordinary resolutions and so require the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained after the Resolutions 12-15 (inclusive). Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

13. Resolution 16 : Approval of conversion mechanism in the Note Deed Poll and the issue of Shares on conversion of the Notes

13.1 Overview

Investors have subscribed for and been issued with 500,000 Notes at a face value of \$1.00 per Note.

The Note Deed Poll contains a provision whereby the conversion provisions in the Note Deed Poll (**Conversion Mechanism**) will not apply to any Noteholders until such time as approval under ASX Listing Rule 7.1 is obtained for the inclusion of the Conversion Mechanism and the issue of the Shares on conversion.

This Resolution seeks Shareholder approval of a Conversion Mechanism in the Note Deed Poll in regards to the Notes issued to Noteholders.

The number of Shares proposed to be issued to Noteholders on conversion of the Note will be 6,689,850 (assuming the Acquisition completes in accordance with the timetable detailed in **paragraph 1.12**).

Resolution 16 is conditional on Shareholders approving the Acquisition Resolutions.

13.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**15% Placement Capacity**).

Once a Conversion Mechanism is included following the approval under Resolution 16, the convertible Notes will exceed this 15% Placement Capacity. Consequently, approval under ASX Listing Rule 7.1 is being sought for the inclusion of the Conversion Mechanism.

13.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Conversion Mechanism:

| Listing Rule 7.3 requirement | Information |
|--|---|
| The maximum number of securities to be issued: | Upon the approval of the Conversion Mechanism for the Note, the Notes are convertible into a maximum of 6,689,850 Shares (assuming the Acquisition completes in accordance with the timetable detailed in |

| | |
|---|---|
| | paragraph 1.12). |
| The date by which the securities will be issued: | The equity securities in the form of the convertible Notes will be issued immediately upon Shareholder approval of the Conversion Mechanism for the Note and in any event no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). |
| The issue price: | The Notes were issued at a face value of \$1.00 each. |
| The names of the persons to whom the Company will issue the securities: | The Notes were issued to persons who fell within the category of professional investors and sophisticated investors as detailed in section 708 of the Corporations Act. |
| Terms of the equity securities: | A summary of the material terms of the Notes is contained in Schedule 3 . |
| The intended use of funds raised: | The Company used the funds raised from the issue of the Notes for the Company's legal costs (including due diligence committee, Notice of Meeting and Prospectus preparation), Independent Expert and Investigating Accountant Reports, and regulatory costs of the transaction, as well as the Company's ongoing working capital requirements and other costs for maintaining the company's admission to the ASX, including listing fees, registry fees and statutory audit costs. The Company intends to use the balance of the funds raised from the issue of the Notes in the manner outlined in paragraph 1.10 . |
| Voting exclusion statement: | A voting exclusion statement is contained in Resolution 16. |

13.4 Directors' interests

A Directors' interest statement is contained in Section C of the Notice of Meeting.

13.5 Directors' recommendations

A Directors' recommendation statement is contained in Section C of the Notice of Meeting.

13.6 Voting requirements

Resolution 16 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained in Resolution 16. Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

14. Resolution 17 : Approval of conversion mechanism in Note Deed Poll and issue of Shares to Related Party on conversion of Notes - Mr David Smith (and his associate)

14.1 Overview

Mr David Smith and his associated entity, Dagidoch Pty Ltd ACN 159 435 757 an entity controlled by David Smith), have subscribed for and been issued with a total of 100,000 Notes at a face value of \$1.00 per Note.

The Note Deed Poll contains a provision whereby the conversion provisions in the Note Deed Poll (**Conversion Mechanism**) will not apply to any related party until such time as approval under ASX Listing Rule 10.11 is obtained for the inclusion of the Conversion Mechanism and the issue of the Shares on conversion to the related party.

This Resolution seeks Shareholder approval of a Conversion Mechanism in the Note Deed Poll in regards to the Notes issued to David Smith and his associated entity Dagidoch Pty Ltd ACN 159 435 757.

The number of Shares proposed to be issued to Mr David Smith and his associated entity Dagidoch Pty Ltd ACN 159 435 757 on conversion of the Notes will be 1,341,100 (assuming the Acquisition completes in accordance with the timetable detailed in **paragraph 1.12**).

Resolution 17 is conditional on Shareholders approving the Acquisition Resolutions.

5.3 The law

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

The issue of the Notes (and Shares on conversion of the Notes) would constitute giving a financial benefit and Mr David Smith and his associated entity Dagidoch Pty Ltd ACN 159 435 757 are related parties of the Company by virtue of Mr David Smith being a Director of the Company.

The Directors (with the exception of Mr David Smith) consider that Shareholders' approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Notes (and Shares on conversion of the Notes) to Mr David Smith and his associated entity Dagidoch Pty Ltd ACN 159 435 757, as such issue is at the same price as Notes issued to non-related party participants in the Note issue and was negotiated on arm's length terms. As such, the giving of the financial benefit was on arm's length terms.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception to ASX Listing Rule 10.12 applies.

In the event the Shareholders approve the Conversion Mechanism of the Notes issued to David Smith and his associated entity Dagidoch Pty Ltd ACN 159 435 757, this effectively transforms the Note into a "convertible security". A convertible security is a form of equity security.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

In the event Resolution 17 is approved, any Shares issued upon conversion of the Note would then fall under Exception 7 to listing rule 10.12 and not require further shareholder approval under Listing Rule 10.11.

ASX Listing Rule 7.1

As approval for the issue of the 'equity securities' to David Smith and his associated entity Dagidoch Pty Ltd ACN 159 435 757 is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

14.2 Specific information

Listing Rule 10.13 requires certain information to accompany a Notice of General Meeting in relation to approval sought under Listing Rule 10.11. This information is set out below:

| Listing Rule 10.13 requirement | Information |
|--|---|
| The name of the person: | The equity securities in the form of convertible Notes (i.e upon the approval of the Conversion Mechanism by way of Resolutions 18) are being issued to Mr David Smith, a Director of the Company, and his associated entity (which is a related party), Dagidoch Pty Ltd ACN 159 435 757. |
| The maximum number of securities to be issued: | Upon the approval of the Conversion Mechanism for the Notes, the Notes issued to Mr David Smith and his associated entity, Dagidoch Pty Ltd ACN 159 435 757 are convertible into a maximum of 1,341,100 Shares (assuming the Acquisition completes in accordance with the timetable detailed in paragraph 1.12). |
| The date by which the securities will be issued: | The equity securities in the form of the convertible Notes will be issued immediately upon Shareholder approval of the Conversion Mechanism for the Notes and in any event no later than 1 month after the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). |
| The issue price: | The Notes were issued at a face value of \$1.00 each. |
| Terms of the equity securities: | A summary of the material terms of the Notes is contained in Schedule 3 . |
| The intended use of funds raised: | The Company used the funds raised from the issue of the Notes for Proceeds received from the Convertible Notes issue will be used to fund the Company's legal costs (including due diligence committee, Notice of Meeting and Prospectus preparation), Independent Expert and Investigating Accountant Reports, and regulatory costs of the transaction, as well as the Company's ongoing working capital requirements and other costs for maintaining the company's admission to the ASX, including listing fees, registry fees and statutory audit costs. The Company intends to use the balance of the funds raised from the issue of the Notes in the manner outlined in paragraph 1.10 . |
| Voting exclusion statement: | A voting exclusion statement is contained in Resolution 17. |

14.3 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

14.4 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

14.5 Voting requirements

Resolution 17 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

A voting exclusion statement is contained after Resolution 17 (inclusive). Votes cast by Shareholders contrary to the voting exclusion statement will be disregarded.

15. Resolution 18– Change of name

15.1 General

Resolution 18 seeks approval from Shareholders for the change of name of the Company to "SenSen Networks Limited".

Resolution 18 is conditional on Shareholders approving the Acquisition Resolutions.

15.2 Regulatory requirements

Section 157 of the Corporations Act requires the members to pass a Special Resolution to change the Company's name. Accordingly, Resolution 18 seeks the approval of Shareholders for the Company to change its name to "SenSen Networks Limited".

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company if the Acquisition is completed.

15.3 When does this resolution take effect

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

15.4 Directors' interests

A Directors interest statement is contained in Section C of the Notice of Meeting.

15.5 Directors recommendations

A Directors recommendation statement is contained in Section C of the Notice of Meeting.

15.6 Voting requirements

Resolution 18 of the General Meeting is a Special Resolution and so requires the approval of 75% of the votes cast by Shareholders.

Schedule 1 – VENDORS, THE SENSEN SHARES & THE CONSIDERATION SHARES

| Vendor | Shares held in Sensen | Number of Consideration Shares |
|--|--------------------------|-----------------------------------|
| 1. Mr Subhash Challa | 657,981 | 28,778,002 |
| 2. Speedshield Holdings Pty Ltd ACN 603 052 866 | 663,040 | 28,999,266 |
| 3. Mr William Moran | 211,103 | 9,232,976 |
| 4. Saphet Capital Management Pty Limited ACN 105 869 378 | 509,008 | 22,262,395 |
| 5. Mr Satish Gupta | 200,625 | 8,774,701 |
| 6. Mrs Laxmi Challa | 152,798 | 6,682,908 |
| 7. Mr Najmul Qureshi | 15,920 | 696,290 |
| 8. Mr Venkateswara Prasad Gunupati | 110,258 | 4,822,335 |
| 9. University of Technology, Sydney | 100,000 | 4,373,683 |
| 10. Mr Bhanu Prasad Challa | 45,087 | 1,971,944 |
| 11. The Ayre Family Pty Ltd ACN 151 561 652 | 42,355 | 1,852,484 |
| 12. Corvine Chemicals & Pharmaceuticals Ltd | 18,263 | 798,766 |
| 13. Ganguly & Associates Pty Ltd ACN 076 083 022 | 3,920 | 171,448 |
| 14. Mr Kanvar Prabjot Singh | 11,026 | 482,242 |
| 15. Mr Lakshmi Prasad Yerneni | 9,923 | 434,001 |
| 16. Mrs Padma Priya Vemulapati | 8,821 | 385,803 |
| 17. Mr Vijaya Chandrasahas Maddukuri | 8,821 | 385,803 |
| 18. Great Wall Media Pty. Ltd. ACN 124 841 121 | 7,843 | 343,028 |
| 19. Mr Nipun Narendra Singhal | 6,616 | 289,363 |
| 20. Mr Rajib Chakravorty | 592 | 25,892 |
| 21. Mrs Sharmila Vattikuti | 5,513 | 241,121 |
| 22. Mr Nagasharma Pranesha Tumkur | 5,513 | 241,121 |
| 23. Prabhava Organics Pvt Ltd | 2,324 | 101,644 |
| 24. Mr Indu Sekhar Mudigonda | 2,205 | 96,440 |
| 25. Smartequity EIS Pty Ltd | 3,234,126 | 141,450,407 |
| 26. Mr John Hibbard | 13,449 | 588,235 |
| 27. Mr Paul Mccann | 6,725 | 294,118 |
| 28. Three Zebras Pty Ltd <The Judd Family A/C> | 26,899 | 1,176,471 |
| 29. Millwest Investments Pty Ltd | 13,449 | 588,235 |
| 30. Mr Justin Hondris | 13,449 | 588,235 |
| 31. DSL Trading Company Pty Ltd | 2,690 | 117,647 |
| 32. Mrs Payal Srivastava | 2,286 | 100,000 |
| 33. Gasmere Pty Ltd | 26,899 | 1,176,471 |
| 34. Buprestid Pty Ltd <Hani On Family S/F A/C> | 13,449 | 588,235 |
| 35. Franklin Street Investments Pty Ltd | 26,899 | 1,176,471 |
| 36. Mr Angelo Barboutis | 6,725 | 294,118 |
| 37. Mr Robert Wickham | 5,380 | 235,304 |

General Meeting**Orpheus Energy Limited**

| | | |
|--|------------------|--------------------|
| 38. Mr George Deva | 5,380 | 235,304 |
| 39. Spenceley Management Pty Ltd Atf Spenceley Family Trust | 26,899 | 1,176,471 |
| 40. Vasco Investment Managers Limited ATF BMYG Australia IPO Opportunities Fund | 26,899 | 1,176,471 |
| 41. Vasco Investment Managers Limited ATF BMYG Australia IPO Opportunities Fund | 8,205 | 358,859 |
| TOTAL | 6,259,364 | 273,764,706 |

Schedule 2 – DILUTIVE IMPACT OF THE ACQUISITION & CAPITAL RAISING

Capital raising fully subscribed

The below table provides a snapshot of the dilutive impact to Shareholders in the event:

- The Share Purchase Plan is subscribed by Company Shareholders to the Subscription Amount & General Offer subscribed to the Maximum Subscription; and
- The Share Purchase Plan is subscribed by Company Shareholders to the Subscription Amount & General Offer subscribed to the Minimum Subscription.

The numbers are detailed on a post Consolidation basis.

| Holder | Number of Company Shares (post Consolidation) (date of this Notice of Meeting) | Share Purchase Plan is fully subscribed to the Subscription Amount & General Offer subscribed to the Maximum Subscription | | Share Purchase Plan is fully subscribed to the Subscription Amount & General Offer subscribed to the Minimum Subscription | |
|---|--|---|-------|---|-------|
| | | Number | % | Number | % |
| Vendors | | | | | |
| Mr Subhash Challa | N/A | 28,778,002 | 7.64% | 28,778,002 | 8.06% |
| Speedshield Holdings Pty Ltd ACN 603 052 866 | N/A | 28,999,266 | 7.70% | 28,999,266 | 8.13% |
| Mr William Moran | N/A | 9,232,976 | 2.45% | 9,232,976 | 2.59% |
| Saphet Capital Management Pty Limited ACN 105 869 378 | N/A | 22,262,395 | 5.91% | 22,262,395 | 6.24% |
| Mr Satish Gupta | N/A | 8,774,701 | 2.33% | 8,774,701 | 2.46% |
| Mrs Laxmi Challa | N/A | 6,682,908 | 1.77% | 6,682,908 | 1.87% |
| Mr Najmul Qureshi | N/A | 696,290 | 0.18% | 696,290 | 0.20% |
| Mr Venkateswara Prasad Gunupati | N/A | 4,822,335 | 1.28% | 4,822,335 | 1.35% |
| University of Technology, Sydney | N/A | 4,373,683 | 1.16% | 4,373,683 | 1.23% |
| Mr Bhanu Prasad Challa | N/A | 1,971,944 | 0.52% | 1,971,944 | 0.55% |
| The Ayre Family Pty Ltd ACN 151 561 652 | N/A | 1,852,484 | 0.49% | 1,852,484 | 0.52% |
| Corvine Chemicals & Pharmaceuticals Ltd | N/A | 798,766 | 0.21% | 798,766 | 0.22% |
| Ganguly & Associates Pty Ltd ACN 076 083 022 | N/A | 171,448 | 0.05% | 171,448 | 0.05% |
| Mr Kanvar Prabjot Singh | N/A | 482,242 | 0.13% | 482,242 | 0.14% |
| Mr Lakshmi Prasad Yerneni | N/A | 434,001 | 0.12% | 434,001 | 0.12% |
| Mrs Padma Priya Vemulapati | N/A | 385,803 | 0.10% | 385,803 | 0.11% |
| Mr Vijaya Chandrahas Maddukuri | N/A | 385,803 | 0.10% | 385,803 | 0.11% |
| Great Wall Media Pty. Ltd. ACN 124 841 121 | N/A | 343,028 | 0.09% | 343,028 | 0.10% |
| Mr Nipun Narendra Singhal | N/A | 289,363 | 0.08% | 289,363 | 0.08% |

General Meeting
Orpheus Energy Limited

| | | | | | |
|--|------------|-------------|--------|-------------|--------|
| Mr Rajib Chakravorty | N/A | 25,892 | 0.01% | 25,892 | 0.01% |
| Mrs Sharmila Vattikuti | N/A | 241,121 | 0.06% | 241,121 | 0.07% |
| Mr Nagasharma Pranesha Tumkur | N/A | 241,121 | 0.06% | 241,121 | 0.07% |
| Prabhava Organics Pvt Ltd | N/A | 101,644 | 0.03% | 101,644 | 0.03% |
| Mr Indu Sekhar Mudigonda | N/A | 96,440 | 0.03% | 96,440 | 0.03% |
| Smartequity EIS Pty Ltd | N/A | 141,450,407 | 37.54% | 141,450,407 | 39.64% |
| Mr John Hibbard | N/A | 588,235 | 0.16% | 588,235 | 0.16% |
| Mr Paul Mccann | N/A | 294,118 | 0.08% | 294,118 | 0.08% |
| Three Zebras Pty Ltd <The Judd Family A/C> | N/A | 1,176,471 | 0.31% | 1,176,471 | 0.33% |
| Millwest Investments Pty Ltd | N/A | 588,235 | 0.16% | 588,235 | 0.16% |
| Mr Justin Hondris | N/A | 588,235 | 0.16% | 588,235 | 0.16% |
| DSL Trading Company Pty Ltd | N/A | 117,647 | 0.03% | 117,647 | 0.03% |
| Mrs Payal Srivastava | N/A | 100,000 | 0.03% | 100,000 | 0.03% |
| Gasmere Pty Ltd | N/A | 1,176,471 | 0.31% | 1,176,471 | 0.33% |
| Buprestid Pty Ltd <Hanl On Family S/F A/C> | N/A | 588,235 | 0.16% | 588,235 | 0.16% |
| Franklin Street Investments Pty Ltd | N/A | 1,176,471 | 0.31% | 1,176,471 | 0.33% |
| Mr Angelo Barboutis | N/A | 294,118 | 0.08% | 294,118 | 0.08% |
| Mr Robert Wickham | N/A | 235,304 | 0.06% | 235,304 | 0.07% |
| Mr George Deva | N/A | 235,304 | 0.06% | 235,304 | 0.07% |
| Spenceley Management Pty Ltd Atf Spenceley Family Trust | N/A | 1,176,471 | 0.31% | 1,176,471 | 0.33% |
| Vasco Investment Managers Limited ATF BMYG Australia IPO Opportunities Fund | N/A | 1,176,471 | 0.31% | 1,176,471 | 0.33% |
| Vasco Investment Managers Limited ATF BMYG Australia IPO Opportunities Fund | N/A | 358,859 | 0.10% | 358,859 | 0.10% |
| Existing Shareholders | | | | | |
| David Smith (holding more than 5% as at date of the Notice of Meeting) | 2,650,000 | 2,800,000 | 0.74% | 2,800,000 | 0.78% |
| Wayne Mitchell (holding more than 5% as at date of the Notice of Meeting) | 1,526,421 | 1,526,421 | 0.41% | 1,526,421 | 0.43% |
| Whitehaven Coal (holding more than 5% as at date of the Notice of Meeting) | 1,282,097 | 1,282,097 | 0.34% | 1,282,097 | 0.36% |
| Octopi Enterprises (holding more than 5% as at date of the Notice of Meeting) | 1,000,000 | 1,150,000 | 0.31% | 1,150,000 | 0.32% |
| All Other Existing Shareholders | 11,889,132 | 26,589,132 | 7.06% | 26,589,132 | 7.45% |
| Issue of shares to Investors from the General Offer | | | | | |
| General Offer investors | | 50,000,000 | 13.27% | 30,000,000 | 8.41% |
| Issue of Shares on conversion of 50% of the Director Loans and CFO Loan | | | | | |
| David Smith | | 3,016,515 | 0.80% | 3,016,515 | 0.85% |
| Wayne Mitchell | | 3,631,935 | 0.96% | 3,631,935 | 1.02% |

General Meeting**Orpheus Energy Limited**

| | | | | | |
|---|-------------------|--------------------|--------------|--------------------|--------------|
| Wes harder | | 1,309,710 | 0.35% | 1,309,710 | 0.37% |
| Mike Rhodes | | 998,780 | 0.27% | 998,780 | 0.28% |
| Barry Neal | | 865,480 | 0.23% | 865,480 | 0.24% |
| Issue of Shares on a conversion of the Notes (following approval of Resolutions 16 and 17) | | | | | |
| Noteholders | | 6,689,850 | 1.78% | 6,689,850 | 1.87% |
| Issue of Shares to SenSen Corporate Advisor (Introduction and Advisory Fee) | | | | | |
| SenSen Corporate Advisor | | 3,209,201 | 0.85% | 3,209,201 | 0.90% |
| GRAND TOTAL | 18,347,650 | 376,833,827 | 100% | 356,833,827 | 100% |

Schedule 3—TERMS OF THE NOTES

| | |
|----------------------|---|
| Face Value | A\$1.00 |
| Quotation | The Company does not intend to list the Notes for quotation on any stock exchange. |
| Interest | <p>Interest of 10% is cumulative and is payable on each Note from the issue date of the Note until (and including):</p> <ul style="list-style-type: none"> • where the Note is converted - the date of completion of the RTO; and • where the Note is not converted but is redeemed - the date of redemption. |
| Conversion Mechanism | <p>The Notes only become convertible into Shares if Resolutions 16 and 17 are passed.</p> <p>With respect to any Noteholder that is not a Related Party or a person whose relationship with the Company or a Related Party is, in ASX's opinion, such that approval should be obtained (Non-Related Party Noteholder):</p> <ul style="list-style-type: none"> • the Conversion provisions in the Note Deed Poll will not apply to the Non-Related Party Noteholder until such time as approval by the shareholders of Resolution 16 has been obtained (LR7.1 Approval); and • until LR7.1 Approval has been obtained: <ul style="list-style-type: none"> ◦ the Note(s) held by the Non-Related Party Noteholder will be non-convertible; and ◦ the Company will not have the right to convert any interest accrued on the outstanding principal amount of the Note or the Utilisation Fee into Shares. <p>With respect to any Noteholder that is a Related Party or a person whose relationship with the Company or a Related Party is, in ASX's opinion, such that approval should be obtained (Related Party Noteholder):</p> <ul style="list-style-type: none"> • the Conversion provisions in the Note Deed Poll will not apply to the Related Party Noteholder until such time as approval by the shareholders of Resolution 17 has been obtained (LR10.11 Approval); and • until LR10.11 Approval has been obtained: <ul style="list-style-type: none"> ◦ the Note(s) held by the Related Party Noteholder will be non-convertible; and ◦ the Company will not have the right to convert any interest accrued on the outstanding principal amount of the Note or the Utilisation Fee into Shares. |
| Utilisation fee | The Company must pay to the Noteholders in their respective pro-rata share a non-refundable utilisation fee equal to 5% of the total amount raised under the Note offer (Utilization Fee). |
| Conversion Price | <p>The Conversion Price is 80% of the offer price per Shares offered under the prospectus issued under section 710 of the Corporations Act for the RTO of the Company.</p> <p>The offer price per Share offered under the prospectus will be A\$0.10. On this basis, the Conversion Price will be \$0.08.</p> |
| Conversion | <p>Conversion Event Notice</p> <p>Where the Company anticipates the RTO will occur before 12 months from the issue date, the Company will issue the Noteholders a Conversion Event Notice.</p> <p>Conversion Notice</p> <p>Following the issue of a Conversion Event Notice, a Noteholder may elect to Convert their Notes by issuing a Conversion Notice to the Company.</p> <p>A Conversion Notice must be in the form provided by the Company and must be received by the Company within the time detailed in the Conversion Event Notice.</p> <p>Once issued, a Conversion Notice is binding and irrevocable.</p> <p>In the event the Noteholder:</p> <ul style="list-style-type: none"> • does not issue a Conversion Notice within the time detailed in the Conversion Event Notice; or • the RTO does not occur before 12 months following the issue date (irrespective of whether a Conversion Notice has been received), <p>the Notes will be redeemed.</p> <p>The Conversion</p> <p>Subject to a valid Conversion Notice being received by the Company, on the date of RTO completion:</p> <ul style="list-style-type: none"> • the Company must repay to each Noteholder the Face Value of the Notes held by such person together with all interest accrued plus the Utilization Fee on such Notes; and |

| | |
|-----------------------------|--|
| | <ul style="list-style-type: none"> unless an Event of Default has occurred, the Face Value, the interest received and the Utilization Fee will be applied to the subscription for fully paid Shares. <p>The number of fully paid Shares to be issued is equal to the amount calculated by dividing the aggregate Face Value plus interest plus the Utilization Fee by the Conversion Price.</p> <p>The Notes can only be converted in whole and not in part.</p> |
| Redemption | <p>The Company must redeem the Notes of a Noteholder and pay to a Noteholder the Face Value of each Note held by such person and all accrued interest on such Notes plus the Utilization Fee, within 20 Business Days of the earlier of the following:</p> <ul style="list-style-type: none"> the date of completion of the RTO where a Conversion Notice has not been issued to the Company by the Noteholder; and 12 months following the issue date, where the Notes have not previously been converted. <p>The Notes can only be redeemed in whole and not part.</p> |
| Shares issued on Conversion | <p>Each Share issued upon conversion of a Note will be credited as fully paid and must:</p> <ul style="list-style-type: none"> be issued on the date of completion of the RTO; and rank equally with, and have all rights, benefits and obligations identical with, the Shares to be issued under the prospectus for the RTO. <p>The Company must cause any Shares issued on conversion to be granted quotation on the ASX.</p> |
| Transferability | The Notes are non-transferrable. |

APPENDIX A – PRO-FORMA BALANCE SHEET

| 31 December 2016 | Orpheus Historical Statement of Financial Position | Issue of convertible notes and redemption | Orpheus Capital Raise | Orpheus Capital Raise | SenSen Historical Statement of Financial Position | SNS Pre- IPO Capital raise | Impact of Acquisition | Combined Pro- Forma Statement of Financial Position Maximum Subscription under Capital Raising | Combined Pro-Forma Statement of Financial Position Minimum Subscription under Capital Raising |
|-----------------------------|---|--|-----------------------------------|-----------------------------------|---|----------------------------------|--------------------------|--|---|
| | \$ | \$ | Maximum Subscription \$6.5M | Minimum Subscription \$4.5M | \$ | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | | | | | |
| Cash and cash equivalents | 24,444 | 500,000 | 5,802,600 | 3,922,600 | 54,620 | 788,663 | (230,000) | 6,940,327 | 5,060,327 |
| Trade and other receivables | 66,284 | - | - | - | 352,225 | - | - | 418,509 | 418,509 |
| Inventory | - | - | - | - | 15,000 | - | - | 15,000 | 15,000 |
| Other current assets | - | - | - | - | 5,551 | - | - | 5,551 | 5,551 |
| TOTAL CURRENT ASSETS | 90,728 | 500,000 | 5,802,600 | 3,922,600 | 427,396 | 788,663 | (230,000) | 7,379,387 | 5,499,387 |
| NON-CURRENT ASSETS | | | | | | | | | |
| Plant and equipment | 432 | - | - | - | 118,002 | - | - | 118,434 | 118,434 |
| Other non-current assets | - | - | - | - | 27,932 | - | - | 27,932 | 27,932 |
| TOTAL NON-CURRENT ASSETS | 432 | - | - | - | 145,934 | - | - | 146,366 | 146,366 |
| TOTAL ASSETS | 91,160 | 500,000 | 5,802,600 | 3,922,600 | 573,330 | 788,663 | (230,000) | 7,525,753 | 5,645,753 |
| CURRENT LIABILITIES | | | | | | | | | |
| Trade and other payables | 1,787,099 | - | (638,958) | (638,958) | 1,762,617 | - | - | 2,910,758 | 2,910,758 |
| Borrowings | 686,569 | - | (343,284) | (343,284) | 1,447,787 | (160,997) | - | 1,630,075 | 1,630,075 |
| Short-term provisions | 9,877 | - | - | - | - | - | - | 9,877 | 9,877 |

General Meeting

Orpheus Energy Limited

| | | | | | | | | | |
|--------------------------------|--------------------|----------------|------------------|------------------|--------------------|----------------|------------------|------------------|----------------|
| TOTAL CURRENT LIABILITIES | 2,483,545 | - | (982,242) | (982,242) | 3,210,404 | (160,997) | - | 4,550,710 | 4,550,710 |
| NON-CURRENT LIABILITIES | | | | | | | | | |
| Borrowings | - | - | - | - | 500,000 | - | - | 500,000 | 500,000 |
| TOTAL NON-CURRENT LIABILITIES | - | - | - | - | 500,000 | - | - | 500,000 | 500,000 |
| TOTAL LIABILITIES | 2,483,545 | - | (982,242) | (982,242) | 3,710,404 | (160,997) | - | 5,050,710 | 5,050,710 |
| NET ASSETS | (2,392,385) | 500,000 | 6,784,842 | 4,904,842 | (3,137,074) | 949,660 | (230,000) | 2,475,043 | 595,043 |
| EQUITY | | | | | | | | | |
| Contributed equity | 31,478,839 | 668,985 | 7,489,587 | 5,609,587 | 13,004,783 | 949,660 | (28,541,938) | 25,049,916 | 23,169,916 |
| Reserves | 461,524 | - | - | - | - | - | (461,524) | - | - |
| Accumulated losses | (34,326,394) | (168,985) | (704,745) | (704,745) | (16,141,857) | - | 28,773,462 | (22,568,519) | (22,568,519) |
| Non-Controlling interests | (6,354) | - | - | - | - | - | - | (6,354) | (6,354) |
| TOTAL EQUITY (deficit) | (2,392,385) | 500,000 | 6,784,842 | 4,904,842 | (3,137,074) | 949,660 | (230,000) | 2,475,043 | 595,043 |

APPENDIX B – INDEPENDENT EXPERT'S REPORT



ORPHEUS ENERGY LIMITED
Independent Expert's Report

27 July 2017

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Financial Services Guide

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance (QLD) Ltd ('BDO CFQ' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDO CFQ holds an Australian Financial Services Licence to provide the following services:

- (a) financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, derivatives, managed investments schemes, superannuation, and government debentures, stocks and bonds; and
- (b) arranging to deal in financial products mentioned in a) above, with the exception of derivatives.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDO CFQ has been engaged to provide an independent expert's report to the non-associated shareholders of Orpheus Energy Limited ('Orpheus' or 'the Company') in relation to the proposed acquisition ('the Proposed Transaction') of SenSen Networks Pty Ltd ('SenSen').

Further details of the Proposed Transaction are set out in Section 3.0. The scope of this Report is set out in detail in Section 4.0. This Report provides an opinion as to whether or not the Proposed Transaction is 'fair' and 'reasonable' to the non-associated shareholders of Orpheus ('Non-Associated Shareholders') and has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote for or against the resolutions that comprise the Proposed Transaction.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, commissions and other benefits we may receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$50,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDO CFQ, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDO CFQ may receive a share in the profits of BDO Group Holdings (QLD) Pty Ltd, a parent entity of BDO CFQ. All directors and employees of BDO Group Holdings (QLD) Pty Ltd and its subsidiaries (including BDO CFQ) are entitled to receive a salary. Where a director of BDO CFQ is a shareholder of BDO Group Holdings (QLD) Pty Ltd, the person is entitled to share in the profits of BDO Group Holdings (QLD) Pty Ltd.

Associations and relationships

From time to time BDO CFQ or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. BDO Audit Pty Ltd ('BDO Audit'), a related entity of BDO CFQ, completed the audit for SenSen for financial year 2015 ('FY2015'), financial year 2016 ('FY2016') and the 6 months ending 31 December 2016 ('HY2016'). BDO Audit have also been engaged to prepare the Independent Accountant's Report ('IAR') for the prospectus relating to the \$6.5 million capital raising.

BDO CFQ and BDO Audit were also previously engaged by Orpheus to prepare an Independent Expert Report ('IER') and IAR respectively for a previous transaction that ultimately did not proceed.

The signatories to this Report do not hold any shares in Orpheus or SenSen and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which is publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints

We are members of the Financial Ombudsman Service. Any complaint about our service should be in writing and sent to BDO Corporate Finance (QLD) Ltd, GPO Box 457, Brisbane QLD 4001.

We will endeavour to resolve the complaint quickly and fairly. If the complaint cannot be satisfactorily resolved within 45 days of written notification, there is a right to lodge a complaint with the Financial Ombudsman Service. They can be contacted on 1300 780 808. This service is provided free of charge.

If the complaint involves ethical conduct, a complaint may be lodged in writing with Chartered Accountants Australia and New Zealand, Queensland Branch, GPO Box 2054, Brisbane QLD 4001. The Australian Securities and Investment Commission ('ASIC') also has an Infoline on 1300 300 630 which can be used to make a complaint and obtain information about investor rights.

Contact Details

BDO Corporate Finance (QLD) Ltd

| Location Address: | Postal Address: |
|--|----------------------------------|
| Level 10 12 Creek Street BRISBANE QLD 4000 | GPO Box 457 BRISBANE QLD 4001 |
| Phone: (07) 3237 5999 | Email: cf.brisbane@bdo.com.au |
| Fax: (07) 3221 9227 | |

Glossary

| Reference | Definition |
|----------------------------|--|
| A\$ or \$ | Australian dollars |
| ABV | Asset-based valuation |
| Act, Corporations Act, the | The Corporations Act 2001 |
| Advisor's Fee | The 3,209,201 shares of the Combined Entity to be issued to SenSen's corporate advisor, Tat Capital Pty Ltd |
| AGP | PT Abadi Guna Papan |
| ASIC | Australian Securities and Investment Commission |
| ASX | Australian Securities Exchange |
| BDO Audit | BDO Audit Pty Ltd |
| BDO CFQ | BDO Corporate Finance (QLD) Ltd |
| BDO, BDO Persons | BDO CFQ, BDO (QLD) or any of its partners, directors, agents or associates |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CME | Capitalisation of maintainable earnings |
| Combined Entity, the | The Combined entity post the all-scrip acquisition of SenSen shares |
| Company, the | Orpheus Energy Limited |
| Consideration Shares | Issue of 273,764,706 new Orpheus Shares to the current shareholders of SenSen as detailed in Schedule 1 of the Notice of Meeting |
| Convertible Notes, the | The 6,689,850 notes issued with a face value of \$0.08 to be converted into shares of the Combined Entity |
| Crown | Crown Melbourne Limited |
| DCF | Discounted cash flow |
| Directors, the | The directors of the Company from 18 January 2017 to 27 July 2017 |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| Explanatory Statement | The Explanatory Statement prepared by Orpheus and dated on or about 31 July 2017 |
| EV | Enterprise value |
| FSG | Financial Services Guide |
| FY2014 | The 12 month period ended on 30 June 2014 |
| FY2015 | The 12 month period ended on 30 June 2015 |
| FY2016 | The 12 month period ended on 30 June 2016 |
| General Offer, the | A general offer of a minimum of 30 million shares and a maximum of 50 million shares in the Company at an offer price of \$0.10 per share to raise up to \$5 million |
| IDR | Indonesian Rupiah |

| Reference | Definition |
|------------------------------------|--|
| HY2016 | The 6 month period ended on 31 December 2016 |
| IoT | Internet of Things |
| JV | Joint Venture |
| MBV | Market-based valuation |
| Mr Challa | Mr Subhash Challa |
| Mr Suksmanto | Mr Nugroho Suksmanto |
| Non-Associated Shareholders, the | The holders of fully paid ordinary shares in the Company that are not associated with the Proposed Transaction |
| Notice of Meeting, the | Notice of General Meeting prepared by Orpheus and dated on or about 31 July 2017 |
| NPV | Net present value |
| Orpheus | Orpheus Energy Limited |
| Proposed Transaction, the | The proposed acquisition of SenSen by the Company |
| Prospectus Offer, the | Issue of new shares under a prospectus for the Share Purchase Plan and the General Offer to raise up to AUD\$6.5 million |
| PTMC | PT Mega Coal |
| Receivable, the | The IDR70 billion (approximately \$7 million) receivable owing to Orpheus from Mr Suksmanto |
| Regulations, the | The Corporation Regulations 2001 |
| Report, this | This independent expert's report prepared by BDO CFQ dated 27 July 2017 |
| Resolutions, the | Notice of Meeting Resolutions 1 to 18 (inclusive) which are all conditional on each other |
| RG 111 | Regulatory Guide 111: Content of Expert Report |
| RGs | Regulatory guides published by ASIC |
| SenSen | SenSen Networks Pty Ltd |
| SenSen Share Offer | SenSen pre IPO share issue of up to 11,764,706 shares at an offer price of \$0.085 per share on a post consolidation basis |
| Settlement Agreement, the | The settlement agreement announced on 30 July 2015 in relation to the Receivable |
| Share Purchase Plan, the | Issue of new shares under a Share Purchase Plan of 15 million shares in the Company at an offer price of \$0.10 per share to raise approximately \$1.5 million |
| Share Purchase Agreement, SPA, the | The share purchase agreement dated 11 April 2017 entered into between the Company and SenSen |
| Smart Equity | Smart Equity Pty Ltd |
| VWAP | Volume weighted average price |
| We, us, our | BDO Corporate Finance (QLD) Ltd |



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane, QLD 4000
GPO Box 457, Brisbane QLD 4001
AUSTRALIA

The Non-Associated Shareholders
C/- The Non-Associated Directors
Orpheus Energy Limited
Suite 9, Level 3,
3 Spring Street,
Sydney NSW 2000

27 July 2017

Dear Non-Associated Shareholders,

Independent Expert's Report

1.0 Introduction

BDO Corporate Finance (QLD) Ltd ('BDO CFQ', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('the Non-Associated Shareholders') of Orpheus Energy Limited ('Orpheus' or 'the Company') in relation to the proposed acquisition ('the Proposed Transaction') of SenSen Networks Pty Ltd ('SenSen').

The consideration to be offered by Orpheus under the Proposed Transaction is 273,764,706 Orpheus ordinary shares to the shareholders of SenSen. In conjunction with this share issue, a number of other share issues will occur including as payments for Directors' loans, success fee to corporate advisors and the conversion of convertible notes.

For ease of reference, and to assist to differentiate between Orpheus prior to the all-scrip acquisition of SenSen shares and Orpheus post the all-scrip acquisition of SenSen shares, we refer to the company acquiring SenSen as 'Orpheus' or 'the Company' and we refer to the combined entity post the all-scrip acquisition as 'the Combined Entity'. Accordingly, all references to the Combined Entity set out in this Report should be taken as references to Orpheus following the Proposed Transaction.

A more detailed description of the Proposed Transaction is set out in Section 3.0 of this Report.

This Report has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote for or against resolutions 1 to 18 (inclusive), which are conditional upon each other and comprise the Proposed Transaction at the General Meeting ('the Resolutions'). Apart from the purpose stated directly above, this Report cannot be used or relied on for any other purpose or by any other person or entity.

This Report should be read in full, including the assumptions underpinning our work together with the other information provided to the Non-Associated Shareholders in conjunction with this Report, including the Notice of General Meeting and Explanatory Statement prepared by Orpheus and dated on or about 31 July 2017 ('the Notice of Meeting' and 'the Explanatory Statement').

This Report does not address circumstances specific to individual Orpheus shareholders. An Orpheus shareholders' decision to vote for or against the Resolutions that comprise the Proposed Transaction is likely to be influenced by their own particular circumstances including, for example, their taxation considerations and risk profile. Orpheus shareholders should obtain their own professional advice in relation to their own circumstances.

APES 225 'Valuation Services' issued by the Accounting Professional & Ethical Standards Board sets out mandatory requirements for the provision of quality and ethical valuation services. BDO CFQ has complied with this standard in the preparation of this Report.

All dollar ('\$') references in this Report are in Australian dollars unless otherwise stated.

1

2.0 Summary of Opinion

This section is a summary of our opinion only and cannot substitute for a complete reading of this Report.

2.1 Fairness of the Proposed Transaction

This section provides a summary of our assessment of the fairness of the Proposed Transaction. A more detailed assessment of the fairness of the Proposed Transaction is set out in Section 9.0 of this Report.

To assess whether the Proposed Transaction is ‘fair’ to the Non-Associated Shareholders we:

- Calculated the value of a Orpheus share immediately prior to the Proposed Transaction on a controlling interest basis using an Asset Based Valuation (‘ABV’) methodology;
- Calculated the value of a share in the Combined Entity post the Proposed Transaction on a minority interest basis having regard to a Market Based Valuation (‘MBV’) methodology; and
- Compared our value of an Orpheus share prior to the Proposed Transaction to the value of a share in the Combined Entity following the Proposed Transaction, assuming that the Proposed Transaction is implemented.

Table 2.1 below summarises our valuation of a share in Orpheus prior to the Proposed Transaction and of a share in the Combined Entity immediately following the Proposed Transaction for the purpose of assessing the fairness of the Proposed Transaction.

Table 2.1: Assessment of Fairness of the Proposed Transaction

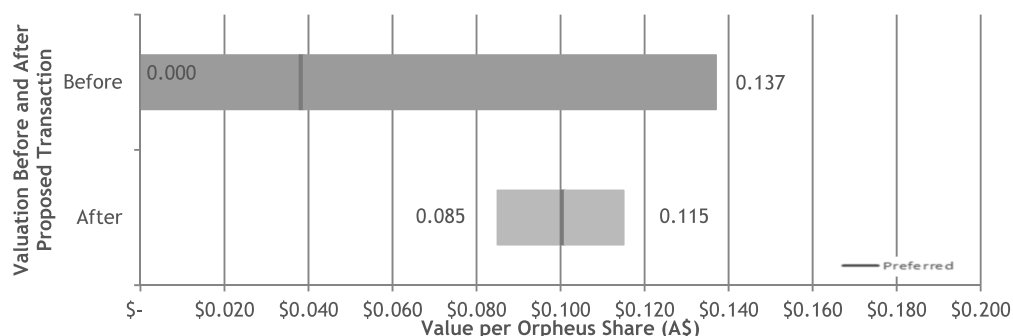
| | Low Value (\$) | Preferred Value (\$) | High Value (\$) |
|---|-------------------|-------------------------|--------------------|
| Value of Orpheus prior to the Proposed Transaction - (controlling interest) ¹ | Nominal | 0.0379 | 0.1370 |
| Value of the Combined Entity post the Proposed Transaction (minority interest) | 0.0850 | 0.1000 | 0.1150 |

Source: BDO CFQ analysis

1 To simplify the pre and post transaction analysis set out in this Report, we have adjusted the share numbers pre-transaction for the consolidation (ten fully paid ordinary shares consolidated to one). We would not expect the Consolidation to impact on our valuation materially. On a pro-rata basis, a post consolidation value of \$Nominal to \$0.1370 implies a pre consolidation value of \$Nominal to \$0.0137.

Figure 2.1 summarises our assessment of the fairness of the Proposed Transaction, setting out a graphical comparison of our valuation of an Orpheus share before the Proposed Transaction on a controlling interest basis and our valuation of an Orpheus share post the Proposed Transaction on a minority interest basis.

Figure 2.1: Assessment of Fairness of the Proposed Transaction



Source: BDO CFQ analysis

With regard to the above we note:

- The value of the consideration represents the value of a share in the Combined Entity on a minority interest basis;
- The value before the Proposed Transaction represents the value of an Orpheus share before the Proposed Transaction on a controlling interest basis;

- With reference to Figure 2.1 and Table 2.1 above, we note that the entire value range of the consideration offered per Orpheus share is greater than the preferred value of an Orpheus share immediately prior to the Proposed Transaction. We also note that our preferred value of Orpheus post the Proposed Transaction of \$0.1000 is greater than our preferred value of Orpheus prior to the Proposed Transaction of \$0.0379;
- Our preferred view for the Receivable was determined having regard to the Director's view on the expected amount to be received for the sale of the AGP shares, being IDR35 billion. The sale of the AGP shares will constitute settlement of the debt albeit at a significant discount, and any remaining amount of the debt outstanding will be extinguished. The Directors' collectively are of the view that this will be settled within the short term. On balance there is significant risk associated with the collection of the Receivable, and our preferred view is consistent with the Directors' opinion;
- In determining a value range for Orpheus, we have allowed a value of \$Nominal to \$5.5 million for the Receivable (refer Section 7.0 below). There is no guarantee that any amount of the Receivable will ultimately be recovered. In circumstances where less than \$2.9 million of the Receivable is ultimately recovered, the value for Orpheus would be \$Nominal. In circumstances where more than \$5.5 million of the Receivable is ultimately recovered the value of Orpheus would exceed the high value of \$0.1370 presented in Table 2.1 above; and
- The value of Orpheus prior to the Proposed Transaction exceeds the value of the Combined Entity post the Proposed Transaction only at the higher end of the valuation ranges shown. We note that a value for the Receivable of \$5.1 million equates to a valuation per share in Orpheus prior to the Proposed Transaction equal to the high end of our post the Proposed Transaction valuation range for the Combined Entity. A value of \$5.1 million for the Receivable is materially higher than our preferred value and the value of the collateral available as security for the Receivable. Shareholders should refer to Section 7.2.1 for more information.

After considering the information summarised above and set out in more detail in Section 9.0 of this Report, in our view, the Proposed Transaction is **Fair** to the Non-Associated Shareholders as at the date of this Report.

2.2 Reasonableness of the Proposed Transaction

Table 2.2 below summarises the advantages and disadvantages of the Proposed Transaction. For a more detailed assessment of the Proposed Transaction, refer to Section 10.0 of this Report.

Table 2.2: Advantages and Disadvantages of the Proposed Transaction

| Advantage | Disadvantage |
|---|--|
| The Proposed Transaction is Fair | Dilutionary impact on the existing Orpheus shareholders |
| The transaction provides Orpheus with a revenue producing business | Limited ability to receive dividends in the short term |
| The principal business activity will be clearly focused on the development of data driven business process enhancement solutions | It may be possible for a smaller number of shareholders to pass a special resolution or block an ordinary resolution |
| The Proposed Transaction will include a capital raising of up to \$6.5 million which will provide working capital for the Company | Reduced potential for a future takeover offer in the foreseeable future due to controlling shareholders |
| A portion of Orpheus' Directors' Loans will be settled in shares | Change in nature and scale of business |
| Potential for increased liquidity and larger market capitalisation | |
| New Directorship | |

Source: BDO CFQ analysis

After considering the advantages and disadvantages of the Proposed Transaction summarised above and set out in more detail in Section 10.0 of this Report, in our view the Proposed Transaction is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

2.3 Other Considerations for the Non-Associated Shareholders

Before forming a view on whether to vote in favour of or against the Proposed Transaction, we strongly recommend that the Non-Associated Shareholders:

- Consult their own professional advisers;
- Carefully read all relevant documentation provided to them, including this Report and the Explanatory Statement; and
- Consider their own specific circumstances.

The analysis set out in this Report has relied on certain economic, market and other conditions prevailing as at the date of this Report. We note that changes in these conditions may have a material impact on the results presented in this Report. BDO CFQ is not responsible for updating this Report in the event that these circumstances change.

The decision to vote in favour of or against the Proposed Transaction is a separate decision to the investment decision to hold or divest shares in the Combined Entity in the event the Proposed Transaction is approved. We recommend shareholders consult their own professional advisers in relation to the decision on whether to hold or divest shares in the Combined Entity.

In considering our valuation range, we note that the assets of both Orpheus and SenSen are yet to prove that they can generate sustainable positive operating cash flows. The value of such companies may increase or decrease materially over short time periods depending on their ability to meet certain milestones. We regard any investment in the Combined Entity as high risk and speculative and shareholders should consider that there is a risk that the share price may move materially before shareholders are able to sell and realise the proceeds of their shares.

The market capitalisation of the Combined Entity immediately following completion of the Proposed Transaction and relisting is expected to be in the range of \$35.68 million to \$37.68 million (based on a minimum amount of shares on issue of approximately 356.8 million, a maximum amount of shares on issue of approximately 376.8 million and an IPO price of \$0.10) and a large portion of this value will represent SenSen's business. The equity value implied for SenSen through the pre-IPO capital raising is approximately \$23.3 million post capital raising, with a capital raising price that effectively represented a 15% discount to the General Offer price of \$0.10.

We note that the SenSen pre-IPO capital raising price relates to minority interests in shares in an unlisted company with less liquidity relative to an ASX listed entity. We would expect transactions in an unlisted company to be at a discount to a similar size interest in a listed entity to reflect that there is less ability to buy and sell shares. Non-Associated Shareholders should refer to Section 8.2.1 of this Report for additional information.

In Table 2.3 below we provide a calculation of the value of SenSen implied from the Combined Entity's initial market capitalisation. This is calculated by subtracting from the Combined Entity's market capitalisation the following:

- Our preferred ABV of Orpheus; and
- The cash to be raised through the General Offer and SPP.

Table 2.3: Equity Value Implied for SenSen

| | Reference | Low | Mid | High |
|--|---------------|-------------------|-------------------|-------------------|
| Share price of the Combined Entity ¹ | Section 8.0 | 0.085 | 0.100 | 0.115 |
| Number of shares in Combined Entity ² | Section 3.4 | 366,833,827 | 366,833,827 | 366,833,827 |
| Market Capitalisation | - | 31,180,875 | 36,683,383 | 42,185,890 |
| Cash raised through General Offer and SPP ³ | Section 3.4 | 5,500,000 | 5,500,000 | 5,500,000 |
| ABV of Orpheus ⁴ | Section 7.2.3 | 2,202,149 | 2,202,149 | 2,202,149 |
| Implied value of equity - SenSen | - | 23,478,726 | 28,981,234 | 34,483,741 |

Source: BDO CFQ analysis

- 1 The mid-point value is based on the \$0.10 issue price under the General Offer and SPP while the low and high values are $\pm 15\%$ to allow for some movement in the share price of the Combined Entity once it resumes trading (refer Section 8.2.4).
- 2 Assuming the mid-point number of shares raised under the General Offer of 40,000,000 shares within the Combined Entity.
- 3 Assuming 40,000,000 shares raised under the General Offer at the expected price of \$0.10 per share and the SPP executed in full (15,000,000 shares at \$0.10 per share).
- 4 Asset based value of Orpheus assuming the preferred value of the Receivable of \$3.5 million, that there is no longer any Convertible Notes (as they have all been converted to shares in the Combined Entity under the Proposed Transaction) and a balance of \$982,242 for the Directors' loans (as the other 50% outstanding has been converted into shares at \$0.10 under the Proposed Transaction).

In relation to Table 2.3 above we note the following:

- A significant portion of the Combined Entity market capitalisation is attributable to SenSen;
- This analysis is simplistic and assumes that all value of the listed Combined Entity is attributable to SenSen, with the exception of Orpheus's net assets and the cash raised through the General Offer and SPP; and
- Caution should be exercised when considering the implied value of SenSen. We reiterate that the value implied by the pre-IPO capital raising was for an interest in an unlisted company while the value in Table 2.3 relates to an interest in a listed entity.

We note that if the Proposed Transaction is not approved, the Directors will seek to identify another investment opportunity. We note that the Directors have already investigated a number of opportunities prior to the Proposed Transaction and it is the directors' view that the Proposed Transaction represents the best opportunity currently available for the Company and the Non-Associated Shareholders.

The Non-Associated Shareholders should refer to Section 10.3 of this Report for a more detailed discussion of the position of the Non-Associated Shareholders in the event that the Proposed Transaction is not approved and implemented.

3.0 Description of the Proposed Transaction

This section sets out an overview of the Proposed Transaction and is structured as follows:

- Section 3.1 provides an overview of the Proposed Transaction;
- Section 3.2 sets out the conditions of the Proposed Transaction;
- Section 3.3 sets out an overview of the Combined Entity;
- Section 3.4 sets out the effect of the Proposed Transaction on Orpheus' ownership structure; and
- Section 3.5 discusses the strategic rationale for the Proposed Transaction.

3.1 Overview of the Proposed Transaction

This section sets out an overview of the Proposed Transaction. The Proposed Transaction consists of the conditional Resolutions (i.e. resolutions 1 to 18) in the Notice of Meeting. This section is a summary only, and a detailed summary of the resolutions is contained within the Explanatory Statement.

The terms of the Proposed Transaction are set out in a binding share purchase agreement dated 11 April 2017 between Orpheus and the shareholders of SenSen ('the Share Purchase Agreement' or 'SPA'), and summarised in the Notice of Meeting and Explanatory Statement. Broadly, the Proposed Transaction can be categorised into the following components:

- The issued share capital of Orpheus is consolidated on the basis of ten fully paid ordinary shares being consolidated into one fully paid ordinary share in the capital of Orpheus;
- Orpheus to acquire 100% of the issued capital of SenSen, the consideration for which will be the issue of 273,764,706 new Orpheus Shares ('Consideration Shares') to the vendors of SenSen shares by the Company;
- The change of the Company's name to SenSen Networks Limited;
- The conversion of all 6,689,850 notes, with a face value of \$0.08 per note, into Orpheus Shares ('the Convertible Notes'). The number of shares converted are calculated on a 1:1 basis.
- Procure resignation of all existing directors of Orpheus, except David Smith, such that at completion, the board of directors of Orpheus shall comprise of four persons, including three directors nominated by SenSen;
- Issue of up to 65 million new Orpheus shares to raise capital of up to \$6.5 million ('the Prospectus Offer') at an issue price of \$0.10, with a minimum amount to be raised of \$4.5 million. The Prospectus Offer is to be made to retail investors and institutions in Australia and New Zealand and any other jurisdictions where it is lawful to make such an offer. The Prospectus Offer includes:
 - A share purchase plan consisting of 15 million Orpheus shares ('Share Purchase Plan' or 'SPP');
 - A general public offer of up to 50 million Orpheus shares, with a minimum subscription of 30 million Orpheus shares ('General Offer');
- The conversion of loan amounts of \$982,242, representing 50% of the loans owed by the Company to its Directors and CFO ('the Directors' Loans'), into Orpheus shares. The issue price of \$0.10 is the same share price as the General Offer and equates to 9,822,420 shares or a maximum of 2.8% interest in the Combined Entity. For completeness we note, under clause 6 of the SPA, the balance of the Directors' Loans must be either repaid in full or converted into equity within 12 months of the re-listing of Orpheus on the ASX; and
- Issue of shares to SenSen's corporate advisor, Tat Capital Pty Ltd of 3,209,201 shares for introduction and advisory services provided during the Proposed Transaction ('Advisor's Fee'). We note that this represents 1% of the equity post consolidation and before the Prospectus Offer.

The Proposed Transaction will only proceed if all of the Resolutions are passed by the Non-Associated Shareholders at the General Meeting. Orpheus shareholders should refer to the Explanatory Statement for more information in relation to the Proposed Transaction.

3.2 Conditions of the Proposed Transaction

Completion of the Proposed Transaction is subject to a number of conditions precedent being met by both the Company and SenSen. The conditions precedent are outlined in the Explanatory Statement and include the following key conditions:

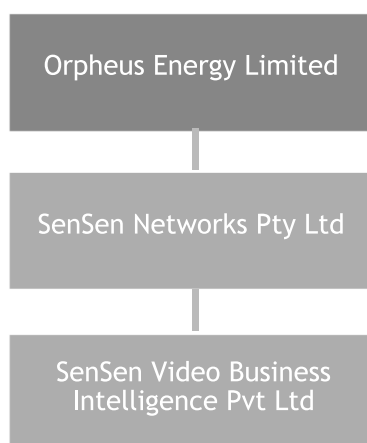
- Completion of legal, financial and technical due diligence by the Company and its advisors on SenSen to the satisfaction of the Company in its absolute discretion;
- Receipt of an independent expert's report by the Company;
- Compliance with ASX Listing Rules and the Corporations Act; and
- The approval of the Proposed Transaction and other associated activities by the directors of both the Company and SenSen.

3.3 Overview of the Combined Entity

Under the Proposed Transaction, Orpheus will obtain a 100% interest in SenSen. It is intended that SenSen will be a wholly owned subsidiary of the listed entity and that the listed entity will change its name from Orpheus to SenSen Networks Limited. The Combined Entity's operations will focus on SenSen's Internet of Things ('IoT') technology.

The corporate structure for the Combined Entity, post the Proposed Transaction, is summarised in Figure 3.1 below

Figure 3.1 Corporate structure of the Combined Entity post the Proposed Transaction



Source: Explanatory Statement

At the date of this Report, the directors of Orpheus are Mr Wayne Mitchell, Mr Wesley Harder, Mr David Smith and Mr Michael Rhodes ('the Directors'). Mr Wayne Mitchell intends to resign as Chairman and Mr Wesley Harder and Mr Michael Rhodes intend to resign as Directors immediately following the Proposed Transaction.

On completion of the Proposed Transaction the following director's will be appointed:

- Mr Subhash Challa - Executive Chairman ('Mr Challa');
- Mr Zenon Pasieczny; and
- Mr Jason Ko.

Further, on completion of the Proposed Transaction, the existing SenSen management team will be retained in the Combined Entity.

3.4 Effect on Ownership Interests

Tables 3.1 and 3.2 below assist to estimate the change in ownership interests following the Proposed Transaction. For details on the current equity structure of Orpheus refer to Section 5.2 of this Report. In relation to Tables 3.1 and 3.2 below we note the following have been assumed to have occurred post the Proposed Transaction:

- Share consolidation of existing Orpheus shares on a 1 for 10 basis;
- The \$1.5 million SPP is executed in full;
- 50% of the Orpheus Directors' Loans are converted to equity at the issue price of \$0.10 per ordinary share;
- \$5 million General Offer is executed in full under the maximum scenario and \$3 million under the minimum scenario.
- Issue of 273,764,706 Orpheus shares to SenSen shareholders or their nominees as part of the Consideration Shares. For completeness, we note that this includes a \$1 million pre-IPO capital raise conducted by SenSen as set out in Section 8.2.1 ('SenSen Share Offer');
- 100% conversion of the Convertible Notes including accrued interest and utilisation fee at a conversion price of \$0.08 on the expected conversion date of 18 August 2017 (see Section 5.2.2 for more information on the Convertible Notes); and
- Issue 1% of the equity post consolidation and before the Prospectus Offer as part of the Advisor's Fee.

Table 3.1: Effects of the Proposed Transaction on Ownership Interests in Orpheus - Number of Shares

| | Prior the Proposed Transaction | Post the Proposed Transaction - Min. | Post the Proposed Transaction -Max. |
|-------------------------------------|--------------------------------|--------------------------------------|-------------------------------------|
| Current Orpheus shareholders | 183,476,469 | 18,347,650 | 18,347,650 |
| Orpheus SPP | - | 15,000,000 | 15,000,000 |
| Orpheus Directors' Loan | - | 9,822,420 | 9,822,420 |
| Orpheus General Offer | - | 30,000,000 | 50,000,000 |
| SenSen shareholders | - | 262,000,000 | 262,000,000 |
| SenSen Share Offer | - | 11,764,706 | 11,764,706 |
| Conversion of the Convertible Notes | - | 6,689,850 | 6,689,850 |
| Advisor's Fee | - | 3,209,201 | 3,209,201 |
| Total | 183,476,469 | 356,833,827 | 376,833,827 |

Source: BDO CFQ analysis and the Notice of Meeting

Table 3.2: Effects of the Proposed Transaction on Ownership Interests in Orpheus - Percentage Ownership

| | Prior the Proposed Transaction | Post the Proposed Transaction - Min. | Post the Proposed Transaction -Max. |
|-------------------------------------|--------------------------------|--------------------------------------|-------------------------------------|
| Current Orpheus shareholders | 100.0% | 5.1% | 4.9% |
| Orpheus SPP | 0.0% | 4.2% | 4.0% |
| Orpheus Directors | 0.0% | 2.8% | 2.6% |
| Orpheus General Offer | 0.0% | 8.4% | 13.3% |
| SenSen shareholders | 0.0% | 73.4% | 69.5% |
| SenSen Share Offer | 0.0% | 3.3% | 3.1% |
| Conversion of the Convertible Notes | 0.0% | 1.9% | 1.8% |
| Advisor's Fee | 0.0% | 0.9% | 0.9% |
| Total | 100.0% | 100.0% | 100.0% |

Source: BDO CFQ analysis and the Notice of Meeting

We have dissected the details of SenSen shareholders who have increased their relevant interest in the Combined Entity from an interest of below 20% to an interest above 20% post the Proposed Transaction. This is detailed in Table 3.3 below.

Table 3.3: Effects of the Proposed Transaction on Ownership Interests above 20% in the Combined Entity

| | Prior the Proposed Transaction | Post the Proposed Transaction - Min. | Post the Proposed Transaction -Max. |
|----------------------|--------------------------------|--------------------------------------|-------------------------------------|
| Mr Subhash Challa | 0.0% | 21.9% | 20.7% |
| Smart Equity Pty Ltd | 0.0% | 39.6% | 37.5% |

Source: BDO CFQ analysis and the Notice of Meeting

Having regards to Table 3.3 above, we note that Smart Equity Pty Ltd ('Smart Equity') is an Employee Share Trust of SenSen. Mr Challa has an 18% interest in Smart Equity. For the purpose of calculating Mr Challa's individual relevant interest in the Combined Entity, we have included Mr Challa's interest in Smart Equity.

3.5 Strategic Rationale for the Proposed Transaction

Following the sale of Orpheus' Indonesian assets during FY2014, Orpheus has not had any business operations of a scale sufficient to support the long-term viability of the Company. The Directors have expressed interest for potential acquisitions and other investment opportunities across a range of sectors, including sectors outside of energy and exploration. The Directors have considered a number of potential transactions and (as at the date of this Report) are of the view that the Proposed Transaction offers the best option available and provides potential for growth in shareholder value over the medium term.

Following the Proposed Transaction the Combined Entity will have a clear focus on activities associated with video and sensor intelligence. The Combined Entity will also be focused on recouping the IDR70 billion receivable from Mr Suksmanto ('the Receivable') as further discussed in Section 7.2.1.

4.0 Scope of Report and Methodology for Assessment

4.1 Scope of Report

An independent expert, in certain circumstances, must be appointed to meet requirements set out in the Corporations Act 2001 ('the Corporations Act'), the Corporations Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by the Australian Securities and Investments Commission ('ASIC') and the listing requirements of the stock exchanges on which a company is listed. We have summarised the requirements of the Corporations Act and the Regulations, and the ASX listing requirements in Sections 4.1.1 and 4.1.2 below. We have summarised the guidance provided by the RGs in Section 4.2 below.

The sole purpose of this Report is to express BDO CFQ's opinion on whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders. This Report cannot be used by any other person for any other reason or for any other purpose. We understand that this Report will be distributed to the Non-Associated Shareholders together with the Explanatory Statement.

This Report is general financial product advice only and has been prepared without taking into account the objectives, risk profile, financial situation or needs of individual Orpheus shareholders. Before deciding whether to vote in favour of or against the Proposed Transaction, individual Orpheus shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs, including their own taxation consequences. Orpheus shareholders should read in full the Explanatory Statement in relation to the Proposed Transaction.

The decision to vote in favour of or against the resolutions that comprise the Proposed Transaction is a matter for individual shareholders based on their expectations as to value and future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Orpheus shareholders should consult their own professional adviser in relation to their own circumstances and the way in which the Proposed Transaction may impact their own circumstances.

4.1.1 Requirements of the Corporations Act and Regulations

Section 606 of the Act states that, subject to the exceptions set out in section 611, a 'relevant interest' in issued voting shares in a listed company cannot be increased from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Broadly, a 'relevant interest' is defined as an interest giving the holder the power to control the right to vote or dispose of shares.

If the Proposed Transaction is approved and implemented, SenSen shareholders or their nominees will be issued 273,764,706 ordinary shares in Orpheus. Following the Proposed Transaction Smart Equity and Mr Challa could potentially hold a maximum interest of 39.64% and 21.87% respectively in the Combined Entity. Refer to Section 3.4 for more information relating to the maximum interest of individual SenSen shareholders.

Having regard to the above, an individual SenSen shareholders' relevant interest in Orpheus may increase from below 20% to above 20%. An exemption from section 606 must therefore be sought under item 7 of section 611 of the Act.

Item 7 of section 611 allows a party to gain a relevant interest in shares of a public company that would otherwise be prohibited under section 606 of the Act if the Proposed Transaction is approved in advance by a resolution passed at a general meeting of the Company, and:

- No votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares; and
- There was full disclosure of all information known by both the party proposing to make the acquisition, their associates and the Company in relation to the Proposed Transaction which was material to a decision on how to vote on the resolution.

Regulatory Guide 74 'Acquisitions agreed to by Shareholders' states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Orpheus by either:

- Undertaking a detailed examination of the Proposed Transaction themselves if they consider that they have sufficient expertise; or
- Commissioning an independent expert's report.

We have been requested to prepare this independent expert's report to provide additional information to the Non-Associated Shareholders to assist them to form a view on whether to vote in favour of or against the Proposed Transaction.

4.1.2 Listing Requirements

ASX Listing Rule 11.1 of Chapter 11: *Significant Transactions* states that if an entity proposes to make a significant change either directly or indirectly to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. Subsection 11.1.2 also requires the entity to obtain approval from holders of its ordinary securities, complying with any requirements of ASX in relation to the notice of meeting.

Having regards to the Proposed Transaction and the definitions contained in ASX Listing Rules 11.1, the acquisition of the entire issued share capital in SenSen Networks Pty Ltd under the Acquisition Agreement is considered a change in nature of its activities for the purposes of ASX Listing Rule 11.1.

We note that the listing rules applying to approval of the Proposed Transaction do not require an expert report to be prepared. This Report has not been prepared for the purposes of complying with any listing rules.

4.2 Methodology for Assessment

The Corporations Act does not provide any specific guidance in relation to the principles and content of an expert's report relating to the approval of the issue of securities under item 7 of section 611 of the Act. However ASIC are of the view that the report should follow the requirements of other expert reports under the Act and ASIC have set out specific guidance in RG 111: *Content of Expert Reports* ('RG 111') in relation to the approval of the issue of securities under item 7 of section 611 of the Act.

RG 111 states that, in the event that a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged interest, the transaction should be analysed as if it was a takeover bid. In such circumstances, references to the 'bidder' and 'target' should be taken to mean the 'allottee' and the 'company' respectively.

When analysing a takeover bid, RG 111 states that an expert is required to give an opinion as to whether the Proposed Transaction is 'fair and reasonable' to the shareholders. The expert's report should explain how the particulars of the proposal were evaluated as well as the results of the examination and evaluation. RG 111 also provides guidance on common valuation methodologies and certain matters which should be considered by an expert when completing a valuation.

To meet the ASIC requirements, an expert seeking to determine whether a proposal is 'fair and reasonable' should complete the steps set out below.

4.2.1 Step 1 - Assessment of Fairness

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious seller acting at arm's length. When considering the value of the securities subject to an offer in a control transaction, the expert should consider this value inclusive of a control premium and assume a 100% ownership interest.

In our view, it is appropriate to assess the fairness of the Proposed Transaction by:

- a) Determining the value of a share in Orpheus prior to the Proposed Transaction on a controlling interest basis;
- b) Determining the value of a share in the Combined Entity post the Proposed Transaction on a minority interest basis;
- c) Comparing our value from a) above with b) above to allow us to conclude on whether or not the Proposed Transaction is 'fair'.

In accordance with the requirements of RG 111, the Proposed Transaction can be considered 'fair' to the Non-Associated Shareholders if the value determined in b) above is equal to or greater than the value determined in a) above.

Our assessment of the fairness of the Proposed Transaction is set out in Section 9.0.

4.2.2 Step 2 - Assessment of Reasonableness

Reasonableness examines other significant factors which shareholders may consider in relation to the Proposed Transaction. This includes comparing the likely advantages and disadvantages of the Proposed Transaction to the Company and examining the position of the shareholders if the Proposed Transaction is not approved. This step can be classified as an assessment of whether the Proposed Transaction is 'reasonable'.

Our assessment of the reasonableness of the Proposed Transaction is set out in Section 10.0. We note that as with the assessment of fairness approach summarised above, we have considered factors that would impact on reasonableness as at the date of this Report.

4.2.3 Step 3 - Expert's Opinion

Upon completion of steps 1 and 2 above, we will conclude whether the Proposed Transaction is 'fair' and/or 'reasonable' to the Non-Associated Shareholders. We note that under RG 111, the Proposed Transaction is considered to be 'reasonable' if it is 'fair'. It may also be possible to conclude that the Proposed Transaction is 'reasonable' if there are sufficient valid reasons for the approval, notwithstanding that the Proposed Transaction may not be 'fair' to the Non-Associated Shareholders.

This Report will conclude by providing our opinion as to whether or not the Proposed Transaction is 'fair and reasonable'. While all relevant issues must be considered prior to forming an overall opinion, we will assess the fairness and reasonableness issues separately for clarity.

4.3 Other Matters

In this Report we have not provided any taxation, legal or other advice in relation to the Proposed Transaction. We understand other advisors have provided advice on those matters to Orpheus in relation to the Proposed Transaction.

In the process of assessing the Proposed Transaction, we have relied on certain economic, market and other conditions prevailing at the date of this Report. We note that changes in these conditions may have a material impact on the results presented in this Report. BDO CFQ is not responsible for updating this Report in the event that these circumstances change.

5.0 Overview of Orpheus

5.1 Description of Orpheus

Orpheus Energy Limited ('Orpheus') was reinstated on the ASX on 17 August 2011, having backdoor listed on the ASX through the former Australian Motor Finance Group Limited. Orpheus operated a thermal exploration, development and production company with a range of projects in Indonesia and other parts of Asia. In 2011, Orpheus formed a Joint Venture ('JV') with Mr Nugroho Suksmanto ('Mr Suksmanto') and PT Mega Coal ('PTMC') to operate six projects, owned by the six separate Orpheus controlled entities as listed below:

- PT Daya Mega Citra and PT Daya Mega Pelita (Papua Tenements);
- PT Pelita Dian Petangi (B3);
- PT Pelita Kharisma Kenanga (B4);
- PT Alam Duta Kalimantan (ADK); and
- PT Citra Bara Prima (CBP).

In July 2014, Orpheus signed agreements with the JV parties, being Mr Suksmanto and PTMC, regarding the sale of its 51% of its equity in each of the six entities (referred to above) that they controlled at the time. Due to the underperforming nature of the projects, the original JV which was signed in 2011 proved unsuccessful and, as per the terms of the agreement, Mr Suksmanto and PTMC agreed to the sale back of these assets in August 2014. PTMC satisfied this agreement by completing the sale back transaction, however Mr Suksmanto did not. This ultimately resulted in Orpheus initiating bankruptcy proceedings against him in the Jakarta Commercial Court on 26 March 2015. These proceedings were settled out of court and were subsequently withdrawn.

Mr Suksmanto has since defaulted on this settlement agreement and the Company has called on the shares in a property development company, PT Abadi Guna Papan ('AGP'), which were pledged as security in that settlement and are currently in advanced negotiations of the sale of the 10.5% equity interest in that company. A formal offer by a potential acquirer of the AGP shares has been agreed to by the Board, subject to cash funds actually being received. As part of the legal documentary process to complete the proposed transaction, and AGP's Constitution, all shareholders of AGP are required to formally approve any new, incoming shareholder. The proposed transaction is currently awaiting Mr Suksmanto (being an AGP shareholder) to provide formal agreement to the equity transaction.

In June 2015 the ASX suspended Orpheus' securities from being traded under Listing Rule 17.3 until such time that Orpheus is able to comply with Chapter 12 of the Listing Rules. Chapter 12 of the Listing Rules relates to the ongoing requirements of a company that is listed on the ASX. Orpheus was suspended due to non-compliance with Listing Rule 12.1 requiring *'the level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing'*.

On 15 February 2016, Orpheus announced it had formally entered into a share purchase agreement to acquire 100% of IT Company Wavetronic, in consideration for the issuance of shares and options in Orpheus. The deal would constitute a back door listing of Wavetronic into Orpheus and assist to enable Orpheus to comply with Chapter 12 of the ASX listing rules. In July 2016, Orpheus announced that it had been advised by Wavetronic that they were proceeding with internal restructuring that included the split of the US and Indian businesses, such that Orpheus would only acquire the US business as part of the proposed acquisition. This transaction subsequently did not proceed and Orpheus continued to investigate alternative acquisition opportunities.

On 12 April 2017 the Directors announced the execution of a share purchase agreement with SenSen networks ('the Share Purchase Agreement'), namely the Proposed Transaction.

5.2 Equity Structure of Orpheus

5.2.1 Top 10 Shareholders of Orpheus Ordinary Shares

The top 10 shareholders of Orpheus ordinary shares as at 4 June 2017 are set out in Table 5.1 below. Table 5.1 does not consider the impacts of any changes in shareholding arising from the Proposed Transaction.

Table 5.1: Top 10 Orpheus Shareholders as at 4 June 2017

| | Shareholder | Number of Shares | Percentage of Total Shares (%) |
|----|---|--------------------|--------------------------------|
| 1 | David Edward Smith | 26,500,000 | 14.44% |
| 2 | Wayne Mitchell | 15,264,210 | 8.32% |
| 3 | Whitehaven Coal Limited | 12,820,972 | 6.99% |
| 4 | Octopi Enterprises Pty Ltd ¹ | 10,000,000 | 5.45% |
| 5 | S. Chutinton | 7,500,000 | 4.09% |
| 6 | Wesley Harder | 6,452,823 | 3.52% |
| 7 | Hawthorn Grove Investments Pty Ltd | 5,487,119 | 2.99% |
| 8 | Carmant Pty Ltd | 5,237,557 | 2.85% |
| 9 | Michael Rhodes | 4,277,833 | 2.33% |
| 10 | Dr. Henry Martin Stenning | 4,000,000 | 2.18% |
| 11 | Other | 85,935,955 | 46.84% |
| | TOTAL | 183,476,469 | 100.00% |

Source: Capital IQ as at 4 June 2017

¹ Related party of David Smith. Mr Smith and associate's total number of shares is 36.5 million Orpheus shares, representing a total interest in Orpheus of 19.89%

5.2.2 Convertible Note

At the time of arranging the Proposed Transaction, Orpheus had a limited cash balance. To assist with the funding of the transaction costs related to the Proposed Transaction, Orpheus raised \$500,000 in the form of convertible notes ('the Convertible Notes') expiring 12 months from the date of issue. We note the following in relation to the Convertible Notes:

- The Convertible Notes Deed Poll was executed on 11 April 2017;
- The capital raised is \$500,000 of which \$400,000 has been raised from Non-Orpheus related parties and the remaining \$100,000 raised from Orpheus related parties;
- 6,689,850 notes were issued at a price of \$0.08, representing a 20% discount to the expected offer price under the Prospectus Offer of \$0.10;
- The notes attract a 10% interest coupon which is capitalised and converted into shares of the Combined Entity upon conversion of the Convertible Notes; and
- A 5% utilisation fee is incurred on the total subscription amount of \$500,000 and paid to noteholders.

Regarding the above, we note that the maximum Orpheus shares upon conversion is 6,689,850 Orpheus shares on a 1:1 conversion basis with a face value of \$0.10. For completeness, the \$500,000 will be paid to Orpheus in tranches of equal instalments, with the final payment occurring 19 July 2017.

5.3 Trading of Orpheus' Shares on the ASX

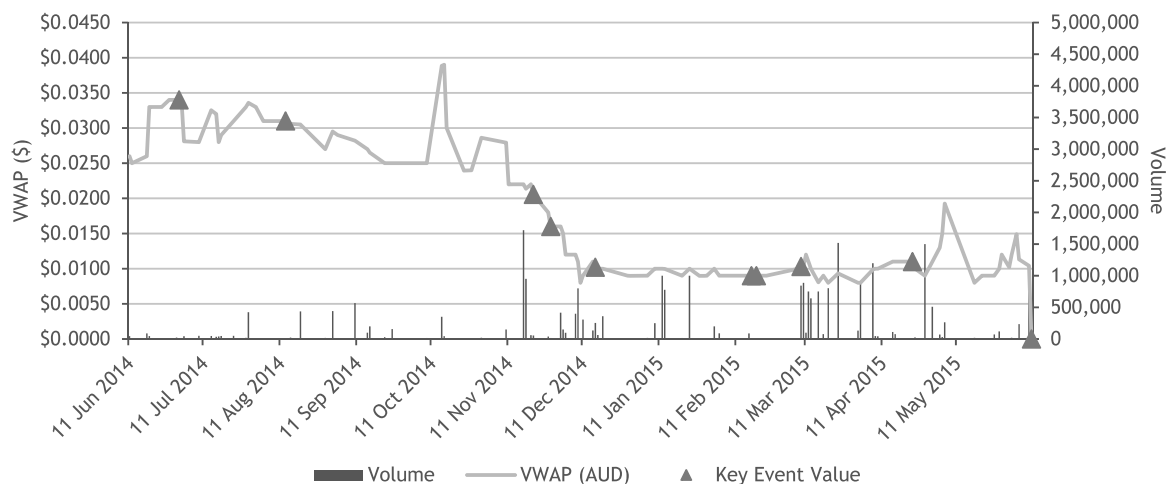
This section sets out our analysis of the share market performance of Orpheus by considering:

- The price of Orpheus shares listed on the ASX up till their suspension; and
- The liquidity of Orpheus shares.

5.3.1 Orpheus' Share Price

Although currently suspended under Ruling 17.3 of the ASX listing rules, Orpheus was formerly listed on the ASX. Figure 5.1 below sets out Orpheus' daily volume weighted average price ('VWAP') and volume traded over the period from 10 June 2014 until their suspension on 10 June 2015.

Figure 5.1: Orpheus's Daily VWAP 10 June 2014 to 10 June 2015 (Suspension date)



Source: Capital IQ as at 5 May 2017

Over the period graphed in Figure 5.1, the Orpheus daily VWAP shows a period low of \$0.0080 on 10 December 2014, 20 March 2015, 1 April 2015, 2 April 2015 and 18 May 2015. The period high of \$0.0390 occurred on 16 October 2014.

In addition to the share price and trading data, we have also provided additional information in this Report to assist readers to understand possible reasons for movements in Orpheus' share price and volume of share trades over the time period analysed. We have provided a summary of Orpheus' announcements over the period from 10 June 2014 to 8 June 2017 in Table 5.2 below.

Table 5.2: Summary of Orpheus Announcements over the period from 10 June 2014 to 8 June 2017

| Date | Announcement |
|------------------|---|
| 1 July 2014 | Orpheus announced it was selling non performing projects / subsidiaries. |
| 13 August 2014 | Orpheus announced the 1,000,000 unlisted options exercisable at \$0.25 had lapsed. |
| 21 November 2014 | Orpheus announced partially underwritten non-renounceable entitlement issue to raise \$1.12 million at a price of \$0.02. |
| 28 November 2014 | Orpheus announced update on the Debt Recovery action against Mr Suksmanto. Orpheus to issue third and final notice to Debtor before commencing legal proceedings to recover debt. |
| 16 December 2014 | Orpheus announced extension of rights issue closing date and issued supplementary prospectus. |
| 17 February 2015 | Orpheus announced Rights Offer closure and a shortfall of 50,005,033 shares, being a shortfall of 89.16% of the total number of shares to be raised. |
| 19 February 2015 | Orpheus announced the issue and allotment of 12,946,811 fully paid ordinary shares from rights issue inclusive of 1,910,328 new shares to eligible shareholders who applied for additional shares under the Rights Offer and 4,956,093 new shares to the Directors who partially underwrote the Rights Offer. |
| 9 March 2015 | Orpheus announced it had commenced bankruptcy proceedings against Mr Suksmanto to recover outstanding funds owed to Orpheus for the agreed sale back of assets in August 2014. |

| Date | Announcement |
|-------------------|--|
| 23 April 2015 | Orpheus announced David Smith was stepping down as Executive Director and Company Secretary, but remaining on Orpheus Board as a Non-Executive Director. Orpheus also announced a company director, Wesley Harder, would assume the Company Secretary responsibilities in addition to his current role. |
| 10 June 2015 | ASX announced that Orpheus had been suspended from quotation on the exchange immediately in accordance with Listing Rule 17.3. |
| 10 June 2015 | Orpheus addressed suspension from quotation on the ASX and confirmed that the company was in the process of completing due diligence on a company in the technology sector that it intended to acquire. |
| 30 July 2015 | Orpheus announced settlement agreement with Mr Suksmanto regarding the outstanding funds owed to Orpheus for the agreed sale back of assets in August 2014. |
| 31 August 2015 | Orpheus announced that David Smith will assume the Company Secretary role after Wesley Harder has stepped down. Mr Harder will remain on the Orpheus Board as a Director. |
| 23 September 2015 | Orpheus announced update on the Debt Recovery action against Mr Suksmanto. |
| 30 November 2015 | Orpheus announced an update to shareholders on the Reverse Takeover of a profitable software services company. |
| 15 February 2016 | Orpheus announced Share Purchase Agreement with Wavetronic had been executed. |
| 7 March 2016 | Orpheus announced updated Reverse Takeover timetable. |
| 12 April 2017 | Orpheus announced Share Purchase Agreement with SenSen had been executed. |
| 9 May 2017 | Orpheus announced that it had received binding commitments from investors to subscribe for \$500,000 worth of convertible notes each with a face value of \$0.10 per note. |

Source: ASX Announcements, Capital IQ, Orpheus 2016 Annual Report

5.3.2 Liquidity of Orpheus Shares

Table 5.3 below summarises the monthly liquidity of Orpheus shares from June 2014 until their suspension in June 2015. Liquidity has been summarised by considering the following:

- Volume of Orpheus trades per month;
- Total value of trades per month;
- Monthly volume of Orpheus trades a percentage of total Orpheus shares on issue at the end of the month; and
- Volume weighted average price per month (VWAP).

Table 5.3: Liquidity of Orpheus Shares

| Month | Volume | Value (A\$) | Shares Outstanding ^(a) | Volume per Shares Outstanding | Monthly VWAP (A\$) |
|--------------------------------|-----------|-------------|-----------------------------------|-------------------------------|--------------------|
| June 2015 (to suspension date) | 1,255,590 | 12,830 | 183,476,470 | 0.68% | \$0.0102 |
| May 2015 | 1,097,810 | 14,390 | 183,476,470 | 0.60% | \$0.0131 |
| April 2015 | 4,000,000 | 36,690 | 183,476,470 | 2.18% | \$0.0092 |
| March 2015 | 6,373,180 | 61,500 | 183,476,470 | 3.47% | \$0.0096 |
| February 2015 | 379,240 | 3,620 | 172,061,320 | 0.22% | \$0.0095 |
| January 2015 | 3,067,330 | 30,640 | 168,256,270 | 1.82% | \$0.0100 |
| December 2014 | 3,004,310 | 32,730 | 168,256,270 | 1.79% | \$0.0109 |
| November 2014 | 3,006,560 | 65,890 | 156,256,270 | 1.92% | \$0.0219 |
| October 2014 | 458,560 | 17,520 | 150,256,270 | 0.31% | \$0.0382 |

| Month | Volume | Value (A\$) | Shares Outstanding ^(a) | Volume per Shares Outstanding | Monthly VWAP (A\$) |
|----------------|-------------------|----------------|-----------------------------------|-------------------------------|--------------------|
| September 2014 | 1,494,910 | 42,080 | 150,256,270 | 0.99% | \$0.0281 |
| August 2014 | 480,060 | 15,240 | 150,256,270 | 0.32% | \$0.0317 |
| July 2014 | 758,960 | 24,020 | 150,256,270 | 0.51% | \$0.0316 |
| June 2014 | 1,638,030 | 44,060 | 150,256,270 | 1.09% | \$0.0269 |
| Total | 27,014,540 | 401,210 | 165,385,951 | 16.33% | \$0.0149 |

Source: Capital IQ as at 8 June 2017

a) Average number of shares outstanding

Based on the average number of 165,385,951 Orpheus shares on issue, approximately 16.33% of Orpheus shares on issue were traded over the period 1 June 2014 to 10 June 2015. We consider that Orpheus previously exhibited low levels of liquidity over the period prior to its suspension from the ASX.

5.4 Orpheus Historical Financial Information

This section of this Report sets out the historical financial information of Orpheus. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Orpheus' annual reports which include the full statements of comprehensive income, statements of financial position and statements of cash flows.

Orpheus' accounts were audited by Hall Chadwick. BDO CFQ has not performed any audit or review of any type on the historical financial information of Orpheus. We make no statement as to the accuracy of the information provided. However, we have no reason to believe that the information is misleading.

5.4.1 Comprehensive Income

The consolidated statements of comprehensive income of Orpheus for the 12 months ended 30 June 2014, 2015 and 2016 and the half year ended 31 December 2016 are summarised in Table 5.4 below.

Table 5.4: Summarised Orpheus Statements of Comprehensive Income

| | 12 Months Ended 30-Jun-14 Audited (\$) AUD | 12 Months Ended 30-Jun-15 Audited (\$) AUD | 12 Months Ended 30-Jun-16 Audited (\$) AUD | 6 Months Ended 31-Dec-16 Audited (\$) AUD ¹ |
|--|--|--|--|--|
| Sales Revenue | 84,521 | 40,909 | 25,578 | - |
| Other revenue | 1,322,394 | 905,147 | 418,971 | 337,794 |
| Revenue and other income from continuing operations | 1,406,915 | 946,056 | 444,550 | 337,794 |
| Administrative Expenses | - | - | - | (4,380) |
| Coal Purchases and extraction costs | (100,904) | - | - | - |
| Royalty Expenses | - | - | - | - |
| Project investigation and feasibility expenses | (190,899) | - | - | - |
| Consultancy and professional fees | (322,457) | (246,477) | (174,988) | (74,756) |
| Employment and related costs | (1,229,711) | (1,057,496) | (146,043) | (22,764) |
| Insurance expenses | (49,787) | (35,349) | (16,771) | (7,452) |
| Legal expenses | (57,974) | (103,144) | (176,452) | (4,092) |
| Depreciation and amortisation expense | (46,552) | (32,354) | (14,476) | (786) |
| Marketing and promotion expenses | (45,754) | (8,316) | - | - |
| Finance costs | (278,512) | (262,939) | (10,320) | (6,030) |
| Lease rental expenses and occupation costs | (190,814) | (154,485) | (42,566) | (4,654) |
| Compliance costs | (87,449) | (56,397) | (41,143) | (47,549) |
| Travel and accommodation expenses | (215,332) | (30,877) | (17,500) | 4,366 |

| | 12 Months Ended 30-Jun-14 Audited (\$ AUD) | 12 Months Ended 30-Jun-15 Audited (\$ AUD) | 12 Months Ended 30-Jun-16 Audited (\$ AUD) | 6 Months Ended 31-Dec-16 Audited (\$ AUD) ¹ |
|---|--|--|--|--|
| Foreign currency translation losses | (81,659) | - | - | - |
| Share-based payments | (124,198) | (181,921) | - | - |
| Bad debts written off | (187,607) | (51,135) | - | - |
| Impairment of deposit paid for exploration licences | (3,958,131) | (1,296,749) | (49,239) | (45,549) |
| Provision for impairment of debtors | - | (7,208,716) | (160,494) | - |
| Loss on disposal of assets | - | (13,503) | (10,075) | - |
| Settlement discount | - | (1,813,971) | - | - |
| Other expenses | (78,830) | (32,447) | (12,062) | - |
| Total expenses | (7,246,570) | (12,586,276) | (872,129) | (213,646) |
| Profit/(Loss) before tax | (5,839,655) | (11,640,220) | (427,579) | 124,148 |
| Income tax expense | (527,114) | - | - | 527,114 |
| Profit/(Loss) after tax | (6,366,769) | (11,640,220) | (427,579) | 651,262 |
| Profit from discontinued operations | 2,304,763 | - | - | - |
| Profit/ (Loss) for the Year | (4,062,006) | (11,640,220) | (427,579) | 651,262 |
| Other Comprehensive Income | | | | |
| <i>Items that may be reclassified to profit or loss:</i> | | | | |
| Exchange differences on translation of foreign operations | (312,913) | 418,731 | (70,240) | (13,329) |
| <i>Items that have been reclassified to profit or loss:</i> | | | | |
| Exchange differences on translation of foreign operations relating to discontinued operations | (38,707) | - | - | - |
| Total other comprehensive income for the year | (351,620) | 418,731 | (70,240) | (13,329) |
| Total comprehensive income | (4,413,626) | (11,221,489) | (497,819) | 637,933 |

Source: Orpheus 2014, 2015 and 2016 Annual Reports and Half Year Report ending 31 December 2016

¹ Figures for period ended 31 December 2016 are not comparable as they relate to a 6 month rather than a 12 month period.

In relation to the financial performance of Orpheus set out in Table 5.4 above we note the following:

- Orpheus has experienced net loss in total comprehensive income in FY2014, FY2015 and FY2016;
- Orpheus received no revenue directly from the Sale of Coal in FY2014, FY2015 and FY2016. Sale revenue received in FY2014 and FY2015 relates to commissions received on coal sales contracts;
- \$1.31 million in other revenue in FY2014 relates to profit on sale of Papua, B3 and B4 concessions;
- The majority of other revenue in FY2015 and FY2016 corresponds to unrealised foreign currency translation gains on the Receivable. We note that this has been offset by corresponding expenses in provision for impairment of debtors and impairment of deposit paid for exploration license;
- \$268,339 of other revenue from HY2016 relates to reversal of tax provisions for the disposal of assets;
- Orpheus' provision for impairment of debtors increased to \$7.2 million in FY2015 mainly due to Mr Suksmanto defaulting on his agreement for the sale back of assets;
- Orpheus' settlement discount of \$1.8 million in FY2015 relates to the revised settlement agreement with Mr Suksmanto announced to the market on 30 July 2015 ('the Settlement Agreement'). In addition to the negotiations regarding the 10.5% equity in AGP that he pledged as security, Orpheus, as the pledgee may be in a position to sell these shares and is currently in advanced negotiations with a potential acquirer. If successful this transaction will result in IDR35 billion being paid;

- The profit from discontinued operations in FY2014 relates to profits generated from the disposed entities PT Alam Duta Kalimantan, PT Citra Bara Prima, PT Andhika Realtor and PT Berkah Hbuni Abadi;
- The substantial increase in legal fees from FY2015 to FY2016 relates primarily to the fees incurred by Orpheus in their attempted settlement and recovery of the claim against Mr Suksanto;
- The substantial decrease in employment costs from FY2015 to FY2016 relates primarily to the reduction in Directors remuneration of approximately \$0.9 million;
- Finance costs have reduced significantly from \$262,939 in FY2015 to \$10,320 in FY2016. This reduction is due to FY2015 interest being charged on total Directors' loans while FY2016 interest only being charged on new loans contributed during the financial year as per an agreement with Wavetronic;
- Orpheus impaired capitalised deposit for exploration licences in the FY2014, FY2015, FY2016 and 6 months ending 31 December 2016 periods as shown in Table 5.5 above. This impairment relates to the Company's relinquishment of its Australian and Indonesian mining tenements and its resolution to cease involvement in the exploration and mining industries; and
- The income tax benefit in 6 months 31 December 2016 relates to the reversal of a prior tax provision on the disposal of Indonesian assets.

5.4.2 Financial Position

The consolidated statements of financial position of Orpheus as at 30 June 2014, 2015 and 2016 and 31 December 2016 are summarised in Table 5.5 below.

Table 5.5: Summarised Orpheus Statements of Financial Position

| | As at 30-Jun-14 Audited (\$) AUD | As at 30-Jun-15 Audited (\$) AUD | As at 30-Jun-16 Audited (\$) AUD | As at 31-Dec-16 Audited (\$) AUD |
|--------------------------------------|--|--|--|--|
| Current assets | | | | |
| Cash and cash equivalents | 409,693 | 5,610 | 3,733 | 24,444 |
| Trade and other receivables | 8,672,165 | 63,259 | 280,339 | 66,284 |
| Total current assets | 9,081,858 | 68,869 | 284,072 | 90,728 |
| Non-current assets | | | | |
| Deposits Paid | 1,061,150 | - | - | - |
| Property, plant and equipment | 71,790 | 30,130 | 1,227 | 432 |
| Security Deposits | 84,519 | 74,519 | - | - |
| Total non-current assets | 1,217,459 | 104,649 | 1,227 | - |
| Total assets | 10,299,317 | 173,518 | 285,299 | 91,160 |
| Current liabilities | | | | |
| Trade and other payables | 615,557 | 1,231,461 | 1,825,801 | 1,787,099 |
| Employee provisions | 92,625 | 172,073 | 9,856 | - |
| Current tax liabilities | 746,726 | 789,279 | 798,813 | 9,877 |
| Borrowings | 1,120,660 | 513,384 | 681,327 | 686,569 |
| Total current liabilities | 2,575,568 | 2,706,197 | 3,315,797 | 2,483,545 |
| Total Non-current liabilities | - | - | - | - |
| Total liabilities | 2,575,568 | 2,706,197 | 3,315,797 | 2,483,545 |
| Net assets | 7,723,749 | (2,532,679) | (3,030,498) | (2,392,385) |
| Equity | | | | |
| Issued Capital | 30,695,699 | 31,478,839 | 31,478,839 | 31,478,839 |
| Reserves | 975,594 | 544,671 | 474,641 | 461,524 |
| Accumulated losses | (23,942,942) | (34,550,265) | (34,977,824) | (34,326,394) |
| Parent entity interest | 7,728,351 | (2,526,755) | (3,024,344) | (2,386,031) |
| Non-controlling interests | (4,602) | (5,924) | (6,154) | (6,354) |
| Total equity | 7,723,749 | (2,532,679) | (3,030,498) | (2,392,385) |

Source: Orpheus 2014, 2015 and 2016 Annual Reports and Half Year Report ending 31 December 2016

In relation to the financial position of Orpheus set out in Table 5.5 above we note the following:

- The trade and other receivables of \$8.7 million in FY2014 relates to the deferred payment owing to Orpheus on the sale of the subsidiaries ADK and CBP. These amounts were impaired between FY2014 to FY2015 due to the default of Mr Suksmanto on the agreement for the sale back of assets. The increase in FY2016 of \$0.2 million is due to other receivables;
- The non-current deposits paid are for the acquisition of four concessions in Papua. Three of these concessions were sold back to the original vendor in FY2014, with the fourth being impaired to nil in FY2015 due to little or no exploration work being carried out;
- The current tax liabilities shown in FY2014, FY2015, FY2016 and the half year ended 31 December 2016 relate to amounts payable to foreign tax regimes on the sale of the Indonesian coal assets;
- Borrowings shown in current liabilities in FY2014, FY2015, FY2016 and 31 December 2016 relate to unsecured short term loans provided by the Company's directors for working capital;
- Orpheus' property plant and equipment balance has decreased across all periods as a result of disposals and depreciation;
- As at 31 December 2016, Orpheus does not have any non-current liabilities;
- Issued Capital increased in FY2015 due to the rights issue which completed in February 2015. Notwithstanding, due to a large amount of accumulated losses, the total equity of the Company fell below zero; and
- Trade and other payables increased from \$0.6 million in FY2014 to \$1.2 million in FY2015 mainly due to a \$0.5 million increase in amounts owing to the Directors. In FY2016, there was a further increase of \$0.594 million predominantly due to a \$0.2 million increase in amounts owing to directors and approximately \$0.17 million in trade payables relating to legal fees incurred to pursue the Receivable.

5.4.3 Cash Flows

The consolidated statement of cash flows of Orpheus for the 12 month periods ended 30 June 2014, 2015 and 2016 and the half year ended 31 December 2016 are summarised in Table 5.7 below.

Table 5.6: Summarised Orpheus Statements of Cash Flow

| | 12 Months Ended 30-Jun-14 Audited (\$) AUD | 12 Months Ended 30-Jun-15 Audited (\$) AUD | 12 Months Ended 30-Jun-16 Audited (\$) AUD | 6 Months Ended 31-Dec-16 Audited (\$) AUD |
|---|---|---|---|--|
| Cash flows from / (used in) Operating Activities | | | | |
| Refunds from ATO | - | - | - | 165,086 |
| Receipts from Customers and other income received | 164,885 | 51,459 | 14,376 | 52,759 |
| Payments to suppliers and employees | (2,868,427) | (1,261,515) | (252,237) | (198,412) |
| Interest received | 6,470 | 2,131 | 480 | 2,066 |
| Interest paid | (208,945) | (1,929) | (2,017) | (789) |
| Net cash flows from / (used in) operating activities | (2,906,017) | (1,209,854) | (239,398) | 20,710 |
| Cash flows from / (used in) investing activities | | | | |
| Disposal / (Purchase) of plant and equipment | (2,637) | - | (193) | - |
| Refunds from Exploration and development expenditure | 284,238 | - | - | - |
| Proceeds from sale of subsidiaries | 158,012 | 297,839 | - | - |
| Proceeds from sale of deposits to acquire exploration tenements | 172,000 | - | - | - |
| Proceeds from the sale of plant and equipment | - | - | 4,545 | - |
| Acquisition of additional interest in controlled entity | - | - | - | - |
| Deposits paid for interests in tenements | - | - | - | - |
| Deposits recouped | - | 10,000 | 74,519 | - |
| Net cash flows from / (used in) investing activities | 611,613 | 307,839 | 78,871 | - |

| | 12 Months Ended 30-Jun-14 Audited (\$) AUD | 12 Months Ended 30-Jun-15 Audited (\$) AUD | 12 Months Ended 30-Jun-16 Audited (\$) AUD | 6 Months Ended 31-Dec-16 Audited (\$) AUD |
|---|---|---|---|--|
| Cash flows from / (used in) financing activities | | | | |
| Proceeds from issue of shares | - | 243,140 | - | - |
| Loan provided to a Director | - | (45,055) | - | - |
| Proceeds from borrowings - related parties | 450,000 | 608,011 | 158,650 | - |
| Repayment of borrowings - related party | - | (40,873) | - | - |
| Repayment of borrowings - unrelated party | 661,565 | (267,291) | - | - |
| Net cash flows from / (used in) financing activities | 1,111,565 | 497,932 | 158,650 | - |
| Net increase / (decrease) in cash and cash equivalents | (1,182,839) | (404,083) | (1,877) | 20,710 |
| Cash and cash equivalents at beginning of period | 1,595,514 | 409,693 | 5,610 | 3,733 |
| Cash acquired on acquisition of subsidiaries | 3,633 | - | - | - |
| Effects of exchange rate changes on cash and cash equivalents | (6,615) | - | - | - |
| Closing cash balance | 409,693 | 5,610 | 3,733 | 24,443 |

Source: Orpheus 2014 and 2015 and 2016 Annual Reports and Half Year Report ending 31 December 2016

Note: Figures for period ended 31 December 2016 are not comparable as they relate to a 6 month rather than a 12 month period.

In relation to the cash flows of Orpheus set out in Table 5.6 above we note the following:

- The majority of cash flows from financing related to the borrowings from related and unrelated parties;
- Orpheus has received part payment from the sale of subsidiaries in FY2014 and FY2015. These proceeds are summarised below:
 - FY2014: Sale and disposal of the 51% equity interests in PT Alam Duta Kalimantan and PT Citra Bara Prima for the total consideration of \$4,157,001. This was agreed on a deferred payment scheme; and
 - FY2015: Deferred proceeds from sale of above equity interests as well as the Papua Tenements and B3 and B4 subsidiaries;
- Orpheus' wind up of operations in FY2014 and FY2015 resulted in a significant decline in receipts from customers;
- Deposits recouped in FY2016 relates to the refund of security deposits held for the office lease in Sydney; and
- Refunds from ATO arises due to the reversal of tax provisions for tax payables on sale of assets in Singapore and Indonesia.

6.0 Overview of SenSen

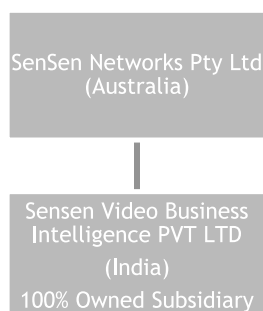
Established in 2005, SenSen Networks is an unlisted technology company that develops and provides Video-IoT data analytic software solutions. SenSen's flagship product is a patented analytic software platform, SenDISA, combines enterprise video and sensor data acquisition to extract data from cameras and sensors. The Company reconfigures the SenDISA platform to meet market specific solutions.

SenSen is active globally, having a market share in countries including Australia, USA, UK, Europe, India, Singapore, UAE and New Zealand. The company's head office is located in Melbourne with another office located in India.

6.1 Corporate Structure of SenSen

Figure 6.1 below illustrates the group structure of SenSen prior to the Proposed Transaction.

Figure 6.1: SenSen Structure Prior to the Proposed Transaction



Source: SenSen Networks Pty Ltd as at May 2017

With reference to Figure 6.1 above, we note the following:

- SenSen Networks Pty Ltd is the operating entity that receives revenue and pays staff and other operating expenses;
- SenSen Video Business Intelligence PVT LTD is domiciled in India and is responsible for customer and technical support; and
- SenSen Networks Inc. is domiciled in the US and was setup to facilitate SenSen's future growth in the US market. SenSen Networks Inc. is currently a shell company, and we have been informed by SenSen that SenSen Networks Inc. USA will be deregistered as of 30 June 2017.

6.2 SenSen Technology - SenDISA

SenSen in the past ten years has been developing its artificial intelligence ('AI') software platform, SenDISA based around video and sensor analytics. SenDISA's purpose is to assist customers in improving the efficiency and accuracy of decision making, as well as automating business processes. This is achieved through:

- Extracting real time data with cameras and sensors through the application of Video-IoT analytics and artificial intelligence;
- Applying data analytics and presenting the data to assist in identifying strategies in improving revenues and reducing costs; and
- Integrating strategies with business applications and assisting business processes through automation.

While the application of SenDISA has the potential to be implemented across various industries, SenSen at present stage has focused on two market segments, being:

- Intelligent transportation systems ('ITS'); and
- Gaming and retail.

6.2.1 Intelligent Transportation Systems

SenSen is working to provide solutions within the intelligent transportation industry, particularly within the parking and traffic safety space. Through its development in smart sensors, cameras and processing platforms, SenSen has been able to provide accurate, real time data in cost effective ways. SenSen has been able to capitalise on its innovation, providing solutions in civic compliance and traffic data and law enforcement solutions to city councils, national park and road authorities. SenSen's solutions in ITS include:

- SenForce: a mobile parking enforcement solution;
- SenSpeed: a point-to-point or average speed enforcement solution;
- SenPark: a ticketless and gateless parking management solution;
- SenSign: a fully automated road sign auditing solution;
- SenTas: a traffic monitoring system incorporating video analytics; and
- SenBOS: the back office platform used by SenSen's products and able to be integrated with other systems.

6.2.2 Gaming and Retail

SenGame is SenSen's primary solution within the gaming and retail market segment aimed at revolutionising table game operations in casinos. Through using Time of Flight cameras and patent pending AI algorithms, SenGame is able to provide data relating to table occupancy, hands per hour, bet type and value for every bet placed on the gaming floor. This insight is valuable to casino management as they are able to identify and develop strategies in improving the profitability of their business.

6.2.3 Client Base

Some of SenSen's key clients include:

- Crown Melbourne Limited ('Crown');
- Various city councils globally, including:
 - Brisbane, Ipswich, Logan, Manly, Victoria Park, Subiaco and Maribyrnong City Councils within Australia;
 - Copenhagen, Trondheim and Frederiksberg City Councils in Europe;
- Roads and Maritime Services ('RMS'), New South Wales, Australia;
- Land Transport Authority, Singapore;
- Calgary Parking Authority, Canada; and
- Kosciuszko National Park of NSW, Australia.

We understand that in Australia, the majority of SenSen's customers are contracted directly by SenSen. However overseas, offshore customers are predominantly contracted through its channel partners.

6.2.4 Revenue Streams

SenSen's revenues are generated from the commercialisation of its technology, including the provision of support services to its clients. The main revenue streams of SenSen include:

- One-off revenues from the delivery of its products and services;
- Ongoing revenue in the form of:
 - Licensing fees for SenGame based on the number of tables that it has been implemented on. We note that a royalty payment will be required to be paid to Crown on the deployment of all future SenGame units in exchange for the assistance in developing and marketing of the product. Royalties payable to Crown are based on a percentage of revenue from SenGame ranging from 10% in year one to 5% in year six; and
 - Percentage of penalty infringement notices issued by City Councils, for SenSen's mobile enforcement solutions. We note that in some cases a proportion of SenSen's fees are paid in advance as a lump sum payment with the balance paid on an ongoing monthly basis.

In FY2015, approximately two thirds of SenSen's revenue stream arose from ITS, with the balance from gaming and retail. In FY2016, this split was reversed, with Gaming and Retail providing the greater revenue stream. This was largely due to the significant contract SenSen had signed with Crown. Going forward, SenSen envisages that in FY2017, revenue will be realised predominantly through the ITS business segment.

6.2.5 Business and Future Growth Strategy

Following the Proposed Transaction, we have been advised by SenSen's management that it intends to focus on matters which include:

- Continually expanding its service offering to its existing customers in the ITS and Gaming and Retail markets, particularly working closely with clients to identify other value adding opportunities to exploit SenSen's expertise in video and sensor analytics;
- Specialising as a software company and moving away from the supply of equipment. The intention is to direct its resources towards maximising SenSen's competitive edge;
- Leveraging Crown's network to expand the implementation of SenGame within the casino industry both domestically and overseas in the United States, New Zealand and Macau;
- Innovation and product development to extend its service offerings to cater for high growth market segments including retail, logistics, manufacturing, defence, security and mining sectors; and
- Pursuing strategic acquisition opportunities aiming to penetrate high growth market segments and providing complimentary service offerings through established channels.

For more information regarding SenSen's business and technology, please refer to Section 1.4 of the Explanatory Statement.

6.3 Equity Structure of SenSen

As at 7 June 2017, SenSen had 6,259,364 shares on issue. The top ten shareholders of SenSen ordinary shares as at 7 June 2017 are set out in Table 6.1 below.

Table 6.1: SenSen's Shareholders as at 7 June 2017

| | Shareholder | Number of Shares | Percentage of Total Shares (%) |
|----|---------------------------------------|------------------|--------------------------------|
| 1 | Smart Equity Pty Ltd | 3,234,126 | 51.67% |
| 2 | Speedshield Holdings Pty Ltd | 663,040 | 10.59% |
| 3 | Mr Subhash Challa | 657,981 | 10.51% |
| 4 | Saphet Capital Management Pty Limited | 509,008 | 8.13% |
| 5 | Mr William Moran | 211,103 | 3.37% |
| 6 | Mr Satish Gupta | 200,625 | 3.21% |
| 7 | Mr Laxima Challa | 152,798 | 2.44% |
| 8 | Mr Venkateswara Gunupati | 110,258 | 1.76% |
| 9 | University of Technology, Sydney | 100,000 | 1.60% |
| 10 | Other Shareholders | 420,424 | 6.72% |
| | Total Shares on Issue | 6,259,364 | 100% |

Source: SenSen Register current Holdings as at 7 June 2017

With respect to Table 6.1 we note that Smart Equity Pty Ltd ('Smart Equity') is an Employee Share Trust of SenSen. The top ten shareholders of Smart Equity are set out in Table 6.2 below.

Table 6.2: Smart Equity Pty Ltd Shareholders as at 7 June 2017

| | Shareholder | Number of Shares | Percentage of Total Shares (%) |
|------------------------------|---------------------------|------------------|--------------------------------|
| 1 | Mr Subhash Challa | 1,125,984 | 34.8% |
| 2 | Mr Pasieczny Zenon | 543,497 | 16.8% |
| 3 | Mr William Moran | 378,530 | 11.7% |
| 4 | Mr Satish Gupta | 290,625 | 9.0% |
| 5 | Mr Margam Ashok | 180,000 | 5.6% |
| 6 | Mr Sanka Surendranath | 160,000 | 4.9% |
| 7 | Mr Najmul Qureshi | 124,914 | 3.9% |
| 8 | Mr Vemulapati Ajaya Kumar | 65,580 | 2.0% |
| 9 | Mr El-Kadhi Alan | 64,500 | 2.0% |
| 10 | Other Shareholders | 300,496 | 9.3% |
| Total Shares on Issue | | 3,234,126 | 100% |

Source: SenSen Register current Holdings as at 7 June 2017

Having regards to Table 6.1 and 6.2 above, we note:

- As at 7 June 2017, Mr Challa holds a relevant interest in SenSen of 28.50%, including Mr Challa's interest in Smart Equity; and
- These figures include the capital raised under the SenSen Share Offer as discussed further in Section 8.2.1.

6.4 SenSen Historical Financial Information

This section sets out the historical financial information of SenSen. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in SenSen's Annual Reports, including the full statement of comprehensive income, statements of financial position and statements of cash flows.

SenSen's FY2014, FY2015, FY2016 and 6 months ended 31 December 2016 financials were audited by BDO Audit Pty Ltd. BDO CFQ has not performed any audit or review of any type on the historical financial information of SenSen. We make no statement as to the accuracy of the information provided. However, we have no reason to believe that the information is misleading.

6.4.1 Profit and Loss

The consolidated statement of profit and loss of SenSen for the 12 months ended 30 June 2015 and 2016, and the 6 months ended 31 December 2016 are summarised in Table 6.3 below.

Table 6.3: Summarised SenSen Statements of Profit and Loss

| | 12 Months Ended | 12 Months Ended | 6 Months Ended |
|---------------------------------------|--------------------|------------------|--------------------------|
| | 30-Jun-15 | 30-Jun-16 | 31-Dec-16 |
| | Audited | Audited | Reviewed |
| | (\$) AUD | (\$) AUD | (\$) AUD ¹ |
| Sales revenue | 418,588 | 1,108,589 | 680,471 |
| Cost of sales | (514,388) | (377,419) | (487,818) |
| Gross profit | (95,800) | 731,170 | 192,653 |
| Other income | 924,501 | 1,020,249 | 770,312 |
| Interest income | 3,358 | 1,166 | 13 |
| Consulting expense | (1,181,350) | (930,207) | (393,088) |
| Employee benefits expense | (2,076,149) | (847,584) | (549,924) |
| Occupancy expense | (108,530) | (98,341) | (28,628) |
| Marketing expense | (201,933) | (168,111) | (155,412) |
| Administration expense | (64,008) | (60,966) | (25,492) |
| Depreciation and amortisation expense | (18,542) | (27,723) | (4,224) |
| Finance costs | (107,740) | (87,510) | (46,919) |
| Other expenses | (147,653) | (135,055) | (39,122) |
| Loss before income tax | (3,073,846) | (602,912) | (279,831) |
| Tax (expense) income | - | - | - |
| Loss for the Year | (3,073,846) | (602,912) | (279,831) |

Source: SenSen's FY2015 and FY2016 and Half Year 2016 Audited Accounts

¹ Figures for period ended 31 December 2016 are not comparable as they relate to a 6 month rather than a 12 month period.

In relation to the financial performance of SenSen set out in Table 6.3 above we note the following:

- We have been advised by SenSen's management that there is generally a service component as part of the contracts. The service component revenue is only recognised upon completion of milestones. In some circumstances, SenSen is paid in advance, in which case it will be recorded as a deferred revenue until the work is completed. Cost of sales are recorded as they arise in order to complete the work;
- Sales revenue in FY2016 increased significantly relative to FY2015. We have been advised that this is largely due to the SenGame contract completed with Crown in 1 July 2016;
- Cost of sales appear to have reduced in FY2016 relative to FY2015 while revenue has increased. We note that with most contracts, a significant proportion of the costs are incurred upfront with the implementation of the system. As discussed above, service components of contracts are only recognised when milestone is reached and customers have approved the products. Having regard to this, sales do not always follow the cost of sales in relation to the complete contract;
- Other income mainly relate to R&D grants which was approximately \$0.86 million and \$0.90 million in FY2015 and FY2016 respectively;
- Majority of SenSen's operating expenses relate to consulting expense and employee benefits expense which totalled \$3.26 million in FY2015 and \$1.78 million in FY2016. The reduction in costs is in part due to SenSen recognising costs as they arise and not capitalising any development costs. This is reflected by the higher upfront costs in establishing SenSen's systems and the lower maintenance costs over time. We also note that the employee benefit expense has reduced as less shares were granted to employees in the periods following FY2015;
- SenSen has been making losses across all the financial periods recorded above. We note that the loss in FY2016 is less than those recorded in prior years. This is in part due to the significantly higher revenue figures with the development of SenSen products and the reduction in costs; and
- From SenSen's HY2016 accounts, revenue of \$0.68 million is from the SenGame contract with Crown and recurring income from various city councils from SenSen's ITS division. This half year revenue translates to approximately \$280,000 in loss for the period, with growth in marketing expenses as SenSen continues to develop.

6.4.2 Financial Position

The consolidated statements of financial position of SenSen as at 30 June 2015 and 2016, and 31 December 2016 are summarised in Table 6.4 below.

Table 6.4: Summarised SenSen Statements of Financial Position

| | As at 30-Jun-15 Audited (\$ AUD) | As at 30-Jun-16 Audited (\$ AUD) | As at 31-Dec-16 Reviewed (\$ AUD) |
|--------------------------------------|---|---|--|
| Current assets | | | |
| Cash and cash equivalents | 68,987 | 54,620 | 54,620 |
| Trade and other receivables | 405,575 | 281,107 | 352,225 |
| Inventories | 15,000 | 15,000 | 15,000 |
| Other assets | 4,943 | 13,584 | 5,551 |
| Total current assets | 494,505 | 364,311 | 427,396 |
| Non-current assets | | | |
| Other assets | 35,221 | 24,950 | 24,950 |
| Investments | 2,982 | 2,982 | 2,982 |
| Plant and equipment | 35,182 | 121,360 | 118,002 |
| Total non-current assets | 73,385 | 149,292 | 145,934 |
| Total assets | 567,890 | 513,603 | 573,330 |
| Current liabilities | | | |
| Trade and other payables | 1,347,107 | 1,665,023 | 1,762,617 |
| Borrowings | 1,204,614 | 1,435,323 | 1,447,787 |
| Total current liabilities | 2,551,721 | 3,100,346 | 3,210,404 |
| Non-current liabilities | | | |
| Borrowings | 500,000 | 500,000 | 500,000 |
| Total non-current liabilities | 500,000 | 500,000 | 500,000 |
| Total liabilities | 3,051,721 | 3,600,346 | 3,710,404 |
| Net assets | (2,483,831) | (3,086,743) | (3,137,074) |
| Equity | | | |
| Issued Capital | 12,775,283 | 12,775,283 | 13,004,783 |
| Accumulated | (15,259,114) | (15,862,026) | (16,141,857) |
| Total equity | (2,483,831) | (3,086,743) | (3,137,074) |

Source: SenSen's 2015 and 2016 and Half Year 2016 Audited Accounts

In relation to the financial position of SenSen set out in Table 6.4 above we note the following:

- Current assets have increased in HY2016 relative to FY2016 which is in part due to the increase in receivables in HY2016. All other current asset accounts including cash, inventories and other assets remained relatively constant or have immaterial movements;
- Plant and equipment has increased significantly with the additional purchase of approximately \$102,000 in FY2016 to facilitate the growth of SenSen;
- Approximately \$1.3 million in trade and other payables in FY2016 relates to unearned revenue from the SenGame contract with Crown Resorts Limited;
- Borrowings of approximately \$1.4 million in FY2016 is made up of approximately \$1.1 million in short term loans from directors and related parties, and \$210,439 in secured bank overdraft;
- The \$500,000 in non-current liabilities relates to a 3 year Market Rate Loan with Commonwealth Bank maturing in 2019. We understand that the loan was established to refinance other liabilities; and
- SenSen has negative retained earnings across all the periods analysed above.

For completeness we note that this information relating to Financial Position does not include the effects of the SenSen Share Offer capital raising of \$1 million, consisting of approximately \$840,000 in new equity raised and the conversion of approximately \$160,000 of existing debt to equity.

6.4.3 Cash Flows

The consolidated statements of cash flows of SenSen for the 12 months ended 30 June 2015 and 2016, and the 6 month period ended 31 December 2016 are summarised in Table 6.5 below.

Table 6.5: Summarised SenSen Cash Flow Statements

| | 12 Months Ended 30-Jun-15 Audited (\$) AUD | 12 Months Ended 31-Dec-16 Audited (\$) AUD | 12 Months Ended 31-Dec-16 Reviewed (\$) AUD ¹ |
|---|--|--|--|
| Cash flows from / (used in) Operating Activities | | | |
| Receipts from customers | 1,182,390 | 1,233,057 | 609,353 |
| Payments to suppliers and employees | (2,526,520) | (1,281,108) | (574,910) |
| Interest received | 3,358 | 1,166 | 13 |
| Finance costs | (107,740) | (87,510) | (46,919) |
| Net cash flows from / (used in) operating activities | (1,448,512) | (134,395) | (12,463) |
| Cash flows from / (used in) investing activities | | | |
| Disposal / (Purchase) of plant and equipment | (11,725) | (110,681) | - |
| Loan repayments received from related parties | - | - | - |
| Net cash flows from / (used in) investing activities | (11,725) | (110,681) | - |
| Cash flows from / (used in) financing activities | | | |
| Proceeds from issue of shares | 1,510,588 | - | - |
| Proceeds from borrowings | 65,964 | 63,515 | 158,729 |
| Net cash flows from / (used in) financing activities | 1,576,552 | 63,515 | 158,729 |
| Net increase / (decrease) in cash | 116,315 | (181,561) | 146,266 |
| Cash and cash equivalents at beginning of period | (90,573) | 25,742 | (155,819) |
| Closing cash balance | 25,742 | (155,819) | (9,553) |

Source: SenSen's 2015 and 2016 and Half Year 2016 Audited Accounts

¹ Figures for period ended 31 December 2016 are not comparable as they relate to a 6 month rather than a 12 month period.

In relation to the cash flows of SenSen set out in Table 6.5 above we note the following:

- Cash payments to suppliers and employees have reduced from FY2015 to FY2016. This is due to the earlier incurrence of costs as discussed in Section 6.4.1 of this Report;
- Over the periods analysed above, SenSen has funded its operations through the issue of new shares and borrowings. We note that approximately \$1.5 million was raised in FY2015 from Speedshield Holdings Pty Ltd;
- Net cash used in operating activities has reduced significantly between FY2015 and FY2016. This reduction is due to the increase in cash from customers while having a reduction in costs across operating expenses and payments to employees and service providers;
- In FY2016, net cash decreased by \$181,561. Although cash outflow from operating activities have reduced significantly, there was no share raising activities in FY2016; and
- Closing cash balance is reconciled to the cash stated in the statements of financial position above through the secured bank overdraft which is drawn down by \$64,173 as at 31 December 2016.

7.0 Value of Orpheus on a Controlling Interest Basis Prior to the Proposed Transaction

This section sets out our valuation of Orpheus shares prior to the Proposed Transaction and is structured as follows:

- Section 7.1 sets out our view of the most appropriate methodology to adopt to value each Orpheus share;
- Section 7.2 sets out our calculation of the value of each Orpheus share using the asset based valuation ('ABV') methodology; and
- Section 7.3 sets out our view on the most appropriate value per Orpheus share prior to the Proposed Transaction to adopt for the purpose of assessing the fairness of the Proposed Transaction.

7.1 Valuation Approach

This section sets out our view of an appropriate valuation approach for Orpheus prior to the Proposed Transaction. The valuation methodologies referred to below are discussed in more detail in Appendix B.

In our view, it is appropriate to have regard to an asset based valuation methodology for the purposes of valuing Orpheus shares in this Report. The assets and liabilities of Orpheus can be identified and it is possible to apply valuation methodologies to reasonably estimate the fair value of identifiable assets and liabilities.

Earnings based valuation methodologies (e.g. DCF and CME) are not appropriate in the circumstances as Orpheus does not currently have any business activities and we are informed that the Directors do not expect this to change in the immediate future.

It is also our view that a MBV methodology is less appropriate in the circumstances as share trading in Orpheus shares has been suspended since 10 June 2015, and recent cash shortfalls have been funded by Directors' loans and convertible notes.

7.2 Asset Based Valuation of Orpheus prior to the Proposed Transaction

This section sets out our ABV valuation of Orpheus and is set out as follows:

- Section 7.2.1 sets out our view on the value of the IDR70 billion receivable from Mr Suksmanto ('the Receivable');
- Section 7.2.2 considers the value of the other assets and liabilities currently held by Orpheus; and
- Section 7.2.3 sets out the value we have calculated for Orpheus using an ABV methodology.

7.2.1 The Receivable

Background

On 1 July 2014, Orpheus announced to the market that it had sold its Indonesian coal assets to Mr Suksmanto. A receivable of approximately \$8.4 million was recorded in the FY2014 financial statements.

By 30 June 2015, approximately \$6.9 million remained outstanding with movements in the Receivable during FY2015, FY2016 and 6 months ending 31 December 2016 shown in Table 7.1 below.

Table 7.1: Movements in Receivable during FY2015, FY2016 and 6 Months Ending 31 December 2016

| | (\$) |
|--|-------------|
| Opening Balance 30 June 2014 | 8,361,147 |
| Cash Received | (336,887) |
| Assignment of Baraindo loan to debtor Mr Nugroho Suksmanto | (784,899) |
| Settlement discount | (1,813,971) |
| Foreign exchange gain | 1,464,678 |
| Closing Balance 30 June 2015 | 6,890,068 |
| Foreign exchange gain | 281,175 |
| Closing Balance 30 June 2016 | 7,171,243 |
| Foreign exchange gain | 102,229 |
| Closing Balance 31 December 2016 | 7,273,472 |

Source: Orpheus 2015, 2016 Annual Report and half year ended 31 December 2016 Report

In relation to the movements in the Receivable set out in Table 7.1 above we note the following:

- The assignment of the Baraindo loan to Mr Suksmanto relates to the legally binding debt novation agreement that was announced on 9 March 2015, assigning the debt owing to Baraindo from Orpheus to Mr Suksmanto; and
- The settlement discount of \$1.8 million was negotiated as part of the Settlement Agreement with Mr Suksmanto that was announced to the market on 30 July 2015. This agreement revised the amount outstanding to IDR70 billion with monthly payment instalments till 30 November 2016.

The total amount outstanding was expensed as a provision for impairment in the FY2015 annual report as payments had not been received in accordance with the Settlement Agreement. Orpheus had received post-dated cheques from Mr Suksmanto amounting to IDR20.8 billion (the amount due by 31 August 2015 according to the Settlement Agreement) which was announced to the market on 23 September 2015. These were presented to the bank in Indonesia on three separate occasions, five working days apart, as required by Indonesian law and on each presentation the bank advised there were insufficient funds to honour the cheques.

As part of the Settlement Agreement, Orpheus was provided with security from Mr Suksmanto's family in the form of a pledge over 10.5% in AGP, an Indonesian property development company. Orpheus has been in advanced negotiations with a potential acquirer of the shares, subject to approval from AGP shareholders.

Current Position of Orpheus

As at the date of this Report, based on publicly available information, board minutes and correspondence with the Directors, we were aware of the following developments in relation to the Receivable:

- Orpheus directors are confident that they are able to recover a portion of the Receivable over time. However, the timing of collection remains uncertain;
- Mr Suksmanto is currently experiencing cash flow difficulties and owes money to many creditors;
- Orpheus are pursuing the sale of the AGP shares to recover a portion of the Receivable, for completeness we note that any sale of the AGP shares will constitute settlement of the outstanding debt in full. We are advised that:
 - Orpheus has been in advanced negotiations with a potential acquirer of the shares. A formal offer to acquire the shares for IDR35 billion has been submitted to Orpheus and has been agreed to by the Board, subject to cash funds actually being received. Under AGP articles of association any share sale must be approved by all shareholders. As at the date of report we have been advised that all documentation has been completed and approval has been granted by all shareholders with the exception of Mr Suksmanto himself. Until such time as Mr Suksmanto agrees to the share sale, the transaction cannot proceed. Mr Suksmanto has requested more time before approving the share sale to allow a pending property transaction to proceed that would alleviate the need to sell the AGP shares. The Directors have confirmed there is no evidence at this time from Mr Suksmanto of the pending property sale and will continue to pursue the sale of the AGP shares;
 - Orpheus have advised that other parties are also interested in acquiring the AGP equity, however the current buyer represents the best deal for Orpheus; and
- As at 31 December 2016 the total receivable was IDR73.605 billion (approximately \$7.36 million) inclusive of IDR3.605 billion in interest (approximately \$0.36 million).

Value Adopted

Having regard to the above information, we consider it appropriate to adopt a value for the Receivable in the range of IDR0.0 (Nil) to IDR55 billion (\$0.0-\$5.5 million at an exchange rate of IDR0.0001/AUD), with a preferred value of IDR35 billion (\$3.5 million). This implies a discount to face value in the range of 25% to 100%. In forming this valuation we considered:

- The Director's view on the expected amount to be received for the sale of the AGP shares being IDR35 billion. The sale of the AGP shares will constitute settlement of the debt albeit at a significant discount, and any remaining amount of the debt outstanding will be extinguished. The Directors' collectively are of the view that this will be settled within the short term. On balance there is significant risk associated with the collection of the Receivable, and our preferred view is consistent with the Directors' opinion;

- There is no guarantee that the security for the loan (i.e. the 10.5% interest in AGP) will be able to be sold for the negotiated amount (IDR35 billion);
- The additional costs that Orpheus will be required to incur to recover the Receivable are difficult to predict with any certainty and will depend on the eventual path that Orpheus proceeds down to recover the money;
- The uncertainty surrounding the receipt of the Receivable including:
 - The sale of the AGP shares is contingent on approval from Mr Suksmanto who has not approved this transaction at this point in time;
 - The view that the Receivable is forthcoming is based on Mr Suksmanto's representations to the Directors;
 - Mr Suksmanto has committed to make payments in the past, as set out by the settlement agreement, however payment has not yet been forthcoming (e.g. refer to ASX announcement dated 23 September 2015);
 - The original sale of the Indonesian assets occurred in August 2014 and the debt has remained outstanding for some time;
- The timeframe over which Orpheus will be able to recover the Receivable is difficult to predict. While Mr Suksmanto has indicated to the Directors that payment will be forthcoming, there is no certainty that this transaction will ultimately be settled;
- Orpheus has advised with the exception of the proceeding sale of the AGP shares, there is currently no other forward agenda to pursue the Receivable; and
- While the Orpheus directors are confident that they will be able to recover a portion of the Receivable over time, there is no guarantee that any money will be recovered.

7.2.2 Other Assets and Liabilities

We have been provided with Orpheus' statement of financial position as at 31 December 2016. To determine an appropriate value for Orpheus' other assets and liabilities, we have considered the carrying values recorded in Orpheus' reviewed statement of financial position as at 31 December 2016 and have made enquiries of the directors and management of Orpheus.

Based on the results of our enquiry, we are not aware of any reason why the book value could not be used as a proxy for fair market value.

Table 7.2 sets out our view of the appropriate values to adopt for Orpheus' other assets and liabilities for the purposes of this Report as at 31 December 2017.

Table 7.2: Value of Orpheus' Other Assets and Liabilities

| | (\$) |
|-------------------------------|--------------------|
| Assets: | |
| Cash and cash equivalents | 24,444 |
| Trade and other receivables | 66,284 |
| Property, plant and equipment | 432 |
| Total assets | 91,160 |
| Liabilities: | |
| Trade and other payables | (1,787,009) |
| Employee provisions | (9,877) |
| Current tax liabilities | - |
| Borrowings | (686,569) |
| Total liabilities | (2,483,545) |
| Net deficiency | (2,392,385) |

Source: Orpheus management accounts as at 31 December 2016 and BDO CFQ Analysis

Table 7.2 shows a net deficiency of Orpheus' other assets and liabilities equal to approximately \$2.4 million as at 31 December 2016.

Regarding the figures in Table 7.2, we note:

- **Trade and other payables** mainly consist of amounts owing to directors and CFO;
- **Trade and other receivables** relates to prepayments and Director's loan; and
- **Borrowings** relate to loans extended to the Company by Orpheus Directors.

We have adjusted Table 8.3 to reflect the material movements associated with the Proposed Transaction that will materially affect the value of Orpheus' other assets and liabilities as at the date of this Report.

Table 7.3 sets out our view of the appropriate values to adopt for Orpheus' other assets and liabilities.

Table 7.3: Adjustments to the value of Orpheus Other Assets and Liabilities

| Other Assets and Liabilities | (\$) |
|---------------------------------------|--------------------|
| Net deficiency as at 31 December 2016 | (2,392,385) |
| Adjustments: | |
| Convertible Notes Issued | (500,000) |
| Utilisation fee | (25,000) |
| Cash and cash equivalents | (24,444) |
| Total adjusted net deficiency | (2,941,829) |

Source: Orpheus management and BDO CFQ Analysis

Table 7.3 shows that the net deficiency of Orpheus' other assets and liabilities increase to approximately \$2.9 million as a result of adjustments to the 31 December 2016 values.

Regarding the figure in Table 7.3 we note the following:

- The proceeds from the Convertible Notes issued will be used to pay the transaction costs associated with the Proposed Transaction. The Directors have informed us that the \$0.5 million in full will be utilised to cover these expenses;
- Utilisation fee is taken as 5% of the subscription amount (\$500,000) as set out in the Convertible Note Deed Poll; and
- We have not adjusted other assets and liabilities for any interest accrued on the Convertible Notes as at the date of this Report. We note that all interest will be settled at conversion of the Convertible Notes as set out in the Convertible Note Deed Poll. It is our view that the accrued interest as at the date of this Report will not have a material impact on our analysis in this Report.

7.2.3 Asset Based Valuation of Orpheus

Having regard to the above, Table 7.4 sets out our estimate of the value of Orpheus using an ABV methodology.

Table 7.4: ABV of Orpheus

| | Reference | Low (\$) | Preferred Value (\$) | High (\$) |
|--|---------------|----------------|----------------------|------------------|
| Value adopted for the Receivable | Section 7.2.1 | Nominal | 3,636,736 | 5,455,104 |
| Value adopted for the other assets and liabilities | Section 7.2.2 | (2,941,829) | (2,941,829) | (2,941,829) |
| Equity value of Orpheus | | Nominal | 694,907 | 2,513,275 |

Source: BDO CFQ analysis

Table 7.4 shows that we estimate the value of Orpheus between \$Nominal and \$2.5 million with a preferred value of \$0.69 million using an ABV methodology. For completeness, we note the ABV methodology provides the value of Orpheus on a controlling interest basis.

To assist shareholders, we have also completed a scenario analysis to indicate the maximum equity value in the event a net amount of \$7.3 million is recovered for the Receivable (being the full amount), while the value of all other assets and liabilities remain unchanged.

This scenario analysis indicated an equity value of \$4.3 million. We reiterate that there are numerous risks to Orpheus recovering the full amount of the Receivable (as set out in Section 7.2.1) and our analysis does not consider any discount for the time value of money and other risks associated with the delay in receiving payment of the Receivable, in circumstances where it is able to be collected in full.

7.3 Value of a share in Orpheus prior to the Proposed Transaction

As at 16 June 2017, Orpheus had 183,476,469 ordinary shares outstanding.

Table 7.5 below sets out the value of an Orpheus share on a controlling interest basis prior to the Proposed Transaction, calculated using the ABV methodology.

Table 7.5: Value of a share in Orpheus

| | Low (\$) | Preferred Value (\$) | High (\$) |
|--|----------------|-------------------------|---------------|
| Equity value of Orpheus | Nominal | 694,907 | 2,513,275 |
| Number of shares on issue, post consolidation ¹ | 18,347,650 | 18,347,650 | 18,347,650 |
| Value per Orpheus share on a controlling interest basis | Nominal | 0.0379 | 0.1370 |

Source: BDO CFQ analysis

¹ To simplify the pre and post transaction analysis set out in this Report, we have adjusted the share numbers pre-transaction for the consolidation (ten fully paid ordinary shares consolidated to one). We would not expect the Consolidation to impact on our valuation materially. On a pro-rata basis, a post consolidation value of \$Nominal to \$0.1370 implies a pre consolidation value of \$Nominal to \$0.0137.

With reference to Table 7.5 above, we calculate the value of an Orpheus share prior to the Proposed Transaction in the range of approximately \$Nominal to \$0.1370 with a preferred value of \$0.0379 on a controlling interest basis, using an ABV methodology. This range is used for the purpose of our assessment of the Proposed Transaction.

In addition to the information set out above, Orpheus shareholders should note that in determining a value range for Orpheus, we have allowed a value of \$Nil to \$5.5 million for the Receivable (as set out in Section 8.2.1 above). There is no guarantee that any amount of the Receivable will ultimately be recovered. In circumstances where less than \$2.9 million of the Receivable is ultimately recovered, the value for Orpheus would be \$Nominal. Table 7.4 reflects this.

To assist provide information to shareholders, we also completed a scenario analysis to indicate the maximum value per Orpheus share in the event a net amount of \$7.3 million is recovered for the Receivable (being the full amount), while all other assets and liabilities remain unchanged. This scenario analysis indicated a value of \$0.236 per share (calculated as a net asset value of approximately \$4.3 million divided by shares on issue of approximately 18.3 million). We reiterate that there are numerous risks to Orpheus recovering the full amount of the Receivable (as set out in Section 7.2.1) and our analysis does not consider any discount for the time value of money and other risks associated with the delay in receiving payment of the Receivable, in circumstances where it is able to be collected in full.

8.0 Value of the Combined Entity Following the Proposed Transaction

This section sets out our valuation of a share in the Combined Entity following the Proposed Transaction and is structured as follows:

- Section 8.1 sets out our view of the most appropriate valuation approach to adopt when determining the value of the Combined Entity;
- Section 8.2 sets out our valuation of the Combined Entity immediately following the Proposed Transaction on a MBV basis; and
- Section 8.3 concludes on the value that we are adopting for the Combined Entity for the purposes of the analysis set out in this Report.

8.1 Valuation Approach

In our view, the MBV methodology is the most appropriate methodology to apply in order to calculate the value of shares in the Combined Entity immediately following the Proposed Transaction, assuming that the Proposed Transaction is approved and implemented. Reasons for this include:

- SenSen has issued a material number of shares at prices which can be observed, including the SenSen Share Offer;
- Orpheus directors are converting a portion of their debt outstanding at a \$0.10 share price. The shares to be issued will represent up to 2.8% of the shares on issue immediately following completion of the Proposed Transaction; and
- The Proposed Transaction is conditional on Orpheus raising a minimum of \$4.5 million and a maximum of \$6.5 million through the Share Purchase Plan and the General Offer. Both the Share Purchase Plan and General Offer will be priced at \$0.10 per share on a post consolidation basis and the Company will issue up to 65 million shares. This is a significant increase in the share capital of the Combined Entity.

In our view, the subscription price of \$0.10 provides a reliable indicator of the value of a share in the Combined Entity under the MBV following the Proposed Transaction.

We have also considered the application of a DCF valuation methodology having regard to the projected cash flows set out in a financial model that we were provided with. We critically analysed the projected cash flows set out in the financial model and discussed the assumptions with the management of SenSen. Based on our analysis and discussions, it is our view that a number of assumptions are currently hypothetical, including assumptions around tenders to be won in the ITS business and assumptions relating to the ramp-up of the SenGame business. Ultimately, we formed the view that it was less relevant to set out a DCF valuation in this Report and that the MBV referred to above was reliable and sufficient for our analysis as set out in this Report.

In our view, it is not appropriate to apply a CME valuation methodology as neither Orpheus nor SenSen generate and report maintainable earnings suitable for use in a CME valuation of the Combined Entity's shares.

8.2 Market Based Valuation of the Combined Entity

This section sets out our valuation of the Combined Entity immediately following the Proposed Transaction and is set out as follows:

- Section 8.2.1 considers SenSen's capital issued since 2011;
- Section 8.2.2 considers the Share Purchase Plan and General Offer associated with the Proposed Transaction;
- Section 8.2.3 sets out the value we have calculated per share for the Combined Entity on a minority interest basis; and
- Section 8.2.4 sets out the Conclusion on MBV on a minority interest basis.

8.2.1 SenSen Share Issues from 2011

Table 8.1 below summarises SenSen's share issues since 1 January 2011.

Table 8.1: SenSen's Movements in Ordinary Share Capital since 1 January 2011

| Share Issue Date | Transaction | Ordinary Shares Issued | Employee Share Trust Shares Issued ¹ | Other Shares Issued (Unpaid) ² | Number of Shares at End of Year | Shares Issued During the Year ³ (%) | Average Issue Price of Ordinary Shares in Year (\$) | Value of Ordinary Shares Issued (\$) | Shares on Issue x Average Issue Price of Ordinary Shares ⁴ (\$) |
|------------------|-------------------------|------------------------|---|---|---------------------------------|--|---|--------------------------------------|--|
| FY2011 | Capital raising | 102,683 | 188,000 | 142,630 | 2,308,222 | 5.48% | 2.17 | 219,064 | 5,008,842 |
| FY2012 | Capital raising | 109,888 | 848,946 | 33,103 | 3,300,158 | 4.76% | 2.55 | 280,214 | 8,415,403 |
| FY2013 | Capital raising | 122,477 | 237,625 | 21,024 | 3,681,284 | 3.71% | 2.55 | 312,316 | 9,387,274 |
| FY2014 | No shares issued | - | 1,633,054 | - | 5,314,338 | n/a | n/a | n/a | n/a |
| FY2015 | Capital raising | 605,083 | 131,000 | - | 5,990,375 | 11.39% | 2.48 ⁵ | 1,500,000 | 14,856,130 |
| FY2016 | No shares issued | - | - | - | 5,990,375 | n/a | n/a | n/a | n/a |
| FY2017 | Pre-IPO capital raising | 268,989 | - | - | 6,259,364 ⁷ | 4.49% | 3.72 | 1,000,000 | 23,284,834 |
| Total | | 1,209,120 | 3,038,625 | n/a | n/a | n/a | n/a | 3,311,594 | n/a |

Source: SenSen Management and BDO Analysis

- 1 SenSen management has informed us that the shares issued through the Employee Share Trust are for \$Nil consideration.
- 2 SenSen management has informed us that the unpaid shares issued are for \$Nil consideration.
- 3 Calculated as ordinary shares issued divided by number of shares at the beginning of the year.
- 4 Calculated as number of shares at the end of the year multiplied by the average issue price of ordinary shares.
- 5 SenSen management has informed us that the shares were issued at a 2.7% discount to the capital raised in FY2012, FY2013 and SenSen management's view of value.
- 6 The number of SenSen shares outstanding as at 16 June 2017 adjusted for the Pre-IPO capital raising.

With reference to Table 8.1 above, we note the following:

- The last column of Table 8.1 has been included to assist shareholders infer an equity value of SenSen post historical capital raisings. The most recent capital raising included is the Pre-IPO raising which infers a value for SenSen of \$23.3 million post capital raising;
- Approximately 3 million shares in SenSen were issued for \$Nil consideration through the Employee Share Trust over the period;
- The 2011 capital raisings consisted of shares being issued on 35 individual dates all of which were at an issue price of \$2.17 a share;
- The 2012 and 2013 capital raisings consisted of shares being issued on a total of 43 individual dates all at an issue price of \$2.55 a share;
- The 2015 capital raising of \$1.5 million occurred at a 2.7% discount to the FY2012 and FY2013 share price of \$2.55;
- SenSen has completed a \$1 million pre-IPO capital raising for working capital purposes. In relation to the SenSen Share Offer, we have been advised by SenSen the following:
 - The SenSen Share Offer is not conditional on completion of the Proposed Transaction;
 - The issue price is effectively \$3.72 per SenSen share and translates to an implied share price of \$0.085¹ on a pro-rata, post consolidated basis (effectively a 15% discount to the General Offer price); and
 - \$839,003 was raised in cash as part of this offer, with the balance of \$160,997 of existing SenSen debt being converted into equity at the offer price.

¹ The SenSen Share Offer was completed at \$3.72 per SenSen Share (refer to Table 8.1) or at a 15% discount to SenSen's \$4.37 share price. As part of the Proposed Transaction, each of SenSen share will be converted into 43.7 shares in the Combined Entity. This implies a subscription price under the SenSen Share Offer of \$0.085 on a post consolidated basis or a 15% discount to the General Offer price of \$0.10.

- The shares to be issued under the SenSen Share Offer will comprise up to 3.3% of the total shares on issue in the Combined Entity assuming the Proposed Transaction proceeds;
- The share price that SenSen has been raising capital at has increased from \$1.69 in 2011 to \$3.72 in 2017; and
- All the capital raisings, including the SenSen Share Offer, relate to minority interests in shares in an unlisted company with less liquidity relative to an ASX listed entity. We would expect transactions in an unlisted company to be at a discount to a similar size interest in a listed entity to reflect that there is less ability to buy and sell shares.

8.2.2 Capital Raising - The Share Purchase Plan and the General Offer

As discussed in Section 3.1 of this Report, concurrent with the implementation of the Proposed Transaction, Orpheus will raise a minimum of \$4.5 million and up to \$6.5 million through of the following:

- \$1.5 million under the Share Purchase Plan via the issue of 15 million shares in the Combined Entity at \$0.10 per share. The shares to be issued under the Share Purchase Plan will represent up to 4.2% of the shares on issue immediately following completion of the Proposed Transaction; and
- A minimum of \$3 million and a maximum of \$5 million under the General Offer via the issue of up to 50 million shares in the Combined Entity at \$0.10 per share. The shares to be issued under the General Offer will represent up to 13.3% of the shares on issue immediately following completion of the Proposed Transaction.

In our view, the subscription price of \$0.10 under the Share Purchase Plan and the General Offer provides a relevant indicator of the value of a share in the Combined Entity under the MBV following the Proposed Transaction.

8.2.3 Orpheus Conversion of Directors Debt

Under the terms of the Proposed Transaction, the Orpheus directors are to convert a portion of their debt outstanding into shares in the Combined Entity at a \$0.10 share price. The shares to be issued will represent up to 2.8% of the shares on issue immediately following completion of the Proposed Transaction.

8.2.4 Conclusion on MBV - Minority Interest Basis

As at the date of this Report, the actual price at which shares in the Combined Entity will trade following the Proposed Transaction is unable to be observed. While it is our view that the \$0.10 subscription price of the Share Purchase Plan and the General Offer provides a reliable MBV of a share in the Combined Entity following the Proposed Transaction, for the purpose of the analysis in this Report and to allow for some movement in the share price of the Combined Entity once it resumes trading, we have applied a range to our MBV of $\pm 15\%$ which results in a range of \$0.085 to \$0.115.

Having regard to the above, in our view, for the purposes of the analysis set out in this Report it is appropriate to adopt a value for the Combined Entity of \$0.085 to \$0.115 per share following the Proposed Transaction on a minority interest basis.

We note that the implied subscription price under the SenSen Share Offer of \$0.085 (refer to Section 8.2.1 above) is at the lower end of our Combined Entity valuation range. In our view this is reasonable given that the SenSen Share Offer will occur irrespective of the outcome of the Proposed Transaction (i.e. it is not conditional on the Proposed Transaction) and it is possible that participants in this capital raising will hold shares in an unlisted company. Given the risks, it is reasonable to expect that investors in the SenSen pre-IPO capital raising would invest at an implied discount relative to the pricing of the General Offer.

8.3 Value of a Combined Entity Share Following the Proposed Transaction

In our view, the most relevant measure of value for the Non-Associated Shareholders is the price that they may be able to sell their shares in the Combined Entity either immediately or in the short-term. Any decision to hold shares in the Combined Entity for a longer period of time is a separate investment decision to be made having regard to each shareholders' individual circumstances and view on the long term prospects of the Combined Entity.

Having regard to the above, in our view, for the purposes of the analysis set out in this Report it is appropriate to adopt a value for the Combined Entity in the range of \$0.085 to \$0.115 per share immediately following the Proposed Transaction on a minority interest basis.

In considering our valuation range, we note that the assets of both Orpheus and SenSen are yet to prove that they can generate sustainable positive operating cash flows. The value of such companies may increase or decrease materially over short time periods depending on their ability to meet certain milestones.

We regard any investment in the Combined Entity as high risk and speculative and shareholders should consider that there is a risk that the share price may move materially before shareholders are able to sell and realise the proceeds of their shares.

9.0 Fairness of the Proposed Transaction

To assess the fairness of the Proposed Transaction, we have:

- Determined the value of a share in Orpheus, on a controlling interest basis, immediately prior to the Proposed Transaction; and
- Compared the value determined above with our valuation of a share in the Combined Entity on a minority interest basis immediately following the Proposed Transaction.

Under RG 111, the Proposed Transaction will be considered ‘fair’ to the Non-Associated Shareholders if the value of a share of the Combined Entity following the Proposed Transaction is equal to or greater than the value of an Orpheus share prior to the Proposed Transaction.

9.1 Value of an Orpheus Share Prior to the Proposed Transaction

For the purpose of assessing the fairness of the Proposed Transaction, we calculated the value of an Orpheus share to be within the range of \$Nominal to \$0.1370 with a preferred value of \$0.0379 on a controlling interest basis immediately prior to the Proposed Transaction on a post consolidation basis (refer to Section 8.0 of this Report for our valuation of Orpheus).

As set out in Section 7.3, for completeness we note that the maximum value per Orpheus share in circumstances where the Receivable is collected in full is \$0.2361.

9.2 Value of the Combined Entity Following the Proposed Transaction

For the purpose of assessing the fairness of the Proposed Transaction, we calculated the value of a share in the Combined Entity to be within the range of \$0.085 to \$0.115 on a minority interest basis immediately following the Proposed Transaction (refer to Section 8.0 of this Report for our valuation of the Combined Entity).

9.3 Assessment of the Fairness of the Proposed Transaction

Table 9.1 below sets out our assessment of the Proposed Transaction.

Table 9.1: Fairness of the Proposed Transaction

| | Reference | Low Value (\$) | Preferred Value (\$) | High Value (\$) |
|--|-------------|----------------|----------------------|-----------------|
| Value of Orpheus prior to the Proposed Transaction (controlling interest) | Section 7.0 | Nominal | 0.0379 | 0.1370 |
| Value of the Combined Entity post the Proposed Transaction (minority interest) | Section 8.0 | 0.085 | 0.100 | 0.115 |

Source: BDO CFQ analysis

In addition to the information set out in Table 9.1 above, Orpheus shareholders should note that in determining a value range for Orpheus, we have allowed a value of \$Nominal to \$5.5 million for the Receivable (as set out in Section 7.0 above). There is no guarantee that any amount of the Receivable will ultimately be recovered. In circumstances where less than \$2.9 million of the Receivable is ultimately recovered, the value for Orpheus would be nominal. In circumstances where more than \$5.5 million of the Receivable is ultimately recovered the value of Orpheus would exceed the high value of \$0.1370 presented in Table 9.1 above.

With reference to Table 9.1 above, we note that the value of the consideration offered per Orpheus share is greater than the preferred value of an Orpheus share immediately prior to the Proposed Transaction.

After considering the information summarised above and set out in detail in the balance of this Report, in our view the Proposed Transaction is **Fair** to the Non-Associated Shareholders as at the date of this Report.

10.0 Reasonableness of the Proposed Transaction

This section provides our opinion on the reasonableness of the Proposed Transaction to the Non-Associated Shareholders. This section is set out as follows:

- Section 10.1 outlines the advantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 10.2 outlines the disadvantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 10.3 considers the position of the Non-Associated Shareholders in the event that the Proposed Transaction is not approved; and
- Section 10.4 provides our assessment of the reasonableness of the Proposed Transaction.

10.1 Advantages of the Proposed Transaction

Table 10.1 below outlines the potential advantages to the Non-Associated Shareholders in the event that the Proposed Transaction is approved and implemented.

Table 10.1: Advantages of the Proposed Transaction

| Advantage | Explanation |
|---|---|
| The Proposed Transaction is fair | As set out in Section 9.0 above, the Proposed Transaction is fair to the Non-Associated Shareholders as at the date of this Report. RG 111 states that an offer is reasonable if it is fair. |
| The transaction provides Orpheus with a revenue producing business | Orpheus does not currently hold any revenue producing assets. The Directors have investigated a number of opportunities which have been available to the Company and are of the view that the Proposed Transaction represents the best opportunity for Orpheus to generate revenue. |
| Principal business activity will be clearly focussed on the development of data driven business process enhancement solutions | <p>Orpheus does not currently have any material business activities. The Proposed Transaction will result in Orpheus shareholders gaining exposure to a business in the IT sector with operations clearly focussed on tailoring integrated and interactive data analytics solutions. SenSen's business is discussed in more detail in Sections 6.1 above.</p> <p>This more defined focus will allow the Combined Entity to be identifiable by the market as a technology company and the market will more easily be able to assess the future prospects of the Company.</p> |
| The Proposed Transaction will include a capital raising of up to \$6.5 million which will provide working capital for the Company | <p>As at 31 December 2016, Orpheus had a cash balance of \$24,444. Without the completion of a capital raising or alternative transaction, Orpheus has minimal working capital available and relies on the continuing support of the Directors to remain solvent.</p> <p>As part of the Proposed Transaction, Orpheus will complete the Share Purchase Plan and General Offer which will aim to collectively raise up to \$6.5 million before costs with a minimum amount of \$4.5 million before costs. The Combined Entity will use the funds raised under the Prospectus Offer to continue pursuing the collection of the Receivable from Mr Suksmanto and as general working capital.</p> |
| Settle a portion of Orpheus' Directors' Loans in shares | If the Proposed Transaction is approved, it will allow 50% of Orpheus Directors' Loans totalling \$982,242 to be repaid through the issue of shares. This allows for the repayment of monies owing to Orpheus Directors without using cash from working capital or seeking external funding. |
| Potential for increased liquidity and larger market capitalisation | <p>Orpheus shares have been suspended from trading on the ASX since 10 June 2015. The Proposed Transaction will assist the Company to re-comply with ASX listing rules and to relist on the ASX. Shares in the Combined Entity will be more liquid than shares in Orpheus prior to the Proposed Transaction (which were unable to be traded on the ASX) and will enable Orpheus shareholders to more easily buy and sell their shares.</p> <p>The Combined Entity is also likely to have a higher market capitalisation than Orpheus prior to the Proposed Transaction which may lead to greater market awareness.</p> |

| Advantage | Explanation |
|------------------|--|
| New Directorship | The new Board of Directors will provide a new set of skills to guide the growth of the Company in the activities relevant to the new business. |

Source: BDO CFQ analysis

10.2 Disadvantages of the Proposed Transaction

Table 10.2 below outlines the potential disadvantages to the Non-Associated Shareholders in the event that the Proposed Transaction is approved and implemented.

Table 10.2: Disadvantages of the Proposed Transaction

| Disadvantage | Explanation |
|--|---|
| Dilutionary impact on the existing Orpheus shareholders | <p>Existing Orpheus shareholders currently hold 100% of the issued share capital in Orpheus. If the Proposed Transaction is approved and implemented, existing Orpheus shareholders will hold up to 5.1% of the Combined Entity (refer to Table 3.2). This will significantly dilute Orpheus shareholders entitlement to any funds received from the collection efforts associated with the Receivable.</p> <p>While we note that existing Orpheus shareholders will effectively hold shares in a different corporation with different prospects to Orpheus, Orpheus shareholders may be of the view that it is preferable to collectively hold 100% of the shares in Orpheus.</p> |
| It may be possible for a smaller number of shareholders to pass a special resolution or block an ordinary resolution | <p>Shareholders in the Combined Entity must obtain 50% of votes from its shareholders to pass an ordinary resolution. In order to pass a special resolution, the Combined Entity is required to obtain votes from 75% or more of its shareholders.</p> <p>If the Proposed Transaction is approved and implemented, Smart Equity and Mr Challa will have a maximum relevant interest in the Combined Entity of 39.64% and 21.87% respectively (see Section 3.4). At this level of interest, Smart Equity can unilaterally block special resolutions and it is likely that the passing of any special resolutions will require the support of Mr Challa. It will also be more difficult for ordinary resolutions to be approved without Smart Equity's and Mr Challa's support.</p> <p>For completeness, we note that SenSen shareholders collectively will have control over the Combined Entity and may be able to influence the outcomes of resolutions sought at meetings of the Combined Entity.</p> |
| Reduced chance of receiving a future takeover offer | <p>As noted directly above, if the Proposed Transaction is approved and implemented, Smart Equity and Mr Challa will hold a maximum relevant interest of 39.64% and 21.87% respectively of the Combined Entity (see Section 3.4). The opportunity for Orpheus to attract a takeover offer may be reduced without the support of Smart Equity and Mr Challa.</p> |
| Change in nature and scale of business | <p>Orpheus previously operated as a coal company with a portfolio of exploration, pre-development and producing assets in Indonesia. If the Proposed Transaction is approved and implemented, the Combined Entity will operate in the technology sector with a focus on designing and developing consumer focused software products.</p> <p>The Proposed Transaction results in a change to the nature and scale of the activities of Orpheus which may not be consistent with existing Orpheus shareholders' investment objectives.</p> |

Source: BDO CFQ analysis

10.3 Position of the Non-Associated Shareholders if the Proposed Transaction does not proceed

Table 10.3 below summarises the possible impacts on the Non-Associated Shareholders in the event that the Proposed Transaction is not approved. We note that the Proposed Transaction may not proceed for a number of reasons including, but not limited to, Orpheus and SenSen not satisfying the conditions precedent to the Proposed Transaction which are set out in Section 3.2 of this Report.

Table 10.3: Position of the Non-Associated Shareholders if the Proposed Transaction does not proceed

| Position | Potential Impact on the Non-Associated Shareholders |
|--|---|
| Orpheus shareholders will continue to hold all the shares in Orpheus | If the Proposed Transaction is not approved, Orpheus shareholders will continue to collectively hold 100% of the issued capital in the Company. Orpheus shareholders will continue to share in any potential upside or downside risks associated with the future operations of Orpheus. Orpheus shareholders will receive any benefits or losses which may arise from the Company's future operations and endeavours which, in the short term and in the absence of any other transaction, are likely to revolve around Orpheus attempts to be repaid the Receivable. |
| The Directors will need to seek alternative funding strategies | <p>Orpheus currently has limited cash and has been relying on loans from its Directors to fund the business. There is no guarantee that the Directors will remain willing and/or able to continue to provide the funding required. If the Directors are unable to continue the funding, Orpheus will be required to seek alternative methods of capital raising to fund its operations.</p> <p>Any capital raising is likely to be dilutive to Orpheus shareholders and there is no guarantee that Orpheus will be able to raise the full amount of any additional capital required on terms acceptable to Orpheus. By way of example, during a rights issue undertaken in February 2015, 15,220,198 new shares were subscribed, representing a shortfall of 40,865,225 shares when compared to the capital sought.</p> <p>If sufficient capital is ultimately not available to Orpheus then there is a risk that it will not be able to continue as a going concern.</p> |
| Orpheus may seek alternative means to settle the Directors' Loan | If the Proposed Transaction is not approved, the Company will continue to have a liability to its Directors in the form of the Directors' Loan totalling approximately \$1.96 million. We have been advised by the Directors that there is no interest accrued or payable on the Directors' Loan irrespective of the completion on the Proposed Transaction. |
| Existing liquidity of Orpheus shares unchanged | Orpheus shares are currently suspended from trading on the ASX. If the Proposed Transaction is not approved then the conditions to be relisted will not be met and Orpheus shareholders will continue being unable to trade their shares on the ASX. If the Company is not relisted by 15 June 2018 (being three years from the suspension date of 15 June 2015), the ASX will seek to delist the Company from the ASX. |
| The Directors will seek to identify another investment opportunity | <p>The Directors have investigated a number of opportunities which have been available to the Company and are of the view that the Proposed Transaction represents the best opportunity to realise long-term growth in value for the Company's shareholders.</p> <p>If the Proposed Transaction is not approved, the Directors have advised that they will continue to seek to identify an alternative transaction. There is significant uncertainty as to when, or if, an alternative transaction could be concluded, what form it would take and whether it would be more favourable than the Proposed Transaction. The Directors' are not confident that they will be able to identify a transaction with superior terms to the Proposed Transaction within the ASX delisting timeframe as discussed above.</p> |
| The Company will not be able to recover the costs incurred in relation to the Proposed Transaction | If the Proposed Transaction is not approved, Orpheus will not be able to recover the costs incurred in relation to the Proposed Transaction. |

Source: BDO CFQ analysis

10.4 Reasonableness of the Proposed Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that in the absence of any other information, the Proposed Transaction is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

11.0 Sources of Information

This Report has been prepared using information obtained from the following sources:

- Orpheus annual report for the year ended 30 June 2014;
- Orpheus annual report for the year ended 30 June 2015;
- Orpheus annual report for the year ended 30 June 2016;
- Orpheus half year report for the half year ended 31 December 2016;
- SenSen audited financial statements for the year ended 30 June 2015;
- SenSen audited financial statements for the year ended 30 June 2016;
- SenSen audited financial statements for the 6 month ended 31 December 2016;
- Orpheus ASX announcements;
- Share Sale and Purchase Agreement executed on 11 April 2017;
- Convertible Note Deed Poll dated 11 April 2017;
- Capital IQ;
- IBISWorld;
- Orpheus Notice of General Meeting and Explanatory Statement dated on or about 31 July 2017 for the meeting on or about 29 August 2017;
- Various transaction documents including customer contracts as provided in the data room;
- Various other research publications and publicly available data as sourced throughout this Report; and
- Various discussions and other correspondence with Orpheus and SenSen directors, management and their advisers.

12.0 Representations, Indemnities and Warranties

Orpheus has agreed to our usual terms of engagement in addition to the indemnities and representations set out below.

12.1 Indemnities

In connection with BDO CFQ's engagement to prepare this Report, Orpheus agrees to indemnify and hold harmless BDO CFQ, BDO (QLD) or any of the partners, directors, agents or associates (together 'BDO Persons'), to the full extent lawful, from and against all losses, claims, damages, liabilities and expenses incurred by them. Orpheus will not be responsible, however, to the extent to which such losses, claims, damages, liabilities or expenses result from the negligent acts or omissions or wilful misconduct of any BDO Persons.

Orpheus agrees to indemnify BDO Persons in respect of all costs, expenses, fees of separate legal counsel or any other experts in connection with investigating, preparing or defending any action or claim made against BDO Persons, including claims relating to or in connection with information provided to or which should have been provided to BDO CFQ by Orpheus (including but not limited to the directors and advisers of Orpheus) as part of this engagement.

12.2 Representations & Warranties

Orpheus recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDO Persons will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by Orpheus, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Orpheus management represent and warrant to BDO Persons that all information and documents furnished by Orpheus (either directly or through its advisors) in connection or for use in the preparation of this Report will not, at the time so furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein.

Orpheus has acknowledged that the Company's engagement of BDO CFQ is as an independent contractor and not in any other capacity including a fiduciary capacity.

13.0 Experience, Disclaimers and Qualifications

BDO CFQ has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDO CFQ holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDO CFQ and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Steven Sorbello have prepared this Report with the assistance of staff members. Mr Whittaker and Mr Sorbello are directors of BDO CFQ and have extensive experience in corporate advice and the provision of valuation and business services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations.

This Report has been prepared at the request of the Directors to provide the Non-Associated Shareholders with information to assist them to decide whether to vote in favour of or against the Proposed Transaction. BDO CFQ hereby consents to this Report being used for that purpose. Apart from such use, neither the whole nor any part of this Report, nor any reference thereto may be included in or with, or attached to any document, circular, resolution, statement, or letter without the prior written consent of BDO CFQ.

BDO CFQ takes no responsibility for the contents of other documents supplied in conjunction with this Report. BDO CFQ has not audited or reviewed the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or a review of any of the entities mentioned in this Report. However we have no reason to believe that any of the information or explanations so supplied is false or that material information has been withheld.

Any forecast information which has been referred to in this Report has been prepared by the relevant entity and is generally based upon best estimate assumptions about events and management actions, which may or may not occur. Accordingly, BDO CFQ cannot provide any assurance that any forecast is representative of results or outcomes that will actually be achieved.

With respect to taxation implications of the Proposed Transaction, it is strongly recommended that Orpheus shareholders obtain their own taxation advice, tailored to their own particular circumstances.

APES 225 'Valuation Services' issued by the Accounting Professional & Ethical Standards Board sets out mandatory requirements for the provision of quality and ethical valuation services. BDO CFQ has complied with this standard in the preparation of this Report.

The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete. This Report is current as at the date of this Report.

BDO Corporate Finance (QLD) Ltd



Mark Whittaker
Director



Steven Sorbello
Director

Appendix A: Industry Overview²

SenSen is a leading supplier of Smart City solutions, including video detection and automatic number plate recognition software. A smart city is characterized by the integration of technology into a strategic approach to sustainability, citizen well-being and economic development. SenSen created a platform for the intersection of Internet of Things (IoT) and Big Data to produce these solutions.

SenSen's platform operates in the video analytics sector of the technology industry. Within this industry SenSen focuses on intelligent transportation systems and gaming casinos.

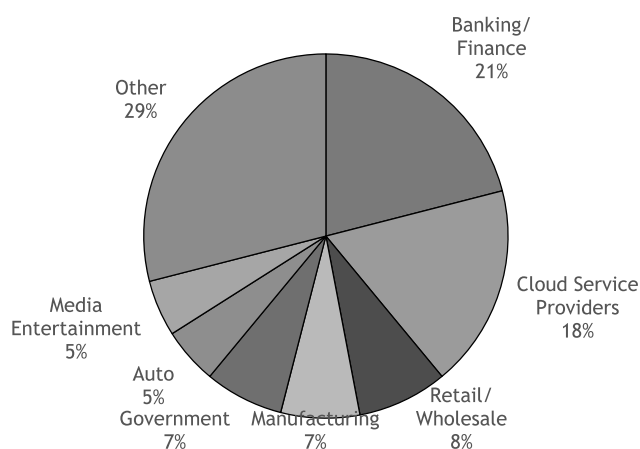
A.1 Overview of IoT Industry

IoT requires the production of things that can communicate via the internet with people or with other things. While the IoT is deemed a new field, the principles behind IoT have been adopted within the manufacturing, mining and defence industries for many decades. The recent developments have involved taking this traditional process control ideology and applying it to everyday life. The main difference is that in the past, this took place in highly controlled environments with heavily engineered solutions while the current push into IoT is driven by consumer style devices, low power and sparsely connected environments.

A.2 Overview of Video Analytics

Video analytics is the capability of automatically analysing videos to capture and create information. The growth of businesses using video analytics is creating new challenges related to managing surveillance systems and storing the increasing volume of data produced. The Australian market for data processing and hosting is expected to grow at 6% with the industry currently totalling revenue of \$1.4 billion³. Video surveillance is dispersed over a number of markets. Figure A.1 below provides a breakdown of the video surveillance market by market share.

Figure A.1: Breakdown of Video Surveillance market by market share



Video Analytics in the Casino Industry

With \$6.4 billion revenue in the Australian casino industry, casinos view big data and data analytics as one of the key opportunities to maintain its competitive edge. In the highly competitive gaming markets, casinos are relying on the combination of their surveillance with their analytics to assist in customer service, hotel integration and security. Caesar's Palace, one of Las Vegas' largest casinos with a market cap of \$1.62 billion recently had their Total Rewards loyalty program valued at over \$1 billion in 2015. Casinos will need to continuously improve their video analytics platform in order to capture the relevant client data and enhance their profitability.

² Information in this section has been sourced from McKinsey & Company, (2016). Video Meets the Internet of Things; Navigant Research, (2014). Navigant Research Leader board Report: Smart City Suppliers; and Seagate, (2014). Video Surveillance Trends Report.

³ IBISWorld Industry Report R9201- Casinos in Australia, January 2017

A.3 Overview of Smart City Technology Market

The smart city technology market is projected to be worth more than \$27.5 billion annually globally by 2023, signifying a compound annual growth rate of 13.5% since 2014. Cumulative global investment in smart city technologies over the decade is expected to reach \$17.4 billion.

Navigant Consulting Inc. analysed the market drivers for Smart City suppliers. They found a number of common themes driving demand for smart city initiatives. These include urbanization, sustainability, economic development and quality of life improvement. Table A.1 below outlines the primary drivers of smart city technology.

Table A.1: Market Trends Impacting Smart City Suppliers

| Driver | Explanation |
|-----------------------------|---|
| Urbanization | It is expected that the number of people living in cities will increase from 3.6 billion to 6.3 billion between 2010 and 2050. This growth in the urban population will impact the global economy, on demand for infrastructure and resources, and on new thinking about how cities are designed and managed. |
| Sustainability | Cities are responsible for 70% of the world's energy use and greenhouse gas emissions while representing only 2% of global land use. City leaders have recognised this and have taken a lead in developing ambitious energy efficiency and carbon reduction programs. |
| Economic Development | Smart city programs are often a key element within a city's economic development plan. |
| Quality of Life Improvement | Improvements in the efficiency and quality of services play an important part of any city program. A recent development has been a focus on the opening up of city data to allow innovation on services. |

Appendix B: Common Valuation Methodologies

A 'fair market value' is often defined as the price that reflects a sales price negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, with both parties at arm's length. The valuation work set out in this Report assumes this relationship.

There are a number of methodologies available to value an entity at fair market value. In preparing this Report, we have considered, amongst other metrics, the valuation methodologies recommended by ASIC in RG 111 regarding content of expert reports. The methodologies include those mentioned directly below.

B.1 Discounted Future Cash Flows ('DCF')

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

B.2 Capitalisation of Future Maintainable Earnings ('CME')

The CME approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total entity value.

The maintainable earnings estimate may require normalisation adjustments for non-commercial, abnormal or extraordinary events.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the maintainable earnings calculation. While this approach also relies to some degree on the availability of market data, the rate is an alternative way of stating the expected return on an asset, allowing for a risk premium over the risk free rate.

The CME approach is generally most appropriate where an entity has historical earnings and/or a defined forecast or budget. Further, a CME is usually considered when relevant comparable information is available.

B.3 Asset Based Valuations ('ABV')

Asset based valuations ('ABV') are used to estimate the fair market value of an entity based on the book value of its identifiable net assets. The ABV approach using a statement of financial position alone may ignore the possibility that an entity's value could exceed the book value of its net assets, however, when used in conjunction with other methods which determine the value of an entity to be greater than the book value of its net assets, it is also possible to arrive at a reliable estimate of the value of intangible assets including goodwill.

Alternatively, adjustments can be made to the book value recorded in the statement of financial position in circumstances where a valuation methodology exists to readily value the identifiable net assets separately and book value is not reflective of the true underlying value. Examples of circumstances where this type of adjustment may be appropriate include when valuing certain types of identifiable intangible assets and/or property, plant and equipment.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

B.4 Market Based Valuations ('MBV')

Market based valuations ('MBV') relate to the valuation of an entity having regard to the value which securities in the entity have recently been purchased at. This approach is particularly relevant to:

- Entities where the shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time; and/or
- Entities where it is possible to observe recent transactions relating to the transfer of relatively large parcels of shares (e.g. recent capital raisings).

For listed entities, the range of share prices observed may constitute the market value of the shares where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

Orpheus Energy Limited

ABN 67 121 257 412

Lodge your vote:



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OEG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the notice of meeting online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 11.00 am (AEST) on Sunday 27 August 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Orpheus Energy Limited hereby appoint

☐

the Chairman
of the Meeting

OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Orpheus Energy to be held at Computershare, Level 4, 60 Carrington Street, Sydney, New South Wales 2000 Australia at 11:00 am (AEST) on Tuesday, 29 August 2017 and at any adjournment or postponement of that Meeting.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | For | Against | Abstain | | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|---|--------------------------|--------------------------|--------------------------|
| 1 Approval of the change in nature and scale of activities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10 Appointment of Mr Zenon Pasieczny as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Approval of the Consolidation of the Company's issued capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 11 Appointment of Mr Jason Ko as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Approval of the issue of Consideration Shares to the Vendors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 12 Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr David Smith | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of the issue of Consideration Shares to Subhash Challa | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 13 Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr Wayne Mitchell | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval of the issue of Consideration Shares to SmartEquity EIS Pty Ltd | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 14 Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr Wesley Harder | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Approval of the issue of Shares pursuant to the Capital Raising (Share Purchase Plan Offer) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 15 Approval of conversion mechanism in Director Loan and issue of Shares to Related Party on conversion of Director Loan - Mr Michael Rhodes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Approval of the issue of Shares pursuant to the Capital Raising (General Offer) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 16 Approval of conversion mechanism in the Note Deed Poll and the issue of Shares on conversion of the Notes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Approval of the issue of Shares to David Smith, a Director (and his associates) under the Share Purchase Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 17 Approval of conversion mechanism in Note Deed Poll and issue of Shares to Related Party on conversion of the Note - Mr David Smith (and his associate) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 Appointment of Mr Subhash Challa as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 18 Approval of change of company name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

OEG

2 2 7 6 3 0 A

Computershare +