

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2017 ANNUAL GENERAL MEETING of Quantum Energy Limited ACN 003 677 245 will be held at the Registered Office of the Company, 56-60 Bourke Road, Alexandria, NSW 2015 on 17 November 2017 at 3.00 pm (AEDT).

BUSINESS

- To receive the financial report of the consolidated Group for the year ended 30 June 2017 and the reports by directors and auditors thereon; and
- To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

Resolution 1: 2017 Remuneration Report

“That the Remuneration Report of the consolidated Group for the year ended 30 June 2017, as set out in the Directors’ Report of the Annual Report, be adopted.”

The vote on this Resolution 1 is advisory only and does not bind the Company or its directors. If however 25% or more of the votes cast on this Resolution 1 are against this Resolution 1, the Conditional Spill Motion being Resolution 4 below will be put to Shareholders for their consideration and vote – refer to Note 1 below for further information in relation to Resolution 1 and Resolution 4.

A voting exclusion applies in relation to this Resolution 1 – refer to Note 2 below.

Resolutions 2 and 3: Re-election and Election of Directors

Resolution 2: Re-election of Mr Drew Townsend

” That Mr Drew Townsend be re-elected as a Director of the Company.”

Mr Drew Townsend retires by rotation at the close of the AGM in accordance with the provisions of the Company’s constitution and, being eligible, offers himself for re-election.

Resolution 3: Election of Mr Alan McCarthy

“ That Mr Alan McCarthy be elected as a Director of the Company.”

Mr Alan McCarthy retires at the close of the AGM in accordance with the provisions of the Company’s constitution and, being eligible, offers himself for election.

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CONTINGENT BUSINESS

Resolution 4: Conditional Spill Motion

If required, to consider and, if thought fit, to pass as an ordinary resolution:

“That, subject to and conditional on at least 25% of the votes cast on Resolution 1, being cast against the 2017 Remuneration Report:

(a) an extraordinary general meeting of Quantum Energy Limited (Spill Meeting) be held within 90 days of the passing of this Resolution 4;

(b) all of the Non-executive Directors who were in office when the resolution to approve the Directors’ Report for the financial year ended 30 June 2017 was passed and who remain in office at the time of the Spill Meeting (being Mr Drew Townsend only), cease to hold office immediately before the end of the Spill Meeting; and

(c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting”.

A voting exclusion applies in relation to this Resolution 4 - refer to Note 3 below.

By Order of the Board

John Walstab



Secretary

Date: 27 September 2017

NOTES:

1. Background in relation to Resolution 1, 2017 Remuneration Report and Resolution 4, Conditional Spill Motion

The Corporations Act 2001 (Cth) (Corporations Act) requires that Quantum Energy Limited include in the business of its 2017 AGM a resolution that its Remuneration Report for the financial year ended 30 June 2017 be adopted. The resolution is advisory only and does not bind the Company or its directors, though the directors will take into account the outcome of the vote when reviewing the Company's remuneration policies and practices.

At the Company's 2016 AGM, because in excess of 25% of the votes cast on the resolution to adopt the 2016 Remuneration Report were against the resolution, the Company received a "first strike" for the purposes of the relevant remuneration report provisions of the Corporations Act.

Shareholders should note that if in excess of 25% of the votes cast on Resolution 1 at the 2017 AGM are against adopting the 2017 Remuneration Report, then this will constitute the Company having received a "second strike" for the purposes of the relevant remuneration report provisions of the Corporations Act.

If a "second strike" arises as a consequence of the vote in relation to Resolution 1, the Company will be required to put to the 2017 AGM the Contingent Spill Motion, being Resolution 4 set out above. Resolution 4 is a conditional resolution though and will not be required to be put to the 2017 AGM if more than 75% of votes cast on Resolution 1 are cast in favour of adopting the 2017 Remuneration Report ie in which case the Company will have thereby avoided a "second strike" for the purposes of the relevant remuneration report provisions of the Corporations Act.

If the Company is required to put Resolution 4 Conditional Spill Motion to the 2017 AGM, and Resolution 4 is passed as an ordinary resolution, it will be necessary for the Board to convene an extraordinary general meeting of the Company (Spill Meeting) to be held within 90 days of the date of the 2017 AGM in order to consider the composition of the Board. If a Spill Meeting is required, the Board will notify shareholders of the date of such meeting and issue a notice of meeting for such meeting in due course.

If the Spill Meeting is held each of the Company's Non-executive Directors who were in office when the Board resolution to approve the Directors Report, including the Remuneration Report, for the year ended 30 June 2017 was passed and who remain in office at the time of the Spill Meeting (being Mr Drew Townsend only) will, unless re-elected at the Spill Meeting, automatically vacate office at the conclusion of the Spill Meeting. Accordingly even if Mr Townsend is re-elected as a Non-executive Director at the 2017 AGM (under Resolution 2 above), if Resolution 4 is required to be put to the 2017 AGM and is passed as an ordinary resolution, then Mr Townsend will need to be re-elected at the Spill Meeting to remain in office following the Spill Meeting. Mr McCarthy is not required to vacate his office of Non-executive Director and stand for re-election at the Spill Meeting (should it be required to be held) because Mr McCarthy joined the Board after the Directors Report, including the Remuneration Report, for the year ended 30 June 2017, was voted on and approved by the Board.

If Resolution 4 is required to be put to the 2017 AGM, then the Board suggests that when considering Resolution 4, Shareholders consider:

- the changes to Board composition that have occurred since the 2016 Remuneration Report and the 2016 AGM;
- additional costs that would be incurred by the Company if it is required to hold an additional general meeting of Shareholders within 90 days of the 2017 AGM; and
- Non-executive Directors, (including Mr Townsend), previously elected as Directors of the Company by Shareholders have received strong support from Shareholders.

DIRECTORS' RECOMMENDATION: RESOLUTIONS 1 and 4

While acknowledging each Director has a personal interest in his own remuneration from the Company, as described in the 2017 Remuneration Report, the Directors unanimously recommend that shareholders **vote IN FAVOUR of Resolution 1** for the 2017 Remuneration Report to be adopted. If Resolution 4 is required to be put to the 2017 AGM the Directors unanimously recommend that Shareholders **vote AGAINST Resolution 4** so that the convening of a Spill Meeting is not required.

2. Voting Exclusion Statement in relation to Resolution 1, Remuneration Report

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Company's key management personnel (KMP) named in the Remuneration Report or their closely related parties (such as close family members and any controlled companies), regardless of the capacity in which the vote is cast; and
- as a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Resolution 1:

- in accordance with a direction as specified on the proxy form as to how to vote ; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit (even though the resolution is connected directly or indirectly with the remuneration of the KMP).

3. Voting Exclusion Statement in relation to Resolution 4, Conditional Spill Motion

If the Company is required to put the Resolution 4 Conditional Spill Motion to the 2017 AGM, the Company will disregard any votes cast on Resolution 4:

- by or on behalf of a member of the Company's key management personnel (KMP) named in the Remuneration Report or their closely related parties (such as close family members and any controlled companies), regardless of the capacity in which the vote is cast; and
- as a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Resolution 4:

- in accordance with a direction as specified on the proxy form as to how to vote ; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit (even though the resolution is connected directly or indirectly with the remuneration of the KMP).

4. The Chairman of the Meeting Acting as Proxy

Shareholders may appoint the Chairman of the meeting as your proxy. The Chairman of the meeting will be deemed to be your proxy if you sign your Proxy Form or Voting Card but do not name a proxy or if the person you appoint as proxy does not attend the AGM. If you direct the Chairman of the meeting how to vote on particular Resolutions, then on a poll the Chairman of the meeting must cast your votes in accordance with your direction. If the Chairman of the meeting is or becomes your proxy and you do not give any voting instructions for Resolutions 1 and 4, then by completing and submitting the Proxy Form or Voting Card you will be expressly authorising the Chairman of the meeting to exercise the proxy as the Chairman of the meeting sees fit in respect of Resolutions 1 and 4 even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of the Company's key management personnel. The Chairman of the meeting intends to vote undirected proxies **IN FAVOUR of Resolutions 1,2 and 3 and AGAINST Resolution 4 (Conditional Spill Motion)** if Resolution 4 is required to be put to the 2017 AGM.

5. Determination of Entitlement to Vote

The Board has determined that for the purposes of the meeting, all shares in the Company shall be taken to be held by the persons who held them as registered shareholders at 7.00pm AEDT on 15 November 2017 (Entitlement Time). Subject to the Voting Exclusion Statements set out in Notes 2 and 3 above, all holders of shares in the Company as at the Entitlement Time are entitled to attend and vote at the meeting.

All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3:00pm (AEDT) on Wednesday, 15 November 2017.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, **3:00pm (AEDT) on Wednesday, 15 November 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
-  **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Quantum Energy Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Registered Office of the Company, 56-60 Bourke Road, Alexandria, NSW 2015 at 3:00pm (AEDT) on Friday, 17 November 2017** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chairman of the Meeting Acting as Proxy

Shareholders may appoint the Chairman of the meeting as your proxy. The Chairman of the meeting will be deemed to be your proxy if you sign your Proxy Form or Voting Card but do not name a proxy or if the person you appoint as proxy does not attend the AGM. If you direct the Chairman of the meeting how to vote on particular Resolutions, then on a poll the Chairman of the meeting must cast your votes in accordance with your direction. If the Chairman of the meeting is or becomes your proxy and you do not give any voting instructions for Resolutions 1 and 4, then by completing and submitting the Proxy Form or Voting Card you will be expressly authorising the Chairman of the meeting to exercise the proxy as the Chairman of the meeting sees fit in respect of Resolutions 1 and 4 even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of the Company's key management personnel.

The Chairman of the meeting intends to vote undirected **proxies IN FAVOUR of Resolutions 1, 2 and 3 and AGAINST Resolution 4 (Conditional Spill Motion)** if Resolution 4 is required to be put to the 2017 AGM.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of the 2017 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Drew Townsend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Alan McCarthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Conditional Spill Motion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: Resolution 4 will only be considered at the meeting if the condition described in the Notice of Meeting is satisfied.

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary