





## How to get there:

### Public transport:

**Real Energy's office is located opposite North Sydney train station. The area is also serviced frequently by buses.**

### Car:

**There are also multiple public car parks located near 32 Walker Street North Sydney, notably on the Pacific Highway in North Sydney.**

## REAL ENERGY CORPORATION LIMITED - NOTICE OF 2018 ANNUAL GENERAL MEETING

Notice is given that the 2018 Annual General Meeting (**Meeting** or **AGM**) of shareholders of Real Energy Corporation Limited (**RLE** or the **Company**) will be held at the Company's offices at Level 3, 32 Walker Street, North Sydney, NSW, 2060 on Friday 30 November 2018 at 11:00 AM (Sydney time).

The Explanatory Notes attached to this Notice form part of this Notice of Meeting.

### ORDINARY BUSINESS

To receive and consider the Financial Report of the Company and the consolidated entities, and the Reports of the Directors and Auditor thereon for the financial year ended 30 June 2018.

#### 2. Remuneration Report

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

*"That the Remuneration Report for the financial year ended 30 June 2018, as set out in the Directors' Report section of the Annual Report, be adopted".*

(Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.)

#### 3. Re Election of Mr Dang Lan Nguyen as a Director

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

*"That Mr Dang Lan Nguyen, who retires by rotation in accordance with clause 39 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company".*

#### 4. Appointment of Mr John Wardman as a Director

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

*"That John Wardman, who in accordance with clause 37 of the Company's Constitution holds office until the close of this AGM, and who is eligible and has consented to so act, be elected as a director of the Company".*

**For Voting Exclusion Statements on resolutions 5-10 inclusive see pages 4- 6 of this document.**

#### 5. Previous Issue of Bonus Options

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

*"That the issue of:*

*9,531,684 Bonus Options in the company on 16 August 2018*

*on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes".*

#### 6. Issue of Bonus Options to Mr Dang Lan Nguyen and related parties

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

*"That the issue of:*

*1,025,000 Top-up Bonus options in the Company to Mr Dang Lan Nguyen and his related parties*

*on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes”.*

#### **7. Issue of Bonus Options to Mr Scott Brown and related parties**

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

*“That the issue of:*

*1,318,440 Top-up Bonus options in the Company to Mr Scott Brown and his related parties*

*on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes”*

#### **8. Issue of Bonus Options to Mr John Wardman and related parties**

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

*“That the issue of:*

*115,000 Top-up Bonus options in the Company to Mr John Wardman and his related parties*

*on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes”*

#### **9. Issue of Placement Options to Director – Mr John Wardman and related parties**

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

*“That the issue of:*

*350,000 Placement Options in the company to Mr John Wardman and his related entities resulting from participation in the share placement made on 7 August 2018*

*on the terms summarised in the Explanatory Notes accompanying the notice of meeting, be approved for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes”.*

#### **10. Authority to issue and allot Shares pursuant to Listing Rule 7.1A**

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval be given for the issue of such number of shares as is equal to up to 10% of the issued share capital of the Company at the time of the issue, calculated in accordance with the formula prescribed in ASX Listing rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

(See Explanatory Notes for further information on the terms of issue and allotment of such shares).

#### **By Order of the Board**



Ron Hollands  
Company Secretary  
27 October 2018



## ELIGIBILITY TO VOTE

For the purpose of the Meeting, the Directors have determined that shares will be taken to be held by persons registered as shareholders of the Company as at **7:00 PM (Sydney time) on Wednesday, 28 November 2018**.

## PROXIES

Each shareholder who is entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote at the AGM on the shareholder's behalf. A proxy need not be a shareholder of the Company and may be either an individual or a body corporate. Where two proxies are appointed by a shareholder, the shareholder may specify the proportion or number of votes which each proxy is entitled to exercise on a poll. If the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise one half of the votes (disregarding fractions) on a poll.

Due to the voting exclusions and requirements referred to in this Notice, if you intend to appoint any Director or other member of the Company's 'key management personnel'<sup>1</sup> (**KMP**) or their closely related parties, **other than the Chairman**, as your proxy, you should direct your proxy how to vote by marking either "For", "Against" or "Abstain" on the Proxy Form for the relevant Item of business. If you do not direct such a proxy how to vote on those Items they will **not** be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies.

***Direction to Chairman:*** *If the Chairman of the Meeting is appointed, or taken to be appointed, as proxy, the shareholder can direct the Chairman of the Meeting to vote for or against or to abstain from voting on a resolution, including **Item 2** (Remuneration Report), by marking the appropriate box opposite each resolution on the Proxy Form. However, if a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on the proposed resolutions set out in this Notice, then **the Chairman intends to vote all available undirected proxies in favour of each of the proposed resolutions, including Item 2 (Remuneration Report)** (if a poll is called on the relevant resolution).*

## CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or the proxy of a shareholder may appoint an individual as its representative to exercise all or any of its powers that it could exercise at the Meeting. The representative should bring to the meeting original documentary evidence of his or her appointment, including any authority under which the appointment is signed.

## VOTING EXCLUSIONS

The Company will disregard any votes cast on the resolutions as follows:

## ITEM 2 REMUNERATION REPORT

A vote must not be cast (in any capacity) on **Item 2**, and the Company will disregard any votes cast on **Item 2**:

- by or on behalf of a KMP whose remuneration is included in the Remuneration Report; or
- by or on behalf of a closely related party<sup>2</sup> (such as close family members and any controlled companies) of a KMP whose remuneration is included in the Remuneration Report.

However, a person described above may cast a vote on **Item 2** if:

- the person does so as a proxy that specifies how the proxy is to vote (For, Against or Abstain) on **Item 2**; or
- the person is the Chairman of the Meeting and has been appointed as a proxy without being directed how to vote on **Item 2**, and the appointment expressly authorises the Chairman to exercise the proxy even though **Item 2** is connected directly or indirectly with the remuneration of a member of the KMP for the Company; and
- in either case, the vote is not cast on behalf of a person described above.

## ITEM 5 PREVIOUS ISSUES OF TOP-UP BONUS OPTIONS

Concerning Resolution 5, the company will disregard any votes cast in favour on the resolution by a person who participated in the issue and any of their associates.

However, the company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

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<sup>1</sup> For the full definition of 'key management personnel', please refer to section 9 of the *Corporations Act 2001*.

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<sup>2</sup> For the full definition of 'closely related party', please refer to section 9 of the *Corporations Act 2001*.

- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the form to vote as the proxy decides.

#### **ITEM 6 ISSUE OF BONUS OPTIONS TO DANG LAN NGUYEN AND RELATED PARTIES**

Resolution 6 is to approve 1,025,000 options to be issued to a director, Mr Dang Lan Nguyen pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018. The subject Option entitlements were calculated on the same basis as for other shareholders.

As required by the Listing Rules, the Company will disregard any votes cast in favour on Resolution 6 by:

- Mr Dang Lan Nguyen; and
- Any associate of Dang Lan Nguyen

However, the company need not disregard a vote if:

- It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction 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

#### **ITEM 7 ISSUE OF BONUS OPTIONS TO SCOTT BROWN AND RELATED PARTIES**

Resolution 7 is to approve 1,318,440 options to be issued to a director, Mr Scott Brown pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018. The subject Option entitlements were calculated on the same basis as for other shareholders.

As required by the Listing Rules, the Company will disregard any votes cast in favour on Resolution 7 by:

- Mr Scott Brown; and
- Any associate of Scott Brown

However, the company need not disregard a vote if:

- It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction 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

#### **ITEM 8 ISSUE OF TOP-UP BONUS OPTIONS TO JOHN WARDMAN AND RELATED PARTIES**

Resolution 8 is to approve 115,000 options to be issued to a director, Mr John Wardman pursuant to the Bonus & Placement Options issue Prospectus dated 31 August

2018. The subject

Option entitlements were calculated on the same basis as for other shareholders.

As required by the Listing Rules, the Company will disregard any votes cast in favour on Resolution 8 by:

- Mr John Wardman; and
- Any associate of John Wardman

However, the company need not disregard a vote if:

- It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction 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

#### **ITEM 9 ISSUE OF PLACEMENT OPTIONS TO JOHN WARDMAN AND RELATED PARTIES**

Resolution 9 is to approve 350,000 options to be issued to a director, Mr John Wardman pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018. The subject Option entitlements were calculated on the same basis of other placement allottees.

As required by the Listing Rules, the Company will disregard any votes cast in favour on Resolution 9 by:

- Mr John Wardman; and
- Any associate of John Wardman

However, the company need not disregard a vote if:

- It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction 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

#### **ITEM 10 APPROVAL OF 10% PLACEMENT CAPACITY**

The Company will disregard any votes cast in favour on Resolution 10 by any person who may participate in the issue of Equity Securities under this resolution 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 will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair acting as proxy (by appointment or by default) for a person who is entitled to vote in accordance with the directions on the proxy form.

There are no other voting exclusions concerning the resolutions put to shareholders.

## PROXY DEADLINE

A Proxy Form and, if the Proxy Form is not signed by the shareholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received by the Company at least 48 hours before the time for holding the Meeting – that is, **by 11:00 AM (Sydney time) on Wednesday 28 November 2018**.

Documents may be lodged with the Company by:

1. Email to [investor@realenergy.com.au](mailto:investor@realenergy.com.au); or
2. Facsimile (+61 2) 9954 6408; or
3. Mail to: Real Energy Corporation Limited  
Level 3, 32 Walker Street  
North Sydney NSW 2060

## ANNUAL REPORT - ONLINE

Real Energy's Annual Report for the year ended 30 June 2018 is available on the Real Energy website at <http://www.realenergy.com.au>.

## QUESTIONS FROM SHAREHOLDERS

Shareholders are invited to register questions in advance of the AGM. If you would like further information on Real Energy or would like to ask a question of Real Energy or the Auditor at this AGM, you may submit your questions in writing to the Company. Shareholders may submit written questions to the auditor about their audit report or the conduct of the audit.

Written questions must be received no later than 5 business days before the day before the Meeting, being **5:00 PM (Sydney time) on Friday, 23 November 2018**.

## EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders regarding the business to be transacted at the 2018 Annual General Meeting of shareholders. The Directors recommend shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions in question.

## ITEM 1 – CONSIDER FINANCIAL REPORT

A copy of the Real Energy Annual Report 2018 (**Annual Report**) can be found on the Company's website (<http://www.realenergy.com.au>).

During discussion of this item, there will be an opportunity for shareholders to ask questions about, or comment on, the Annual Report and the management and performance of the Company. Shareholders will also can ask the auditor questions relevant to the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company, and the independence of the auditor in relation to the conduct of the audit.

## ITEM 2 – REMUNERATION REPORT

The Board submits the Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution as required by the Corporations Act ('Act').

Although the vote on this resolution does not bind the Directors or the Company, the Board respects the views of its shareholders and will take the outcome of the vote into account when considering remuneration policy in the future.

Because of amendments to the Act generally known as the "two strikes rule", shareholders should note that the results of the vote on this item may impact the conduct of next year's AGM.

The Directors encourage shareholders to apply the same level of diligence in relation to this resolution as they do with the binding resolutions.

### Directors' recommendation:

**The Directors unanimously recommend that shareholders vote in favour of Item 2.**

## ITEM 3 – RE ELECTION OF DIRECTOR:

### DANG LAN NGUYEN

Pursuant to clause 39 of the Company's Constitution, Mr Dang Lan Nguyen retires by rotation as a Director of the Company. A summary of Mr Nguyen's qualifications and experience is outlined below.

### Mr Dang Lan Nguyen (Non – Executive Chairman)

*B.Sc. (Baku, Azerbaijan),  
M.Sc. - Geology (University of New England, Australia)  
Member of the Petroleum Exploration Society of Australia; the American Association of Petroleum Geologists and the Society of Petroleum Engineers*

Lan is a professional petroleum geologist and engineer with over 25 years' experience in petroleum exploration, development and production in Australia and internationally including 15 years at Mosaic Oil NL, transforming Mosaic to a successful company as Managing Director with growing production revenues,

petroleum reserves/resources and profitability. Lan is credited with the discovery and development of many oil and gas fields in the Surat-Bowen Basins through his innovative introduction of various exploration, drilling and completion technologies to Australia.

Lan is the co-founder of Real Energy Corporation Limited and is currently a principal/director of Tanvinh Resources Pty Limited and Latradanick Holdings Pty Limited, which provide services to energy and resources companies in Australia and Asia-Pacific region.

Lan has a direct and indirect interest in 20,500,000 ordinary shares and 2,050,000 Bonus Options in the Company.

**Directors' recommendation:**

**Each of the Directors (excluding Mr Nguyen) recommends that shareholders vote in favour of Item 3.**

**ITEM 4 – ELECTION OF DIRECTOR:**

**JOHN WARDMAN**

Pursuant to clause 37 of the Company's Constitution, Mr Wardman holds office until the close of the AGM, but is eligible for election as a Director of the Company. He was appointed as a director on 6 September 2018 to fill casual vacancy and will seek to be elected at this AGM. A summary of Mr Wardman's qualifications and experience is outlined below.

**Mr John Wardman (Non – Executive Director)**

*B. Ec.(Macquarie University Sydney)*

*Company Directors Course Diploma (University of Sydney Graduate Business School)*

*Fellow of the Australian Institute of Company Directors (FAICD)*

Mr John Wardman is highly regarded and respected in the Australian stockbroking and wealth management sector and has over 35 years' experience working in the small resources and energy sectors.

He currently is a Senior Investment Advisor in the wealth management industry and previously spent 13 years with Macquarie Private Wealth, and prior to this

Hartleys Limited. John also is the Chairman of the ASX listed but currently suspended Shine Metals Limited. His contacts and network are extensive.

John has a direct and indirect interest in 3,000,000 ordinary shares in the company.

**Directors' recommendation:**

**Each of the Directors (excluding Mr Wardman) recommends that shareholders vote in favour of Item 4.**

**ITEM 5 – PREVIOUS ISSUE OF BONUS OPTIONS**

The ASX Listing Rules restrict the number of securities which a listed company may issue in any 12 month without the approval of shareholders to 15% of the number of securities on issue at the start of the period subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of securities in the Company for the purposes of listing rule 7.4. The purpose of seeking shareholder approval for the issue of securities in this resolution is to ensure that the previous issue of shares as described below does not reduce the Company's placement capacity under the Listing Rules.

On 16 August 2018 the Company announced an issue of Bonus Options to existing shareholders with a Top Up component to reward existing shareholders that held or increased their shareholding. The options were issued pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018.

Listing Rule 7.5 information required to be disclosed is as follows:

- (a) 9,531,684 Bonus Options.
- (b) The issue price of each Bonus Option was \$nil.

The Bonus Options have an exercise price of \$0.12 each and will expire on 15 April 2019.

This Bonus Option issue was made to a shareholder if the respective shareholder has the same number of shares or increases their net shareholding in the Company from the date of the recent share placement (31 July 2018) to the Record Date (25 September 2018 5pm EST) and was made from the Company's placement capacity under LR 7.1.

Full details of the Bonus Options are contained in a Prospectus lodged with the ASX on 31 August 2018. The Bonus Options were issued primarily to reward existing shareholders for their continued support for the Company and to potentially raise funds for the Company.

- (c) Per (b) above, no funds were raised by the issue of these Bonus Options under Item 5. If these Bonus Options are exercised, any funds raised will be used for further exploration activities and general working capital requirements.



**Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of item 5.**

**Information concerning Items 6 to 9**

Items 6 to 9 relate to those Bonus Options and Placement Options to be issued pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018 are proposed to be made to related parties (Directors) of the Company due to Listing Rule requirements for such issues to related parties. While the respective options are proposed to be issued to related parties (Directors) it is in their capacity of shareholders and investors of the Company that the entitlement to options arise rather than their capacity of being a director. The options, if approved by shareholders, will be issued to the related parties (Directors) for no consideration as was the case for all other eligible shareholders or investors and the issue will take place no later than one month after the meeting date.

The Bonus Options referred to in the resolution 6 to 8 are issued on the same class of options as listed under the ASX code RLEOA. Bonus Options have an exercise price of 12 cents and expire on 15 April 2019.

Placement Options referred to in the resolution 9 are issued on the same class of options as listed under the ASX code RLEOB. Placement Options have an exercise price of 14 cents and expire on 30 September 2020.

Any funds raised through the exercise of either of The Bonus Options or the Placement Options referred to in resolutions 6 to 9 will be used to develop the Company's Oil and Gas projects and together with general work capital purposes.

**ITEM 6 – ISSUES OF BONUS OPTIONS TO DANG LAN NGUYEN AND RELATED PARTIES**

Resolution 6 is to approve 1,025,000 Bonus Options to be issued to a director, Mr Dang Lan Nguyen or his related parties pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018. The subject Option entitlements were calculated on the same basis as other shareholders and will allow the options to be issued to Mr Nguyen and his associates.

**Directors' recommendation:**

**Each of the Directors (excluding Mr Nguyen) recommends that shareholders vote in favour of Item 6.**

**ITEM 7 - ISSUE OF BONUS OPTIONS TO SCOTT BROWN AND RELATED PARTIES**

Resolution 7 is to approve 1,318,440 Bonus Options to be issued to a director, Mr Scott Brown or his related parties pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018. The subject Option entitlements were calculated on the same basis as other shareholders and will allow the options to be issued to Mr Brown and his associates.

**Directors' recommendation:**

**Each of the Directors (excluding Mr Brown) recommends that shareholders vote in favour of Item 7.**

**ITEM 8 - ISSUE OF BONUS OPTIONS TO JOHN WARDMAN AND RELATED PARTIES**

Resolution 8 is to approve 115,000 Bonus Options to be issued to a director, Mr John Wardman or his related parties pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018. The subject Option entitlements were calculated on the same basis as other shareholders and will allow the options to be issued to Mr Wardman and his associates.

**Directors' recommendation:**

**Each of the Directors (excluding Mr Wardman) recommends that shareholders vote in favour of Item 8.**

**ITEM 9 –ISSUE OF PLACEMENT OPTIONS TO JOHN WARDMAN AND RELAE D PARTIES**

Resolution 9 is to approve 350,000 Placement Options to be issued to a director, Mr John Wardman pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018. Prior to Mr John Wardman

becoming a director on the 6<sup>th</sup> September 2018, he previously participated in a placement that was announced on 30 July 2018. The Company agreed to provide Placement Options as part of the Placement on a 1 for 2 basis. The resolution, if passed, would provide Mr Wardman his entitlement to Options on the same basis as other Placement Allottees.

**Directors' recommendation:**

**Each of the Directors (excluding Mr Wardman) recommends that shareholders vote in favour of Item 9.**

**ITEM 10 – APPROVAL OF 10% PLACEMENT CAPACITY**

ASX Listing Rule 7.1A provides eligible companies (which includes the Company) the ability to raise an additional 10% of issued capital by way of placements over a 12 month period. This is in addition to a

company's ability to issue up to 15% of its issued capital in a 12 month period without Shareholder approval. The number of Shares which may be issued by a company under Listing Rule 7.1A is calculated in accordance with the following formula:

**(A x D) - E**

where

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4;
- less the number of fully paid ordinary shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of shares issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4.

The Directors are seeking approval to have the additional capacity to issue a number of shares representing 10% of the issued share capital of the Company pursuant to Listing Rule 7.1A. ("**10% placement facility**").

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 9 may include for use as working capital and/or corporate growth opportunities.

The shares must be issued at an issue price that is at least 75% of the Volume Weighted Average Price for the Company's equity securities over the 15 trading days on which trades in that class were recorded immediately before:

- a. the date on which the price at which the equity securities are to be issued or agreed; or
- b. if the equity securities are not issued within 5 trading days of the date in paragraph (a) above, the date on which the equity securities are issued.

The Company may issue some of the shares for non-cash consideration, for example, as part of the consideration for an acquisition of assets but the issue price attributable to the shares shall be at least 75% of

the Volume Weighted Average Price as referred to above.

If shares are issued for non-cash consideration, the Company will announce to the market the valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any shares.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement facility under Listing Rule 7.1A. The identity of the allottees of Shares will be determined on a case by case basis having regard to factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issue or other issues in which existing Shareholders can participate;
- the effect of the issue of the shares on the control of the Company;
- the financial situation of the Company;
- advice from corporate, financial and broking advisors; and
- the potential benefits an allottee could provide to the Company as a strategic investor (if applicable).

The allottees under the 10% placement facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If Shareholder approval is granted for Resolution 10 and the company issues equity securities under its 10% placement facility, there is a risk that the market price for the equity securities may be significantly lower on the issue date than on the date on which approval is given to this Resolution 9 and the shares may be issued at a discount to the market price for those equity securities on the issue date.

The table on the next page is provided to illustrate the potential dilution of existing Shareholders based on the current market price of shares and the current number of shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this notice:

- two examples where variable "A" has increased, by 50% and 100%.

Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase because of issues of shares that do not

require approval (for example, a prorata entitlement issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

If Shareholder approval is granted for Resolution 9, then that approval will expire on the earlier of:

- 30 November 2019, being 12 months from the date of the Meeting; or
- the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

The approval under Resolution 9 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

#### Listing Rule 7.3A.6 (a) and (b) information

Issued Share Capital – 30 November 2017	255,360,036	
Share issue – 7 August 2018	46,250,000 (18.1% of Issued Share Capital at 30 November 2017)	Ordinary class shares issued to investment funds, professional and sophisticated investors at \$0.08 <sup>1</sup> per ordinary class share. Total raised \$3.7 million in cash. The funds will be used as working capital and exploration expenditure expected to be incurred in the next 12 months. The Company issued the above shares under ASX Listing Rule 7.1 to sophisticated and professional investors as it was of the view that this was the most efficient and expedient mechanism to raise the funds required.
Shares on hand – 30 November 2018	301,610,036	

Issued Options – 30 November 2017	Nil	
Broker Options issued – 28 September 2018	7,500,000	Broker Options have been issued to a Broker (Hartley's Limited) who assisted the Company with abovementioned \$3.7M Placement.  The main terms and conditions of the Broker Options are as follows: <ul style="list-style-type: none"> <li>➤ Class of security issued: Broker Options with an exercise price of 12 cents per share and an expiry date of 26 September 2021.</li> <li>➤ Issue price of Broker Options: Nil consideration.</li> <li>➤ Issued under LR7.1</li> </ul>
Bonus Options issued – 28 September 2018 and 2 October 2018	39,692,709	A Bonus Option was issued primarily to reward existing shareholders for their continued support for the Company and to potentially raise funds for the Company. The bonus option was issued on a pro rata basis, with an entitlement of 1 bonus option for every 10 existing shares held by shareholders at the Record Date.  A top-up bonus option issue (being an extra 50% entitlement to the number of Bonus Option issued) was made to a shareholder if the respective shareholder has the same number of shares or increases their net shareholding in the Company from the date of the recent share placement (31 July 2018) to the Record Date (see below).  The top up bonus option issue was made from the Company's placement capacity under LR 7.1 (9,531,684 options), the bonus option issue under LR7.2 (30,161,025 options).  Full details of the Bonus Options are contained in a Prospectus lodged with the ASX on 31 August 2018.

		<p>The main terms and conditions of the Bonus Options are as follows:</p> <ul style="list-style-type: none"> <li>➤ Class of security to be issued: Bonus Options with an exercise price of 12 cents per share and an expiry date of 15 April 2019.</li> <li>➤ Issue price of Bonus Options: Nil consideration.</li> <li>➤ Date on which the securities traded on “ex” basis: 24 September 2018.</li> <li>➤ Record Date: 25 September 2018 (5pm EST)</li> </ul>
Placement Options issued	22,775,005	<p>Placement Options were issued to participants in the Company’s \$3.7M share Placement (as announced 30 July 2018) following the attainment of Shareholder approval (meeting held 20 September 2018).</p> <p>The main terms and conditions of the Placement Options are as follows:</p> <ul style="list-style-type: none"> <li>➤ Class of security issued: Placement Options with an exercise price of 14 cents per share and an expiry date of 30 September 2020.</li> <li>➤ 1 Placement Option for every 2 Placement Shares issued.</li> <li>➤ Issue price of Placement Options: Nil consideration.</li> </ul>
Options on hand – 30 November 2018	69,967,714	69,967,714 options issued since 30 November 2017 ( Nil options on issue at 30 November 2017)

The above share and option issues in aggregate are 116,217,714 or 45.5% of the shares and options on issue as at 30 November 2017.

<sup>1</sup> Closing market price was \$0.083 per share on 15 June 2017 therefore issue was made at a \$0.003 per share discount.

#### Directors’ recommendation:

**The Directors unanimously recommend that shareholders vote in favour of item 10.**

#### Potential Dilution

Variable A in LR7.1A.2		Dilution		
		\$0.05 – 50% decrease in issue price	\$0.10 – issue price	\$0.20 – 100% increase in issue price
Current variable A – 301,610,036 ordinary class shares	10% voting dilution	30,161,003	30,161,003	30,161,003
	Funds raised (AUD)	1,508,050	3,016,100	6,032,200
50% increase in variable A – 452,415,054 ordinary class shares	10% voting dilution	45,241,505	45,241,505	45,241,505
	Funds raised (AUD)	2,262,075	4,524,150	9,048,300
100% increase in variable A – 603,220,072 ordinary class shares	10% voting dilution	60,322,007	60,322,007	60,322,007
	Funds raised (AUD)	3,016,100	6,032,201	12,064,401

The table has been prepared on the following assumptions:

- The company issues the maximum number of shares available under LR7.1A;
- No shares are issued on the conversion of options before the date of issue of the shares;
- The table shows only the effect of shares under LR7.1A and does not factor in the company’s ability to issue up to 15% of its issued capital under LR7.1;

The issue price is assumed to be \$0.10 per ordinary share (\$0.092 per ordinary share was the closing price of the shares on ASX on 19 October 2018, rounded up).



## Proxy Form for Shareholders



Shareholder

XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX

1. **I / We (please print):** Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Security Holder Reference Number (if known) \_\_\_\_\_

### 2. Appointment of Proxy

I / We being a member/s of Real Energy Corporation Limited hereby appoint

☐

**The Chairman of the Meeting**  
(mark with an "x") or

(Write here the name of the person you are appointing if this person/s is someone other than the chairman of the meeting)

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Real Energy Corporation Limited to be held at the offices of the company at Level 3, 32 Walker Street North Sydney NSW 2060 at **11am on Friday 30 November 2018** and at any adjournment of that meeting.

### 3. Votes on Resolution directions to your proxy – please mark with a cross to indicate your directions

		For	Against	Abstain
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re Election of Mr Dang Lan Nguyen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Mr John Wardman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Previous Issue of Top-up Bonus Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Bonus Options to Mr Dang Lan Nguyen & related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Bonus Options to Mr Scott Brown & related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Bonus Options to Mr John Wardman & related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Placement Options to Mr John Wardman & related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Authority to issue and allot Shares pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE NOTE:** Undirected proxies received by the Chairman of the meeting will be voted in favour of each item of business. If you have appointed the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default), you can direct the Chairman of the meeting to vote for, against or to abstain from voting on, Resolution 1 by marking the relevant box opposite Resolution 1. Note that under section 2, if the Chairman of the meeting is your proxy and you do not mark any of the boxes opposite Resolution 1, you are directing the Chairman to vote in favour of Resolution 1.

### 4. Appointment of a Second Proxy I/We wish to appoint a second proxy

State the percentage of your voting rights  
Or the number of shares for this Proxy Form

☐

Mark with an "x" if you wish  
to appoint a second proxy

and

or

### 5. Authorised Signature/s

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder	<input type="text"/>
x	<input type="text"/>

Individual/Sole Director and Sole  
Company Secretary

Security Holder 2	<input type="text"/>
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Director

Security Holder 3	<input type="text"/>
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Director/Company Secretary

Contact Name

Contact daytime telephone

Email

Date

Completed proxy forms must be received by the Company no later than 11am on Wednesday 28 November 2018 to be valid. You may return the form by:

1. Email to [investor@realenergy.com.au](mailto:investor@realenergy.com.au) ; or
2. Facsimile (+61 2) 9954 6408; or
3. Mail to:           Real Energy Corporation Limited  
                  Level 3, 32 Walker Street  
                  North Sydney NSW 2060

## How to Complete this Proxy Form

### 1. Your Name and Address

The name and address on the Proxy Form is as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your shares using this form

### 2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of the person in Section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### 3. Votes on Items of Business

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

### 4. Appointment of Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy, you must:

- (a) On each of the first Proxy Form and the second Proxy Form state that percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, your proxy appointments will be invalid. Fractions of votes will be disregarded.
- (b) Return both forms together.

### 5. Signing instructions

You must sign this form as follows in the spaces provided:

- |                    |  |
|--------------------|--|
| Individual:        | Where the holding is in one name, the holder must sign.  |
| Joint Holding:     | Where the holding is in more than one name, either security holder may sign.   |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place |

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given above (via mail, email or fax) by not later than 48 hours before commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.