

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

ERM Power Limited

ABN

28 122 259 223

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

- 1) Ordinary Shares
- 2) Unlisted Performance Rights

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- 1) 230,469
- 2) a) 465,883
b) 844,837

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>1) Fully paid ordinary shares</p> <p>2) The Performance Rights are issued under ERM Power's Long Term Incentive Plan and for employee retention considerations.</p> <p>Each Performance Right will be satisfied by a cash payment, the issue of ordinary fully paid shares in ERM Power, or an offer to participate in an employee share trust, at the absolute discretion of ERM Power.</p> <p>The Performance Rights will have a vesting price equal to the volume weighted average price at which ERM Power shares were traded on the ASX during the 10 trading days immediately preceding the end of each Performance Period (Vesting Price).</p> <p>Performance Rights which do not vest will lapse immediately.</p> <p>a) The number of Performance Rights that vest will depend on the extent to which the Vesting Conditions have been satisfied at the end of the Performance Period, being continuous full-time employment and achievement of Total Security holder Return (TSR) performance hurdles to 30 June 2021.</p> <p>b) The performance rights will vest in 3 tranches subject to continuous full-time employment to 7 September 2019, 7 September 2020 and 7 September 2021.</p>
--	--

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1) Yes, the shares rank equally with existing ordinary shares.</p> <p>2) No. Performance Rights do not rank equally with existing Fully Paid Ordinary Shares.</p> <p>The Performance Rights are not transferrable, do not carry voting rights nor do they have any entitlement to dividends.</p>
5	Issue price or consideration	<p>1) \$1.6770 per share (10 day ASX VWAP to 24 October 2018)</p> <p>2) a) Notional value of \$1.4170 each (10 day ASX VWAP to 29 June 2018)</p> <p>b) Notional value of \$1.5628 each (10 day ASX VWAP to 6 Sept 2018)</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1) Shares issued under ERM Power's short term incentive plan</p> <p>2) Rights issued under ERM Power's long term incentive plan:</p> <p>a) to drive long term sustainable growth and facilitate alignment between senior executives and nominated employees with the long term interests of shareholders.</p> <p>b) support retention initiatives.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A

6c	Number of +securities issued without security holder approval under rule 7.1	N/A	
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	1 November 2018	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	Number	+Class
		255,651,525	Fully paid ordinary shares

+ See chapter 19 for defined terms.

	Number	+Class
9	280,114	Performance Rights issued 24 Sept 2014 vesting 24 Sept 2019
	468,232	Performance Rights issued 11 January 2016 vesting 6 January 2019
	1,723,167	Performance Rights issued 20 July 2018 with performance period ending 30 June 2021.
	43,828	Performance Rights issued 5 October 2018 with performance period ending 30 June 2021.
	169,439	Performance Rights issued 20 July 2018 with performance period ending 30 June 2020.
	155,841	Performance Rights issued 20 July 2018 with performance period ending 30 June 2022.
	465,883	Performance Rights issued 1 November 2018 with performance period ending 30 June 2021.
	281,612 281,612 281,613	Performance Rights issued 1 November 2018 with performance periods ending: - 7 September 2019, - 7 September 2020, - 7 September 2021.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

⁺ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

+ See chapter 19 for defined terms.

<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)</p>	
---	--

<p>42 Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the ⁺securities in clause 38)</p>	Number	⁺ Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

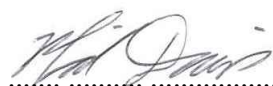
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



.....Date: 1 November 2018.

(~~Director~~/Company secretary)

Print name: ...Phil Davis.....

== == == == ==

+ See chapter 19 for defined terms.