

10 July 2020

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Strategic Energy Resources Limited (Company) will be held virtually via a webinar conferencing facility at 2.00pm (AEST) on Monday, 10 August 2020 ("General Meeting", "GM" or "Meeting").

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead the Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

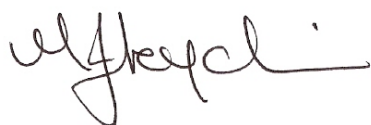
- You can access the Meeting Materials online at the Company's website <https://www.strategicenergy.com.au/> or at or at the Company's share registry's website (www.linkmarketservices.com.au) through Investor Centre
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "SER".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at www.linkmarketservices.com.au. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry LINK on www.linkmarketservices.com.au or by phone on 1300 554 474 (within Australia) or on +61 1300 554 474 (Outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday, to obtain a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Meeting will be held via a webinar conferencing facility. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,



Melanie Leydin
Company Secretary
Strategic Energy Resources Limited



STRATEGIC ENERGY RESOURCES LIMITED
ACN 051 212 429

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting: **Monday, 10 August 2020**

Time of Meeting: **2:00pm (AEST)**

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no.1) 2020, **no hard copy** of the Notice of Extraordinary General Meeting and Explanatory Statement will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website (<https://www.strategicenergy.com.au/asx-announcements/>).

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered Office: Level 4, 100 Albert Road, South Melbourne VIC 3205

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Strategic Energy Resources Limited (Company) will be held virtually via a webinar conferencing facility at 2.00pm (AEST) on Monday, 10 August 2020 ("General Meeting", "GM" or "Meeting").

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Company at the time of preparing the Notice of General Meeting (**Notice**), the Company intends to conduct a poll on the resolutions set out in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the GM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also electronically cast their votes on the proposed resolution at the GM. Shareholders who intend to join the Meeting are asked to dial-in 30 minutes prior to the start of the meeting to allow the Company to take your details. The virtual meeting can be attended using the following details:

The live webcast can be attended using the following details:

When: Monday, 10 August 2020 at 2.00pm (AEST)
Topic: SER General Meeting

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_JNIsKRVKSXSIYAJLJyVR9g

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to info@strategicenergy.com.au. Where a written question is raised in respect of the resolutions to be considered at the meeting or the key management personnel of the Company, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company it will not respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the GM online should therefore monitor the Company's website and its ASX announcements for any updates about the GM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: SER) and on its website at <https://www.strategicenergy.com.au/>.

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered Office: Level 4, 100 Albert Road, South Melbourne VIC 3205

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

NOTE: The Company advises that resolutions 1 through to 7 of the Notice of Meeting have been drafted on a pre-consolidation basis.

ORDINARY BUSINESS

Resolution 1: Ratification of Prior Issue of Shares

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve, ratify and confirm the allotment and issue of 237,500,000 fully paid ordinary shares in the Company (**Shares**) on 9 June 2020 at an issue price of \$0.0034 (0.34 cents) per Share to professional, sophisticated and other exempt investors, as described in the Explanatory Statement."*

A voting exclusion applies to this Resolution – see note 6.

Resolution 2: Approval of Issue of Shares to Professional and Sophisticated Investors under Placement

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve, the allotment and issue of 322,058,823 fully paid ordinary shares in the Company (**Shares**) at an issue price of \$0.0034 (0.34 cents) per Share to professional and sophisticated investors, as described in the Explanatory Statement accompanying the Notice of Meeting."*

A voting exclusion applies to this Resolution – see note 6.

Resolution 3: Approval of Issue of Shares to Director Stuart Rechner under Placement

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to issue 10,000,000 Shares in the Company to Mr Stuart Rechner (Executive Chairman of the Company), or his nominee(s), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

A voting exclusion applies to this Resolution – see note 6.

Resolution 4: Approval of Issue of Shares to Director David DeTata under Placement

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to issue 10,000,000 Shares in the Company to Dr David De Tata (Non-Executive Director of the Company), or his nominee(s), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

A voting exclusion applies to this Resolution – see note 6.

Resolution 5: Approval of Issue of Shares to Director Harvey Kaplan under Placement

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to issue 10,000,000 Shares in the Company to Mr Harvey Kaplan (Non-Executive Director of the Company), or his nominee(s), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

A voting exclusion applies to this Resolution – see note 6.

Resolution 6: Approval to Grant Options to Employees

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval be given to grant 2,000,000 Options to the employees of the Company or their nominee(s), on the terms and conditions as set out in the Explanatory Statement accompanying the Notice of Meeting.”

A voting exclusion applies to this Resolution – see note 6.

Resolution 7: Approval of Issue of Shares to Anthony Rechner under Placement

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to issue 60,441,177 Shares in the Company to Mr Anthony Rechner (related party of Mr Stuart Rechner, Executive Chairman), or his nominee(s), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

A voting exclusion applies to this Resolution – see note 6.

Resolution 8: Approval of Share Consolidation

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

“That, for the purposes of Section 254H of the Corporations Act, and for all other purposes, approval is given for the share capital of the Company to be consolidated through the conversion of every ten (10) present Shares into one (1) Share with fractions of a Share being rounded down to the nearest whole number, and the conversion to take effect in accordance with the timetable set out in the Explanatory Statement accompanying the Notice of Meeting.”

A voting exclusion does not apply to this Resolution.

SPECIAL BUSINESS

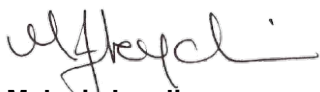
Resolution 9: Approval of amendments to the Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given that the constitution of Strategic Energy Resources is amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the meeting.”

A voting exclusion does not apply to this Resolution.

By order of the Board



Melanie Leydin
Company Secretary
3 July 2020

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Extraordinary General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm (AEST) on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
3. **Proxies**
 - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a Company, it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Link Market Services Limited) no later than 48 hours before the commencement of the General Meeting, this is no later than 2.00pm (AEST) on Saturday, 8 August 2020. Any proxy received after that time will not be valid for the scheduled meeting.
4. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.
5. **How the Chairman will vote Undirected Proxies**

Subject to the restrictions set out in Note 6 below, the Chairman of the meeting will vote undirected proxies in favour of all of the proposed resolutions.
6. **Voting Exclusion Statement:**

Resolutions 1

The Company will disregard any votes cast in favour on these resolutions by or on behalf of any person who participated in the issue of securities or any associates of that person or those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 2

The Company will disregard any votes cast in favour on these resolutions by or on behalf of any person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 3, 4, 5 and 7

The Company will disregard any votes cast in favour of each of Resolutions 3, 4, 5 and 7 (respectively and separately) by or on behalf of

- Mr Stuart Rechner, Dr David DeTata and Mr Harvey Kaplan, Mr Anthony Rechner or any person(s) who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or
- an associate of person referred to in the preceding paragraph.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Furthermore, a vote must not be cast as proxy on any Resolutions 3, 4, 5 and 7 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a “**Restricted Voter**”) may cast a vote on any Resolutions 3, 4, 5 and 7 as a proxy if:

- The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- The Chairman is the Restricted Voter and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

Resolution 6

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associate of such a person.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8 and 9

There are no voting exclusions on these Resolutions.

7. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

NOTE: The Company advises that resolutions 1 through to 7 of the Notice of Meeting have been drafted on a pre-consolidation basis.

Resolution 1: Ratification of Prior Issue of Shares

Background

The Company is seeking shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue of 237,500,000 fully paid ordinary shares in the Company (Shares) on 9 June 2020 at an issue price of \$0.0034 (0.34 cents) per Share to professional, sophisticated and other exempt investors on the terms as announced on 9 June 2020.

The Shares were issued without shareholder approval from the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1 and 10% placement capacity pursuant to ASX Listing Rule 7.1A.

ASX Listing Rules

ASX Listing Rules 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Shares was within the Company's available placement capacity under ASX Listing Rules 7.1.

ASX Listing Rule 7.1A provides that a company may seek shareholder approval at its annual general meeting to issue additional quoted securities up to 10% of its issued capital, provided that it is an eligible entity (Eligible Entity). An Eligible Entity is one that, as at the date of the relevant annual general meeting –

- a) it must have a market capitalisation of \$300 million or less.
- b) it must not be included in the S&P/ASX 300 Index.

At the time the approval was obtained (the Company's last Annual General Meeting of 25 November 2019), the Company was an Eligible Entity.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 and 7.1A if the issue did not breach ASX Listing Rule 7.1 and 7.1A at the time and shareholders subsequently approve it. The issue of the Shares was within the Company's ASX Listing Rules 7.1 and 7.1A placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4 so as to refresh its capacity to make further issues (if required) without shareholder approval under Listing Rules 7.1 and 7.1A.

If Resolution 1 is approved, the prior issue of 237,500,000 Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1 and 7.1A. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 237,500,000 Shares counting towards the 25% threshold for the purposes of ASX Listing Rules 7.1 and 7.1A.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the Shares were issued to persons identified as professional, sophisticated and other exempt investors. Shares were issued to existing shareholders identified by the Company in addition to those investors introduced by the lead manager 180 Markets Pty Ltd;
- (b) the number and class of securities issued was 237,500,000 fully paid ordinary shares in the Company;
- (c) the Shares were issued on 9 June 2020;
- (d) the Shares were issued at a price of \$0.0034 (0.34 cents) per Share;
- (e) the purpose of the issue was to raise funds to be used towards drilling the Company's Saxby and Billa Kalina projects in addition to other general working capital requirements; and
- (f) refer to note 6 for voting exclusions on this Resolution.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 1.

Resolution 2: Approval of Issue of Shares to Professional and Sophisticated Investors

Background

On 18 June 2020 and 24 June 2020, the Company announced Placements totalling 412,500,000 fully paid ordinary shares (Shares) at \$0.0034 (0.34 cents) per share (**Placement**) subject to Shareholder approval.

The Company is seeking shareholder approval pursuant to ASX Listing Rule 7.1 to allot and issue 322,058,823 fully paid ordinary shares in the Company at an issue price of \$0.0034 (0.34 cents) per Share to professional and sophisticated investors under the Placement. A further 90,441,177 Shares are to be issued to Directors and related parties on the same terms and approval for those issues is sought by resolutions 3, 4, 5 & 7.

The 322,058,823 Shares are to be issued to three groups. Firstly, the Company has received a firm commitment from Datt Capital Pty Ltd (*Datt Capital*) for an allotment of 183,823,529 Shares. Should shareholders approve to the issue of 183,823,529 Shares in addition to resolutions 3, 4, 5 & 7, Datt Capital will become a substantial shareholder of the Company holding approximately 11.49% of the total shares in the Company.

Secondly, the Company has entered into an agreement with 180 Markets Pty Ltd (*180 Markets*) to issue 75,000,000 Shares under the Placement. The Company has agreed to pay fees equal to 6% of the total funds raised by 180 Markets being \$15,300.

The remaining 63,235,294 Shares will be issued to other professional and sophisticated investors.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more 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. As the issue of 322,058,823 fully paid ordinary shares, without shareholder approval, exceed that 15% limit, the Company proposes Resolution 2 to seek shareholder approval under Listing Rule 7.1.

If Resolution 2 is passed, the Company will issue the 322,058,823 fully paid ordinary shares without using any of its placement capacity under Listing Rule 7.1, retain the flexibility to make future issues of equity securities up to the 15% limit and raise approximately \$1,095,000 before issue costs.

If Resolution 2 is not passed, the Company will not be able to issue the 322,058,823 Shares under the Placement.

ASX Listing Rule Disclosure Requirements

The following information is provided in relation Resolution 2, as required by ASX Listing Rule 7.3:

- (a) 183,823,529 fully paid ordinary shares will be issued to Datt Capital Pty Ltd, a professional and sophisticated investor who is not a related party of the Company, 75,000,000 fully paid ordinary shares to clients of 180 Markets and the remaining 63,235,294 Shares will be issued to other professional and sophisticated investors. The allottees will not be related parties of the Company or their associates (noting that if Resolution 8 passes and the completion of capital raising is delayed for any reason beyond the share consolidation completion date, Datt Capital will receive 18,382,353 Shares, clients of 180 Markets will receive 7,500,000 Shares and the remaining participants will receive 6,323,529 Shares);
- (b) the total number of fully paid ordinary shares proposed to be issued will be 322,058,823 (noting that if Resolution 8 passes and the completion of capital raising is delayed for any reason beyond the share consolidation completion date this will be reduced to 32,205,882 Shares);
- (c) the date by which the Company will issue the securities: The Shares will be issued by no later than three (3) months after the date of this Meeting (or such later date as may be approved by ASX). The Company however expects to issue the shares on or around 12 August 2020 (subject to the receipt of cleared funds);
- (d) the issue price of the securities: The issue price of the Shares will be \$0.0034 (0.34 cents);
- (e) the Company intends to utilise the funds towards drilling the Company's Saxby and Billa Kalina projects in addition to other general working capital requirement; and
- (f) refer to note 6 for voting exclusions on this Resolution.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 2.

Resolutions 3, 4 and 5: Approval of Issue of Shares to Stuart Rechner, David DeTata and Harvey Kaplan (or their nominees) under Placement

Background

The Company is seeking shareholder approval to allow the Company's Directors, Mr Stuart Rechner, Dr David DeTata and Mr Harvey Kaplan (or their respective nominees) to participate in the Placement as announced on 18 June 2020 and pursuant to ASX Listing Rule 10.11 to allot and issue 10,000,000 fully paid ordinary shares in the Company (Shares) at an issue price of \$0.0034 (0.34 cents) per Share to each Director. The issue price of \$0.0034 (0.34 cents) per Share is same as the issue price at which the Shares have been offered to professional and sophisticated investors under the Placement per approval sought under resolution 2.

Resolution	Name of the Director	Number of Shares	Issue Price	Funds Raised
Resolution 3	Mr Stuart Rechner	10,000,000	\$0.0034	\$34,000
Resolution 4	Dr David DeTata	10,000,000	\$0.0034	\$34,000
Resolution 5	Mr Harvey Kaplan	10,000,000	\$0.0034	\$34,000

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without shareholder approval. Directors of the Company are related parties of the Company and therefore Shareholder approval for the participation of the abovenamed Director of the Company in the Placement is required under ASX Listing Rule 10.11.

Resolutions 3, 4 and 5 seek the required shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolutions 3, 4 and 5 are passed, the Company will be able to proceed with the issue of the Shares and each of Mr Stuart Rechner, Dr David DeTata and Mr Harvey Kaplan, the Directors (or their nominee(s)) will receive 10,000,000 Shares each at an issue price of \$0.0034 per share. The willingness of this Director to subscribe for Shares under the Placement is confirmation of their faith in the Company and its business.

If all or any of Resolutions 3, 4 and 5 are not passed, the Company will not proceed with the issue of the Shares to the applicable Director(s), and the applicable Director(s) (or their nominee(s)) will not receive the Shares as described above.

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Shares to each Director under Resolutions 3, 4 and 5 (respectively):

- the proposed recipients are Mr Stuart Rechner, Dr David DeTata and Mr Harvey Kaplan, each of whom is a Director of the Company, or their respective nominee(s) (each of which would be an associate of the respective Director);
- each of the proposed recipients are related parties of the Company as each of them is a Director of the Company and thus fall into 10.1.1;
- 10,000,000 Shares are proposed to be issued to each of Mr Stuart Rechner, Dr David DeTata and Mr Harvey Kaplan, being a total of 30,000,000 Shares (noting that if Resolution 8 passes and the completion of capital raising is delayed for any reason beyond the share consolidation completion date this will be reduced to 1,000,000 shares to each of Mr Stuart Rechner, Dr David DeTata and Mr Harvey Kaplan, being a total of 3,000,000 Shares);
- the Shares will be issued no later than one month after the date of the Meeting and are proposed to be issued on or around 12 August 2020;

- (e) the issue price of the Shares will be \$0.0034 (0.34 cents);
- (f) the proposed participation of the Directors is on the same terms as the participants within resolution 2 and the Company intends to utilise the funds towards drilling the Company's Saxby and Billa Kalina projects in addition to other general working capital requirements; and
- (g) Refer to note 6 for voting exclusions on this Resolution.

Board Recommendation

The Board (with the respective directors abstaining in relation to the relevant Resolution regarding their own proposed Shares) recommends that shareholders vote in favour of Resolutions 3, 4 and 5. The Chairman will vote undirected proxies in favour of Resolutions 3, 4 and 5.

Resolution 6: Approval to Grant Options to Employees

Background

To facilitate the purposes of maintaining financial liquidity, minimising cash outflows and remunerating employees for their services during the period since their respective employment begun, the Company is proposing to grant Options to operational employees of the Company.

Resolution 6 seeks Shareholder approval for the Company to grant 2,000,000 unlisted options to operational employees of the Company (being a right to acquire fully paid ordinary shares in the Company equivalent to number of options) on the terms as described below (Employee Options).

Terms of Options

The terms of the Options are as follows: –

- vest immediately upon issue;
- exercise price: \$0.01 (1 cent) per option;
- expire at 5pm (AEDT) on 12 December 2022; and
- upon exercise, entitle the holder to one fully paid ordinary share in the Company.

The full terms of the Options are set out in Annexure A of this Explanatory Statement.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more 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. As the issue of the Employee Options would, without shareholder approval, exceed that 15% limit, the Company proposes Resolution 6 to seek shareholder approval under Listing Rule 7.1 to issue the Employee Options.

If Resolution 6 is passed, the Company will be able to issue the Employee Options.

If Resolution 6 is not passed, the Company will not be able to issue the Employee Options.

The following information is provided in relation to Resolution 6, as required by ASX Listing Rule 7.3:

- (a) The Options will be issued to employees of the Company (none of which are KMP or related parties);
- (b) A total of 2,000,000 unlisted Options are proposed to be granted (noting that if Resolution 8 in this Notice of Meeting is passed, then that will be reduced to 200,000 unlisted Options);
- (c) The Employee Options have an exercise price of \$0.01 (1 cent) (if resolution 8 passes the exercise price will from the consolidation date be \$0.10 (10 cents) per option), will vest immediately, and expire at 5pm (AEDT) on 12 December 2022 (full terms are set out in Annexure A of the Explanatory Statement);
- (d) The Employee Options will be issued by no later than three (3) months after the date of this Meeting however the Company expects to issue the options on or around 12 August 2020;
- (e) The Employee Options will be issued for nil consideration.
- (f) The Employee Options are being issued for no consideration and therefore the Company will receive no funds for the issue. In the event that all the Options are exercised, the Company will receive up to \$20,000

which the Company intends to apply to Company's on-going projects, business development and general working capital purposes.

(g) Refer to note 6 for voting exclusions on this Resolution.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 6.

Resolution 7: Approval of Issue of Shares to Anthony Rechner under Placement

Background

The Company is seeking shareholder approval to allow Mr Anthony Rechner (or his respective nominee(s)), a related party to Mr Stuart Rechner, Executive Chairman of the Company, to participate in the Placement as announced on 24 June 2020 and pursuant to ASX Listing Rule 10.11 to allot and issue 60,441,177 fully paid ordinary shares in the Company (Shares) at an issue price of \$0.0034 (0.34 cents) per Share. The issue price of \$0.0034 (0.34 cents) per Share is same as the issue price at which the Shares have been offered to professional and sophisticated investors and Directors under the Placement per approval sought under resolution 2, 3, 4 and 5.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without shareholder approval. Mr Anthony Rechner is a related party by virtue of being related to Mr Stuart Rechner, Executive Chairman of the Company and therefore Shareholder approval for his participation in the Placement is required under ASX Listing Rule 10.11.

Resolution 7 seek the required shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Shares and Mr Anthony Rechner (or his nominee(s)), related party, will receive 60,441,177 Shares each at an issue price of \$0.0034 per share.

If Resolution 7 is not passed, the Company will not proceed with the issue of the 60,441,177 Shares to Mr Anthony Rechner (or his nominee(s)) as described above.

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issue of Shares under Resolution 7:

- (a) the proposed recipient is Mr Anthony Rechner who is a related party to a Director of the Company, Mr Stuart Rechner (Executive Chairman) or his respective nominee(s) (an associate of the Director);
- (b) the proposed recipients is a related party of the Company as described above and thus fall into 10.1.1;
- (c) 60,441,177 Shares are proposed to be issued to Mr Anthony Rechner (noting that if Resolution 8 passes and the completion of capital raising is delayed for any reason beyond the share consolidation completion date this will be reduced to 6,044,118 shares);
- (d) the Shares will be issued no later than one month after the date of the Meeting and are proposed to be issued on or around 12 August 2020;
- (e) the issue price of the Shares will be \$0.0034 (0.34 cents);
- (f) the proposed participation by Mr Anthony Rechner is on the same terms as the participants within Resolution 2, 3, 4 and 5 and the Company intends to utilise the funds towards drilling the Company's Saxby and Billa Kalina projects in addition to other general working capital requirements; and
- (h) Refer to note 6 for voting exclusions on this Resolution.

Board Recommendation

The Board (with Mr Stuart Rechner abstaining) recommends that shareholders vote in favour of Resolution 7). The Chairman will vote undirected proxies in favour of Resolution 7.

Resolution 8: Approval of Share Consolidation

Background

Following the expected completion of the unmarketable share parcel sale in August 2020, the purpose of this Resolution is to enable the Company to consolidate its Shares into a smaller number. Section 254H(1) of the Corporations Act provides that the Company may convert all or any of its Shares into a larger or smaller number of Shares by a resolution passed at a general meeting of Shareholders.

The Company is seeking Shareholder approval of the consolidation of issued ordinary shares into a smaller number of Shares in the ratio of 10:1, by way of an ordinary resolution pursuant to Section 254H of the Corporations Act.

Effect of Consolidation on Shareholders

The proposed share consolidation will:

- (a) ensure that each shareholder's proportionate interest in the Company remains unchanged, subject to rounding up of fractional entitlements to the next whole number of shares, and as the ongoing shares will be listed there are no adverse taxation consequences envisaged although Shareholders should seek individual advice; and
- (b) reduce the number of SER shares from 1,600,000,000 (on the basis the resolutions 2-7 are approved and shares allotted prior to the proposed completion of the share consolidation) to approximately 160,000,000 representing approximately a 90% reduction in the number of shares on issue thereby making the number of shares on issue more manageable and at an expected share price that investment parties would feel more comfortable with.

Key details for the share consolidation process, if approved by shareholders, are:

- (a) The share consolidation will take effect from 24 August 2020.
- (b) The share consolidation requires shareholder approval by ordinary resolution.
- (c) Where the consolidation results in a shareholder's account having an entitlement to a fraction of a share, that fraction will be rounded up to the nearest whole number of shares.
- (d) The consolidation will not materially change the proportionate interest that each shareholder holds in the Company, because the consolidation ratio applies (subject to rounding) to all present shares.

The indicative timetable for the share consolidation process is as follows.

Event	Indicative date
Meeting held, including Resolution to approve Share Consolidation	10 August 2020
Company notifies ASX that Shareholders have approved the Share Consolidation	10 August 2020
Last day for trading in pre-consolidated Shares	25 August 2020
Trading in the consolidated Shares on a deferred settlement basis starts	26 August 2020
Record date & Last day for Company to register Share transfers on a pre-consolidated basis	27 August 2020
First day for Company to register share transfers on a consolidated basis and first day for Company to issue holding statements for Shares on a consolidated basis	28 August 2020
Company announces to ASX that despatch of the new holding statements has occurred	3 September 2020
Deferred settlement trading ends	3 September 2020
Normal T+2 trading in consolidated Shares starts	4 September 2020

If the Company, in its absolute discretion, forms the view that a shareholder has been party to any shareholding splitting or division to obtain an advantage from the rounding of fractional entitlements, then the Company may take appropriate action, including (without limitation) the disregarding of the splitting or division, for the purposes of dealing with fractional entitlements.

Taxation implications

Company has not considered any taxation implications for Shareholders that will arise out of the Consolidation. Shareholders are advised to seek independent tax advice in relation to the effect of the Consolidation. Neither the Company nor the Board accept any responsibility for any individual taxation implications arising out of the Consolidation.

Other information

The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision about the approval of this Resolution.

Recommendation

Each Director has no interest in the outcome of this Resolution, other than as an existing Shareholder. Each of the Directors believes that the Consolidation is fair and reasonable to the Company's Shareholders as a whole and recommends that Shareholders vote in favour of this Resolution.

Resolution 9: Approval of amendments to the Constitution

Background

The Company as part of its regular review of the Company's constitution to streamline administration, minimise costs and incorporate recent regulatory updates, propose the following changes to the Constitution.

That for the purposes of section 136(2) of the Corporations Act, and for all other purposes that the Constitution of the Company be amended in the following manner:

- a) rule 15.1(a) to (d) in the Constitution be deleted in their entirety and replaced by the following:

15.1 Notices by the company to members

- a) *A notice may be given by the company to a member by:*
- 1) serving it on the member personally,*
 - 2) sending it by post to the member's address in the register of members or an alternative address nominated by the member;*
 - 3) unless the member has requested otherwise, sending the notice (and any accompanying material) to an electronic address the member has supplied to the company for the giving of notices or by other electronic means determined by the Board acting reasonably and previously notified to members.*
 - 4) unless the member has requested otherwise, sending to:*
 - i. an electronic address the member has supplied to the company for the giving of notices, a URL from which the notice and other material can be viewed or downloaded;*
 - or*
 - ii. sending, to the member's address in the register of members or an alternative address nominated by the member, a letter or postcard setting out a URL from which the notice and other material can be viewed or downloaded.*
- For the purposes of this clause, the fact that a member has supplied an electronic address for the giving of notices does not require the company to give any notice to that person by electronic means.*
- b) *A notice may be given by the company to the joint holders of a share by giving the notice in a manner authorised by rule 15.1(a) to the joint holder first named in the register of members in respect of the share.*
- c) *Where:*
- 1) a member does not have a registered address; or*
 - 2) the company has reasonable grounds to believe that a member is not known at the member's registered address (including where the company has made enquiry at the registered address as to the member's whereabouts, and receives no response or a response indicating that the member's whereabouts are unknown)*

the company may give any notice to that member by exhibiting the notice at the registered officer of the company or publishing the notice on the company's page of the ASX Market Announcements Platform for at least 48 hours.

- d) *A notice may be given by the company to a person entitled to a share as a result of a transmission event in any manner authorised by rule 15.1(a) addressed to the name or title of the person,*
 - 1) *at or to such address or electronic address supplied to the company for the giving of notices; or*
 - 2) *if no address or electronic address has been supplied, at or to the address or electronic address to which the notice might have been sent if the relevant transmission event had not occurred.”; and*

b) rule 15.5 of the Constitution be deleted in its entirety and replaced by the following:

15.5 Time of service

- a) *A notice to a person by the company is taken to be effected:*
 - 1) *if it is delivered personally – on that day;*
 - 2) *if it is sent by post – on the day after the date of its posting;*
 - 3) *if it is sent by electronic means – on the day after the date it is sent;*
 - 4) *if it is made available on the company’s website and/or the ASX Market Announcements Platform – on the date the notice becomes available for viewing and downloading by a member of the public;*
 - 5) *if it is given by a manner authorised under rule 15.1(a)(4) – on the date nominated by the company (acting reasonably) in the notice.*
 - b) *Where the company gives a notice under rule 15.1(d) by exhibiting it at the registered office of the company, service of notice is to be taken to be effected when the notice was first so exhibited.*
- c) 2.10 of the Constitution be deleted in its entirety and replaced by the following:

2.10 Restricted securities

While the company is a listed company, for so long as the company has any restricted securities on issue and despite any other provision in this constitution:

- a) *a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- b) *if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity’s issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- c) *the company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- d) *a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- e) *if a holder of restricted securities breaches a restriction deed or a provision of the company’s constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues; and*
- f) *in this Rule 2.10, and for the purposes of this constitution generally when used in connection with this Rule 2.10 or its subject matter, the following words and phrases have the meaning given to them in the Listing Rules: “class”; “dispose” or “disposal” (which include using an asset as collateral - see chapter 19 of the Listing Rules); “holding lock”; “issuer sponsored subregister”; “restricted securities”; “restriction deed”; and “security”.*

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 9. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 9.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**AEST**” means Australian Eastern Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Strategic Energy Resources Limited ACN 051 212 429;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Employee Options**” means the options having an exercise price of 1 cent (\$0.01) (if resolution 8 passes the exercise price will from the consolidation date be \$0.10 (10 cents) per option) issued to the employees under Resolution 6;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Placement**” means the meaning given to it in the explanatory notes relevant to Resolution 2 as set out in this Notice;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to Resolution 6 are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the issue date.
- (ii) The final date and time for exercise of the Options is 5pm (AEDT) on 12 December 2022. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) The exercise price per option is \$0.01 (1 cent) (if resolution 8 passes the exercise price will from the consolidation date be \$0.10 (10 cents) per option).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 10,000.
- (v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- (vi) Remittances must be made payable to 'Strategic Energy Limited' and cheques should be crossed 'Not Negotiable'.
- (vii) All Options will lapse on the earlier of the
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) Subject to meeting the requirements of ASX and the Corporations Act, the Company may apply to the ASX for Official Quotation of the Options but makes no guarantee that it will make any such application, or that if an application for Official Quotation is made that it will be successful.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:

- (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Strategic Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:00pm (AEST) on Saturday, 8 August 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address 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.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may 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 or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A 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's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the 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, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

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 shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge 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.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

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

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **2:00pm (AEST) on Monday, 10 August 2020 virtually via a webinar conferencing facility (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4, 5 & 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 4, 5 & 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of amendments to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Issue of Shares to Professional and Sophisticated Investors under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of Issue of Shares to Director Stuart Rechner under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of Issue of Shares to Director David DeTata under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of Issue of Shares to Director Harvey Kaplan under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval to Grant Options to Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of Issue of Shares to Anthony Rechner under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of Share Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* 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 votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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