
BLUE ENERGY LIMITED
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NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Blue Energy Limited ACN 054 800 378 ("Company") will be held at Ernst & Young, Level 51,111 Eagle Street, Brisbane, on Wednesday 19 November 2014 at 11.00am (Brisbane time).

A copy of the Company's Annual Report (including the Remuneration Report) and details of the Company's operations are available at the Company's website at www.blueenergy.com.au

This Notice of General Meeting 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 adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 (7) 32708800.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Shareholders of Blue Energy Limited ("**Company**") will be held at Ernst & Young, Level 51, 111 Eagle Street, Brisbane, Queensland on Wednesday 19 November 2014 at 11.00am (Brisbane time) ("**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Company has determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday 17 November 2014 at 7.00pm (Sydney Time). Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

ORDINARY BUSINESS

Financial Reports

To receive and consider the financial reports of the Company and its controlled entities for the year ended 30 June 2014 together with a Directors' report in relation to that financial year and the Auditor's report on the financial report.

1. Resolution 1 –Remuneration Report

To consider and, if thought fit, pass the following Resolution under section 250R(2) Corporations Act:

"That the Remuneration Report for the financial year ended 30 June 2014 be adopted on the terms and conditions in the Explanatory Memorandum."

Note: This resolution will be decided as if it were an ordinary resolution, but under section 250R(3) Corporations Act the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of Key Management Personnel or their Closely Related Parties.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

1. the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
 2. the person is the Chair of the Meeting and the appointment of the Chair as proxy:
 - a. does not specify the way the proxy is to vote on the Resolution; and
 - b. expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.
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2. Resolution 2 – Re-election of Mrs Karen Johnson as a Director

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

"That Mrs Karen Johnson, who retires in accordance with the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director."

Dated 14 October 2014
By Order of the Board

Damien Cronin
Company Secretary
Blue Energy Limited

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company to explain the Resolutions to be put to the Shareholders at the Meeting to be held at Ernst & Young, Level 51, 111 Eagle Street, Brisbane, Queensland on Wednesday 19 November 2014 at 11.00am (Brisbane time).

Terms and abbreviations used in this Explanatory Memorandum have the meaning given in Schedule 1.

ORDINARY BUSINESS

Financial reports

The Corporations Act requires that the Director's Report, Financial Report and the Auditor's Report be laid before Shareholders at the Meeting.

The Company's Annual Report (which includes the reports to be laid before the Meeting) was released to ASX on [23 September 2014 and is available on the Company's website at www.blueenergy.com.au.

Apart from the matters involving remuneration of the Company's Key Management Personnel which is the subject of Resolution 1, a vote of Shareholders on these reports is not required at the Meeting. However, Shareholders will be given a reasonable opportunity to raise questions and make comments on these reports at the Meeting.

Shareholders may also submit written questions to the Company's auditor, Ernst and Young Brisbane if the question is relevant to the content of the Audit Report, or the conduct of its audit of the Company's Annual Report for the year ended 30 June 2014. Relevant written questions for the auditor must be delivered by 5.00pm (Brisbane Time) on Thursday, 13 November 2014. Please send any written questions for the auditor to Tom du Preez, Partner, Ernst and Young, 111 Eagle Street, Brisbane or tom.du.preez@au.ey.com.

1. Resolution 1 –Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders for adoption. The Financial Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for specified executives and non-executive Directors.

A reasonable opportunity will be provided for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

Voting on Resolution 1

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders.

Accordingly, Resolution 1 does not bind the Directors. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

The Company will disregard votes cast on Resolution 1 by any member of the Company's Key Management Personnel or their Closely Related Parties whose remuneration is included in the Remuneration Report, unless that person does so as proxy appointed in writing which specifies how the proxy is to vote on the Resolution.

If you appoint a director or member of the key management personnel as your proxy for this resolution, you MUST direct your proxy how to vote; otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

The Chairman intends to vote all available proxies in favour of Resolution 1.

2. Resolution 2 – Re-election of Mrs Karen Johnson

Rule 6.3 of the Constitution requires that one third of the Directors must retire at each annual general meeting. Rule 6.3 also provides that any Director who so retires is eligible for re-election at the Meeting.

Pursuant to Rule 6.3 Mrs Karen Johnson will retire by rotation and offers herself for re-election. Mrs Karen Johnson was appointed a Director on 30 September 2011 and accordingly resigns and seeks re-election under Resolution 2.

Over the last 20 years Karen has held senior roles specialising in audit, assurance, technical and corporate governance consulting and financial accounting engagements within Chartered Accounting firms, public sector entities and private companies. Karen brings to the Board strong technical accounting skills through knowledge and application of Australian Accounting and Auditing Standards and an ability to quickly grasp complex business operations and identify the key risk areas for analysis, risk assessment and critical evaluation.

The Board believes that Mrs Karen Johnson has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mrs Karen Johnson.

3. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions provided below.

- (i) delivered by post to the Share Registry of the Company, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001; or
- (ii) sent by fax to the Share Registry of the Company, Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or + 61 3 9473 2555 (outside Australia); or
- (iii) online by visiting www.investorvote.com.au and logging in using the control number found on the front of your accompanying proxy form. You may also scan the QR code on the front of the accompany proxy form with your mobile device and insert your postcode. Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com.

To be effective, proxy forms must be received by the Company at its registered office or deposited at or faxed to the share registry no later than 48 hours prior to the Meeting.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Schedule 1 - Definitions

In this Explanatory Memorandum and Notice terms defined in the Employee Incentive Rights Plan or Corporations Act have the same meaning when used in this document and:

“Annual Report” means the Company’s annual report for the period ending 30 June 2014.

“ASIC” means the Australian Securities and Investments Commission.

“ASX” means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

“Board” means the board of Directors of the Company.

“Closely Related Parties” has the meaning set out in the Corporations Act.

“Company” means Blue Energy Limited ACN 054 800 378.

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

“Director” means a director of the Company.

“EST” means Eastern Standard Time, being the time in Brisbane, Queensland.

“Explanatory Memorandum” means the explanatory memorandum to this Notice.

“Key Management Personnel” has the meaning set out in the Corporations Act.

“Listing Rules” means the Listing Rules of ASX.

“Meeting” has the meaning given in the introductory paragraph of this Notice.

“Notice” means this notice of Meeting.

“Proxy Form” means the proxy form attached to the Notice.

“Resolution” means a resolution for the consideration of Shareholders at the Meeting.

“Remuneration Report” means the report of that name set out in the Annual Report.

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

“Shareholder” means a registered holder of a Share.

Words importing the singular include the plural and conversely.