
BABYLON PUMP & POWER LTD

ACN 009 436 908

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held at 32 Walters Way, Forrestfield, Western Australia on Friday, 16 April 2021 at 9:00am (WST).

This Notice of 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 on +61 8 9454 6309.

BABYLON PUMP & POWER LTD

ACN 009 436 908

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Babylon Pump & Power Ltd (**Company**) will be held at 32 Walters Way, Forrestfield, Western Australia on Friday, 16 April 2021 at 9:00am (WST) (**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 Directors have 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 Wednesday, 14 April 2021 at 4.00pm (AWST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 4.

AGENDA

1. Resolution 1 – Ratification of prior issue of Consideration Shares under Listing Rule 7.1 capacity

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 40,000,000 Shares to the Vendor each at a deemed issue price of \$0.025 as part of the consideration for the Acquisition on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Vendor or any associates of those persons.

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

- (a) 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
- (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.

2. Resolution 2 – Ratification of prior issue of Prior Placement Shares under Listing Rule 7.1 capacity

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 104,111,134 Prior Placement Shares to the Prior Placement Participants each at an issue price of \$0.025 pursuant to the Prior Placement on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Prior Placement Participants or any associates of those persons.

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

- (a) 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
- (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.

3. Resolution 3 – Ratification of prior issue of Prior Placement Shares under Listing Rule 7.1A capacity

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 67,888,866 Prior Placement Shares to the Prior Placement Participants each at an issue price of \$0.025 pursuant to the Prior Placement on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Prior Placement Participants or any associates of those persons.

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

- (a) 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

- (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.
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4. Resolution 4 – Approval to issue SPP Shortfall Shares

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, the Company approve and authorise the issue of up to 20,000,000 SPP Shortfall Shares to Canaccord Genuity (Australia) Pty Ltd or its nominees each at an issue price of \$0.025 pursuant to the Share Purchase Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Canaccord Genuity (Australia) Pty Ltd and its nominees or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

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

- (a) 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
 - (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.
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5. Resolution 5 – Approval to issue Secondary Placement Shares

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, the Company approve and authorise the issue of up to 80,000,000 Shares to the Secondary Placement Participants or their nominees each at an issue price of \$0.025 pursuant to the Secondary Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Secondary Placement Participants and their nominees or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

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

- (a) 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
- (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.

Dated 15 March 2021

BY ORDER OF THE BOARD

Michael Shelby
Executive Chairman

BABLYON PUMP & POWER LTD

ACN 009 436 908

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 32 Walters Way, Forrestfield, Western Australia on Friday, 16 April 2021 at 9:00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

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

2.1 Proxies

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, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Background

3.1 Ausblast Acquisition

The Company recently completed its acquisition of Ausblast, a specialised mining services business providing high pressure water blasting to Tier 1 clients in Western Australia via the purchase of 100% of the issued capital of Pilbara Trucks Pty Ltd (**Ausblast Acquisition**). Further details about the Ausblast Acquisition are set out in the Company's announcement on 25 February 2021.

Consideration for the Ausblast Acquisition was an upfront cash payment of \$4.4 million and 40,000,000 fully paid ordinary shares in the Company (being \$1.0 million worth of Shares each at a deemed price \$0.025 per Share) which are subject to 12 months escrow (**Consideration Shares**). A deferred payment of \$1.0million is subject to the Ausblast business achieving at least \$1 million EBITDA in FY23 (to be settled in cash or Shares at the election of the Company with the issue of Shares being subject to Shareholder approval following satisfaction of the milestone).

The Company issued the Consideration Shares on completion of the Ausblast Acquisition using its existing capacity under Listing Rule 7.1. Ratification of this issue is sought pursuant to Resolution 1.

3.2 Prior Placement

To fund the cash component of the consideration for the Ausblast Acquisition, the Company conducted the Prior Placement of 172,000,000 fully paid ordinary shares each at an issue price of \$0.025 per share (**Prior Placement Shares**) to sophisticated, professional and eligible institutional investors which raised a total of approximately \$4.3 million (before costs) (**Prior Placement**). The Prior Placement was managed by joint lead managers, Canaccord and Argonaut who received a management fee of 6% of funds raising under the Prior Placement.

The Company issued the Prior Placement Shares using its existing capacity under Listing Rules 7.1 and 7.1A. Ratification of this issue is sought pursuant to Resolutions 2 and 3.

3.3 SPP

In addition to the Prior Placement, the Company is also proposing to conduct a share purchase plan offering a minimum of 20,000,000 fully paid ordinary shares at a price of \$0.025 per share (being the same price as the Prior Placement) to existing Shareholders to raise a minimum amount of \$500,000 (**SPP**). If the Company receives applications for more than the minimum amount of \$500,000 under the SPP, the Company has reserved its rights in its sole discretion to accept oversubscriptions of up to a further \$1.5 million or to scale back applications. The Company is proposing to complete the SPP shortly after the Meeting.

The minimum amount of \$500,000 under the SPP is underwritten by Canaccord. The Company and Canaccord have agreed the SPP underwriting will be subject to Shareholder approval. If the Company receives applications for less than the minimum amount of \$500,000 under the SPP then, subject to Shareholder approval, the Company will issue up to 20,000,000 fully paid ordinary shares to Canaccord or its nominees each at a price of \$0.025 per share (**SPP Shortfall Shares**). Shareholder approval for the issue of the SPP Shortfall Shares is being sought pursuant to Resolution 4.

3.4 Secondary Placement

As announced on 25 February 2021, the Company is in the process of assessing its future funding requirements following completion of the Ausblast Acquisition. The Company is considering conducting a further placement of up to 80,000,000 fully paid ordinary Shares (**Secondary Placement Shares**) each at a price of \$0.025 per share (being the same price as the issue price pursuant to the Prior Placement) to raise a further amount of up to \$2 million (before costs) (**Secondary Placement**). Shareholder approval for the issue of the Secondary Placement Shares is being sought pursuant to Resolution 5.

4. Resolution 1 – Ratification of prior issue of Consideration Shares under Listing Rule 7.1 capacity

4.1 General

As noted in Section 3.1, the Company issued a total of 40,000,000 Consideration Shares to the Vendor as part of the consideration payable by the Company for the Ausblast Acquisition.

The Consideration Shares were issued to the Vendor using the Company's annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made (pursuant to Listing Rule 7.1 or the additional 10% capacity under Listing Rule 7.1A). If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolution 1 seeks Shareholder ratification of the issue of the Consideration Shares (which were issued pursuant to the Company's 15% capacity under Listing Rule 7.1) under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Consideration Shares.

If Resolution 1 is not passed, the issue of the Consideration Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Prior Placement Shares.

Resolution 1 is an ordinary resolution.

4.2 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) On 5 March 2021, the Company issued a total of 40,000,000 Shares, being the Consideration Shares, using its existing 15% capacity under Listing Rule 7.1.
- (b) The Consideration Shares were issued to the Vendor, CMC Industries Pty Ltd.
- (c) The Consideration Shares were issued as part of the consideration for the Ausblast Acquisition. Accordingly, no funds will be raised from the issue of the Consideration Shares. The Consideration Shares were issued at a deemed issue price of \$0.025 per Share
- (d) The Consideration Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Consideration Shares were issued pursuant to the sale agreement for the Ausblast Acquisition, the key terms of which are outlined in Section 3.1.
- (f) A voting exclusion statement is included in the Notice.

5. Resolutions 2 and 3 – Ratification of prior issue of Prior Placement Shares under Listing Rules 7.1 and 7.1A capacity

5.1 General

As noted in Section 3.2, the Company has issued a total of 172,000,000 Prior Placement Shares to the Prior Placement Participants to raise approximately \$4.3 million (before costs) (**Prior Placement**).

Funds raised under the Prior Placement were used to partially fund the cash component of the consideration payable by the Company for the Ausblast Acquisition. The Prior Placement was managed by joint lead managers, Canaccord and Argonaut, who received a management fee of 6% of funds raised under the Prior Placement.

The Prior Placement Shares were issued by the Company to the Prior Placement Participants using its annual limit permitted under Listing Rule 7.1 and the additional 10% annual limit approved by Shareholders under Listing Rule 7.1A at the Company's 2020 Annual General Meeting, without the need for Shareholder approval.

A summary of Listing Rule 7.1 is provided in Section 4.1.

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting at which shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made (pursuant to Listing Rule 7.1 or the additional 10% capacity under Listing Rule 7.1A). If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolution 2 seeks Shareholder ratification of the issue of 104,111,134 Prior Placement Shares (which were issued pursuant to the Company's 15% capacity under Listing Rule 7.1) under and for the purposes of Listing Rule 7.4. Resolution 3 seeks Shareholder ratification of the issue of 67,888,866 Prior Placement Shares (which were issued pursuant to the Company's additional 10% capacity under Listing Rule 7.1A) under and for the purposes of Listing Rule 7.4.

If Resolutions 2 and 3 are passed, the issue of the Prior Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Prior Placement Shares or during the balance of the 12 months from the date of the Company's 2020 Annual General Meeting (as applicable).

If Resolutions 2 and 3 are not passed, the issue of the Prior Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Prior Placement Shares or during the balance of the 12 months from the date of the Company's 2020 Annual General Meeting (as applicable).

Resolutions 2 and 3 are ordinary resolutions.

5.2 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) On 3 March 2021, the Company issued the Prior Placement Shares as follows:
 - (i) 104,111,134 Shares were issued pursuant to the Company's 15% capacity under Listing Rule 7.1. Ratification of the issue of these Shares is being sought pursuant to Resolution 2.
 - (ii) 67,888,866 Shares were issued pursuant to the Company's additional 10% capacity under Listing Rule 7.1A. Ratification of the issue of these Shares is being sought pursuant to Resolution 3.
- (b) The Prior Placement Shares were issued to various professional and sophisticated investors who are existing clients of Canaccord and Argonaut. None of the Prior Placement Participants are a related party or substantial holder of the Company, a member of the Company's key management personnel, an adviser to the Company, or any associates of those persons who received more than 1% of the Company's issued capital under the Prior Placement. Accordingly, none of the Prior Placement Participants are material investors for the purposes of ASX guidance note 21 paragraph 7.2.
- (c) The Prior Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Prior Placement Shares were issued at \$0.025 each.

- (e) The Prior Placement raised approximately \$4.3 million (before costs). Funds raised from the issue of the Prior Placement Shares were used to partially fund the cash component of the consideration payable by the Company for the Ausblast Acquisition.
- (f) A voting exclusion statement is included in the Notice.

6. Resolution 4 – Approval to issue SPP Shortfall Shares

6.1 General

As noted in Section 3.3, the Company is proposing to conduct the SPP.

Canaccord has agreed to underwrite the minimum amount under the SPP of \$500,000 pursuant to the terms of an underwriting agreement with the Company (**Underwriting Agreement**). The Company and Canaccord have agreed the SPP underwriting will be subject to Shareholder approval.

If the Company receives applications for less than the minimum amount of \$500,000 under the SPP, the Company will issue up to 20,000,000 SPP Shortfall Shares to Canaccord (or its nominees).

The material terms of the Underwriting Agreement are as follows:

- (a) Canaccord will fully underwrite the minimum amount under the SPP, being \$500,000.
- (b) The SPP underwriting is subject to Shareholder approval.
- (c) Canaccord will be paid an underwriting fee of 6% of the underwritten amount of the SPP and will receive a fee of 4% of the amount of any valid applications under the SPP received by the Company that are stamped by Canaccord.
- (d) Canaccord may terminate the Underwriting Agreement at any time before the issue of the SPP Shortfall Shares without cost or liability if any of the events listed in Schedule 1 occur.

Resolution 4 seeks Shareholder approval for the issue of up to 20,000,000 SPP Shortfall Shares to Canaccord (or its nominees) under and for the purposes of Listing Rule 7.1.

A summary of Listing Rule 7.1 is set out in Section 4.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the SPP Shortfall Shares and will raise up to \$500,000. In addition, the issue of the SPP Shortfall Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to issue the SPP Shortfall Shares (if any) and will seek alternative means of satisfying the Company's funding requirements.

Resolution 4 is an ordinary resolution,

6.2 Information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company may issue under Resolution 4 is 20,000,000 SPP Shortfall Shares.
- (b) The SPP Shortfall Shares will be issued to Canaccord and/or its nominees, none of whom are a related party of the Company.
- (c) The SPP Shortfall Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The SPP Shortfall Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (e) The SPP Shortfall Shares will each be issued at \$0.025.
- (f) The funds raised from the issue of the SPP Shortfall Shares will be used fund the cash component of the consideration payable by the Company for the Ausblast Acquisition and for general working capital.
- (g) The SPP Shortfall Shares will be issued pursuant to the terms of the Underwriting Agreement. A summary of the material terms of the Underwriting Agreement is set out in Section 6.1.
- (h) A voting exclusion statement is included in the Notice.

7. Resolution 5 – Approval to issue Secondary Placement Shares

7.1 General

As noted in Section 3.4, the Company is considering conducting a Secondary Placement of up to a further \$2 million (before costs) through the issue of up to 80,000,000 Secondary Placement Shares to the Secondary Placement Participants each at an issue price of \$0.025 (being the same issue price as the Prior Placement).

The Secondary Placement will not be underwritten. However, the Company's strategic adviser and Substantial (10%+) Holder, Geoff Lord, will assist the Company in coordinating the Secondary Placement. Geoff Lord will not participate in the Secondary Placement.

Resolution 5 seeks Shareholder approval for the proposed issue of up to 80,000,000 Secondary Placement Shares to the Secondary Placement Participants under and for the purposes of Listing Rule 7.1.

A summary of Listing Rule 7.1 is in Section 4.1.

The proposed issue of the Secondary Placement Shares does not fall within any of the exceptions to Listing Rule 7.1. While the issue of the Secondary Placement Shares will not exceed the 15% limit in Listing Rule 7.1 (provided Resolution 2 is passed) and can therefore be made without breaching the rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is seeking Shareholder approval of the proposed issue of the Secondary Placement Shares under Listing Rule 7.1 so that it does not use up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval of the proposed issue of the Secondary Placement Shares under and for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the proposed issue of the Secondary Placement Shares can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the proposed issue of the Secondary Placement Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue of the Secondary Placement Shares.

Resolution 5 is an ordinary resolution.

7.2 Information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company may issue under Resolution 5 is 80,000,000 Secondary Placement Shares.
- (b) The Secondary Placement Shares will be issued to various professional and sophisticated investors introduced by the Company or by the Company's adviser, Geoff Lord, none of whom will be a related party of the Company.
- (c) The Secondary Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Secondary Placement Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (e) The Secondary Placement Shares will each be issued at \$0.025.
- (f) The funds raised from the issue of the Secondary Placement Shares will be used to fund the cash component of the consideration payable by the Company for the Ausblast Acquisition, to fund asset purchases to grow the rental and services businesses, to fund part and inventory purchases to grow the diesel maintenance business and for general working capital.
- (g) A voting exclusion statement is included in the Notice.

8. Definitions

\$ means Australian Dollars.

Argonaut means Argonaut Securities Pty Limited ACN 108 330 650.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Ltd (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Ausblast means Pilbara Trucks Pty Ltd trading as Ausblast.

Ausblast Acquisition has the meaning in Section 3.1.

Canaccord means Canaccord Genuity (Australia) Pty Ltd ACN 075 071 466.

Chair means the chair of this Meeting.

Constitution means the constitution of the Company.

Company means Babylon Pump & Power Ltd ACN 009 436 908.

Consideration Shares has the meaning in Section 3.1.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Prior Placement has the meaning given in Section 3.2.

Prior Placement Participants means various professional and sophisticated investors in introduced by Canaccord and Argonaut, none of whom are a related party of the Company.

Prior Placement Shares has the meaning given in Section 3.2.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Secondary Placement has the meaning given in Section 3.4.

Secondary Placement Participants means various professional and sophisticated investors, none of whom are a related party of the Company.

Secondary Placement Shares has the meaning given in Section 3.4.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

SPP has the meaning given in Section 3.3.

SPP Shortfall Shares has the meaning given in Section 3.3.

Substantial (10%+) Holder has the same meaning as in the Listing Rules.

Underwriting Agreement has the meaning in Section 6.1.

Vendor means CMC Industries Pty Ltd ACN 149 744 454.

WST means Western Standard Time, being the time in Perth, Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Termination Events under Underwriting Agreement

The Underwriter may terminate the underwriting agreement with the Company (**Underwriting Agreement**) at any time before the issue of the underwritten shares under the SPP without cost or liability if any of the following events occur:

1. **(Delisting)** ASX advises the Company that it will be removed from the Official List or that its Shares will be delisted or suspended from Official Quotation by ASX for any reason (excluding any suspensions in place in connection with the SPP or Placement); or
2. **(Indices fall)**: any of the All Ordinaries Index or the Standard and Poors/ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement at a level that is 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
3. **(Iron Ore Price Fall)**: the Platts IODEX 62% FE CFR China index (in US Dollars per dry metric tonne), is at any time after the date of the Underwriting Agreement at a level that is 15% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
4. **(No Official Quotation)**: ASX has indicated before the Shortfall Notice Deadline Date (as that term is defined in the Underwriting Agreement) that Official Quotation will not be granted in accordance with the timetable or will be granted with such conditions attached so as to represent a Material Adverse Effect (as that term is defined in the Underwriting Agreement), having been granted, is subsequently withdrawn, withheld or qualified; or
5. **(Restriction on allotment)**: the Company is prevented from allotting the Shares under the SPP within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
6. **(Non-compliance with class orders)**: it transpires that the SPP or this offer document do not contain all the information required by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, or equivalent ASIC relief, is or becomes unavailable to the Company, or is not expected to become available to the Company; or
7. **(Misleading Share Purchase Plan)**: it transpires that there is a statement or omission made by the Company including without limitation a statement or omission in connection with the SPP or this offer document or an ASX announcement relating to the SPP or this offer document and that statement or omission is or becomes misleading or deceptive or likely to mislead or deceive; or
8. **(ASIC or other prosecution)**: ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the SPP, this offer document or the Company; or
9. **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and the Takeovers Panel elects to hear the application; or

10. **(Secondary Trading)**: it transpires that the Company is unable to issue a notice under Section 708A(6) of the Corporations Act or ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547 in relation to secondary trading of the Placement Shares or SPP Shares; or
11. **(Authorisation)**: any authorisation which is material to anything referred to in the SPP is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
12. **(Indictable offence)**: a director or a senior manager a Relevant Company (being the Company or a subsidiary of the Company (a **Relevant Company**) is charged with an indictable offence;
13. **(ASIC and ASX Waivers)** any of the ASIC Modifications or ASX Waivers obtained in satisfaction of the condition precedent in clause 2(a)(i) of the Underwriting Agreement are withdrawn, revoked or amended without the prior written approval of the Underwriter;
14. **(Termination Events)**: any of the following events occurs and such event has or is likely to have, or two or more events together have or are likely to have a Material Adverse Effect (as that term is defined in the Underwriting Agreement) or could give rise to a liability of the Underwriter under the Corporations Act or otherwise:
 - a. **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - b. **(Hostilities)** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America, Japan or the People's Republic of China;
 - c. **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - d. **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - e. **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect (as that term is defined in the Underwriting Agreement) after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast disclosed to ASX prior to the date of the Underwriting Agreement becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - f. **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the SPP or this offer document except where such statement is required by law or the Listing Rules;
 - g. **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

- h. **(error in Due Diligence Results)** it transpires that any of the Due Diligence Results (as that term is defined in the Underwriting Agreement) was false, misleading or deceptive or that there was an omission from them;
- i. **(COVID-19)**: the Underwriter believes (acting reasonably) that an adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company) has occurred as a direct or indirect result of the coronavirus disease 2019 (**COVID-19**) or the transmission of the severe acute respiratory syndrome coronavirus 2 (**SARS-CoV-2**). This includes, without limitation, an adverse change as a direct or indirect result of an outbreak of COVID-19 or the transmission of SARS-CoV-2 at any of the Company's mine sites, or the temporary, complete or partial closure of or disruption to any of those mine sites due to an outbreak of COVID-19, a transmission of SARS-CoV-2, a direction of a Governmental Agency (as that term is defined in the Underwriting Agreement), or otherwise;
- j. **(Official Quotation qualified)**: the Official Quotation (as that term is defined in the Underwriting Agreement) is qualified or conditional other than as set out in the definition of "Official Quotation";
- k. **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- l. **(Prescribed Occurrence)**: a Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs;
- m. **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- n. **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- o. **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- p. **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company, other than any claims disclosed to the ASX prior to the date of the Underwriting Agreement;
- q. **(Board and senior management composition)**: there is a change in the composition of the Board of the Company or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- r. **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- s. **(Timetable)**: there is a delay in any specified date in the Timetable in the Underwriting Agreement which is greater than 3 Business Days without the written consent of the Underwriter;

- t. **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- u. **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- v. **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the SPP or Placement except in respect of the exercise of options on issue at the date of the Underwriting Agreement;
- w. **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;
- x. **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America, the People's Republic of China or other international financial markets.
- y. **(Suspension)**: the Company is removed from the Official List or, after the date of the Underwriting Agreement, the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension; or
- z. **(Section 730 notice)** a person gives a notice to the Company under section 730 of the Corporations Act.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.00am (WST) on Wednesday, 14 April 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the General Meeting of Babylon Pump & Power Limited, to be held at **9.00am (WST) on Friday, 16 April 2021 at 32 Walters Way, Forrestfield, Western Australia** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

[illegible]

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the “for,” against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.

Resolutions		For	Against	Abstain
1.	Ratification of prior issue of Consideration Shares under Listing Rule 7.1 capacity	☐	☐	☐
2.	Ratification of prior issue of Prior Placement Shares under Listing Rule 7.1 capacity	☐	☐	☐
3.	Ratification of prior issue of Prior Placement Shares under Listing Rule 7.1A capacity	☐	☐	☐
4.	Approval to issue SPP Shortfall Shares	☐	☐	☐
5.	Approval to issue Secondary Placement Shares	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary Contact Name:	Director	Director / Company Secretary

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY)

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).