

ASX Announcement

May 28, 2020



NOTICE OF ANNUAL GENERAL MEETING

Lion Energy Limited (ASX: LIO, Lion, or the Company) wishes to announce the attached documents relating to the Annual General Meeting:

- Letter to Shareholders,
- Notice of Annual General Meeting,
- Proxy Form.

END

Authorised by:

The Company Secretary of Lion Energy Limited.

Lion at a glance

- ASX listed oil and gas E&P company focused on Indonesia; two conventional PSC's.
- Net production of around 50bopd from the Seram PSC which also contains the Lofin gas/condensate discovery.
- New focus on production opportunities in Southeast Asia, initial focus on Seram Island.
- Executive team and strategic investors with impressive track records for value creation in Indonesia.

Contact

Lion Energy Limited

ABN 51 000 753 640

ASX Code: LIO

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Australia

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www.lionenergy.com.au

Directors & Officers

Tom Soulsby	Executive Chairman
Damien Servant	Executive Director
Russell Brimage	Non-Executive Director
Chris Newton	Non-Executive Director
Zane Lewis	Non-Executive Director & Company Secretary
Arron Canicais	Company Secretary

For more information contact

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Dear Shareholder

Lion Energy Limited is convening an Annual General Meeting of shareholders to be held on Tuesday, 29 June 2021 at 10:00am WST (**Meeting**).

The Australian Securities and Investments Commission (**ASIC**) has adopted a temporary 'no-action' position in relation to the convening and holding of shareholder meetings. The position follows on from the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020* which expired on 21 March 2021. ASIC's 'no action' policy addresses, amongst other things, companies providing shareholders with details of an online location where the contents of a notice of meeting can be viewed and downloaded.

Accordingly, the Company is not sending hard copies of the Meeting materials to members. Instead, a copy of the Meeting materials can be viewed and downloaded online as follows:

- You can access the Meeting materials online at the Company's website: <http://lionenergy.com.au/investor-dashboard/asx-announcements/>
- 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 "LIO".

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Computershare Investor Services Pty Ltd by:

Shareholders are encouraged to vote online at www.investorvote.com.au or by returning the attached proxy form by:

Post to: Computershare Investor Services Pty Limited GPO Box 242 Melbourne Vic 3001

Or

Fax to: 1800 783 447 within Australia or +61 3 9473 2555 outside Australia

The Company intends to hold a physical meeting.

However, in order to minimise the risk to shareholders and to the Company and its ongoing operations, Shareholders are encouraged to vote by proxy instead of attending the meeting.

The Board will continue to monitor Australian Government restrictions on public gatherings.

The situation is constantly evolving and accordingly we may make alternative arrangements to the way in which the Meeting is held. If this occurs, we will notify any changes by way of announcement on ASX and the details will also be made available on our website.

The Meeting materials are important and should be read in their entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours sincerely

Tom Soulsby
Executive Chairman
Lion Energy Limited



**Lion Energy Limited
ACN 000 753 640**

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at Suite 1, 295 Rokeby Road Subiaco, Western Australia on Tuesday 29th June 2021 at 10:00am (WST).

THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN-PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN-PERSON MEETING, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional adviser prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company on (08) 9211 1500.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice.

Lion Energy Limited
ACN 000 753 640
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Lion Energy Limited (**Company**) will be held at Suite 1, 295 Rokeby Road Subiaco, Western Australia on Tuesday 29th June 2021 at 10:00am (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person. Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <http://www.lionenergy.com.au/> and the ASX announcement platform.

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 Shareholders at 5.00pm (WST) on 27th June 2021.

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

Terms and abbreviations used in the Notice are defined in the Schedule.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: there is no requirement for Shareholders to approve the Annual Report.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'

Note: a vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Director - Thomas Soulsby

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

'That, Thomas Soulsby, who retires in accordance with Article 7.2(a) of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Re-election of Director - Damien Servant

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

'That, Damien Servant, who retires in accordance with Article 7.2(a) of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Re-election of Director - Russell Brimage

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

'That, Russell Brimage, who retires in accordance with Article 7.2(a) of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval of new Employee Securities Incentive Plan

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

'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the new employee securities incentive scheme of the

Company known as the Lion Energy Limited Employee Securities Incentive Plan and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval of potential termination benefits under the Plan

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

'That, conditional on Resolution 6 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Lion Energy Limited Employee Securities Incentive Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval of issue of Director Performance Rights

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

'That, conditional on Resolution 6 being approved and pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Performance Rights to the Directors (or their respective nominees) under the Plan as follows:

- (a) *up to 8,000,000 Performance Rights to Thomas Soulsby;*
- (b) *up to 5,000,000 Performance Rights to Damien Servant;*
- (c) *up to 1,500,000 Performance Rights to Russell Brimage;*
- (d) *up to 1,500,000 Performance Rights to Christopher Newton; and*
- (e) *up to 1,500,000 Performance Rights to Zane Lewis,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 – Ratification of issue of Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 31,100,000 Placement Shares on the terms and conditions in the Explanatory Memorandum.'

Resolution 10 – Approval of issue of Placement Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes,

Shareholders approve the issue of up to 31,100,000 Placement Options on the terms and conditions in the Explanatory Memorandum.'

Resolution 11 – Approval of issue of Director Placement Securities

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of the Director Placement Securities to the Directors (or their respective nominees) as follows:

- (a) *up to 3,333,333 Director Placement Shares and 3,333,333 Director Placement Options to Thomas Soulsby;*
- (b) *up to 1,666,667 Director Placement Shares and 1,666,667 Director Placement Options to Damien Servant;*
- (c) *up to 1,666,667 Director Placement Shares and 1,666,667 Director Placement Options to Russell Brimage;*
- (d) *up to 1,666,667 Director Placement Shares and 1,666,667 Director Placement Options to Christopher Newton; and*
- (e) *up to 3,333,333 Director Placement Shares and 3,333,333 Director Placement Options to Zane Lewis,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 12 – Approval of issue of Conversion Securities on conversion of Convertible Notes

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 51,697,144 Shares and 51,697,144 Options on conversion of the Convertible Notes, on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 13 – Approval of issue of LM Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 LM Options to the Lead Manager (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 5 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any persons who are 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 Shareholder), or any of their respective associates;
- (b) Resolution 6 by or on behalf of a person who is eligible to participate in the Plan, or any of their respective associates;
- (c) Resolution 8(a), Resolution 8(b), Resolution 8(c), Resolution 8(d), or Resolution 8(e) by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates;
- (d) Resolution 9 by or on behalf of a person who participated in the issue of the Placement Shares, or any of their respective associates;
- (e) Resolution 10 by or on behalf of a 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 Shareholder), or any of their respective associates;
- (f) Resolution 11(a) by or on behalf of Thomas Soulsby (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (g) Resolution 11(b) by or on behalf of Damien Servant (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (h) Resolution 11(c) by or on behalf of Russell Brimage (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (i) Resolution 11(d) by or on behalf of Christopher Newton (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (j) Resolution 11(e) by or on behalf of Zane Lewis (and his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (k) Resolution 12 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Conversion Securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and

- (l) Resolution 13 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the LM Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 8(a), (b), (c), (d) and (e): In accordance with sections 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in respect of Resolution 8(a), (b), (c), (d) and (e), in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: if the Chair is a person referred to in the voting prohibition statement above (section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution. If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD

Arron Canicaïs
Company Secretary
Lion Energy Limited
Dated: 25 May 2021

Lion Energy Limited
ACN 000 753 640
(Company)

Explanatory Memorandum

1. Introduction

The 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 Suite 1, 295 Rokeby Road Subiaco, Western Australia on Tuesday 29th June 2021 at 10:00am (WST) **(Meeting)**.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director - Thomas Soulsby
Section 6	Resolution 3 – Re-election of Director - Damien Servant
Section 7	Resolution 4 – Re-election of Director - Russell Brimage
Section 8	Resolution 5 – Approval of 10% Placement Facility
Section 9	Resolution 6 – Approval of new Employee Securities Incentive Plan
Section 10	Resolution 7 – Approval of potential termination benefits under the Plan
Section 11	Resolution 8 – Approval of issue of Director Performance Rights
Section 12	Resolution 9 – Ratification of issue of Placement Shares
Section 13	Resolution 10 – Approval of issue of Placement Options
Section 14	Resolution 11 – Approval of issue of Director Placement Securities
Section 15	Resolution 12 – Approval of issue of Conversion Securities on conversion of Convertible Notes
Section 16	Resolution 13 – Approval of issue of LM Options

Schedule 1	Definitions
Schedule 2	Summary of Employee Securities Incentive Plan
Schedule 3	Terms and Conditions of Director Performance Rights
Schedule 3	Terms and Conditions of Director Performance Rights
Schedule 4	Valuation of Director Performance Rights
Schedule 6	Terms and Conditions of Convertible Notes

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

2. Voting and attendance information

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

2.1 Impact of COVID-19 on the 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.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

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 ASX announcement.

2.2 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.3 Voting by proxy

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

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

- (ii) a proxy need not be a member of the Company; and
- (iii) 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.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, Resolution 6, Resolution 7 and Resolution 8(a), (b), (c), (d) and (e), even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form for that Resolution.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at acanicais@lionenergy.com.au by 24th June 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://lionenergy.com.au/investor-dashboard/asx-announcements/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

4. Resolution 1 – Remuneration Report

4.1 General

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting held on 30 July 2020. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

4.2 Additional information

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Re-election of Director - Thomas Soulsby

5.1 General

Article 7.2(a) of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or three years, whichever is longer.

Article 7.3 of the Constitution provides that a Director who retires in accordance with Article 7.2(a) holds office until the conclusion of the Meeting but is eligible for re-election.

Thomas Soulsby, Executive Chairman, was last elected at the annual general meeting held on 31 May 2018. Accordingly, Mr Soulsby retires at this Meeting and, being eligible, seeks re-election pursuant to this Resolution 2.

If elected, Mr Soulsby is not considered to be an independent Director, as he is an executive Director.

5.2 Thomas Soulsby

Mr Soulsby is the CEO of Risco Energy and has over 20 years' experience in the oil and gas and resources sector spanning investment banking, corporate business development and management/leadership roles.

A graduate of Swinburne (B.Bus Accounting) and Monash Universities (Grad Dip Arts (Asian Studies)), he initially worked as an accountant, starting his career at KPMG and Western Mining. Mr Soulsby then moved to Potter Warburg (now UBS) in Melbourne as a resources equity research analyst. He subsequently joined ANZ in Melbourne, before being posted to Jakarta and ultimately Singapore as director of corporate finance and merchant banking. As a Director at Indonesian listed Energi Mega Persada (EMP) from 2003 to 2008, he was responsible for the acquisition of assets which added 525 MMboe to EMP's 2P reserves – a key growth driver for the company.

Mr Soulsby has been instrumental in securing backing for Risco prior to its incorporation in 2010, as well as growing the company and its capabilities in his role of Chief Executive Officer. Under leadership of Mr Soulsby, Risco has participated in and funded over US\$500m in successful transactions since 2010. He led the significant valuation creation, and subsequent monetisation, of Risco's first South East Asian oil and gas conventional and unconventional portfolio in 2013.

Except as set out above, Mr Soulsby does not currently hold any other material directorships.

The Company confirms that it took appropriate checks into Mr Soulsby's background and experience and that these checks did not identify any information of concern.

5.3 Board recommendation

On the basis of Mr Soulsby's skills, qualifications and experience and his contributions to the Board's activities, the Board (other than Mr Soulsby who has a personal interest in the outcome of this Resolution) recommends Shareholders vote in favour of the re-election of Mr Soulsby

5.4 Additional information

Resolution 2 is an ordinary resolution.

The Board (other than Mr Soulsby who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of this Resolution.

6. Resolution 3 – Re-election of Director - Damien Servant

6.1 General

A summary of Articles 7.2(a) and 7.3 and Listing Rule 14.4 is in Section 5.1 above.

Damien Servant, Executive Director, was last elected at the annual general meeting held on 31 May 2018. Accordingly, Mr Servant retires at this Meeting and, being eligible, seeks re-election pursuant to this Resolution 3.

If elected, Mr Servant is not considered to be an independent Director, as he is an executive Director.

6.2 Damien Servant

Mr Servant has more than a decade of experience in investment banking in South East Asia, with expertise in regional oil and gas asset debt funding. A background in engineering compliments Mr Servant's extensive regional investment banking experience.

Starting his investment-banking career with BNP Paribas, Mr Servant then joined Merrill Lynch as a director of Debt Capital Markets Division in Singapore. He went on to become a Director of Standard Merchant Bank's Debt Products Group before joining Risco Energy in 2013 where he was CFO. Mr Servant holds an engineering degree from École Nationale Supérieure des Télécommunications and a Master of Finance from University Paris Dauphine.

Except as set out above, Mr Servant does not currently hold any other material directorships.

The Company confirms that it took appropriate checks into Mr Servant's background and experience and that these checks did not identify any information of concern.

6.3 Board recommendation

On the basis of Mr Servant's skills, qualifications and experience and his contributions to the Board's activities, the Board (other than Mr Servant, who has a personal interest in the outcome of this Resolution) recommends Shareholders vote in favour of the re-election of Mr Servant.

6.4 Additional information

Resolution 3 is an ordinary resolution.

The Board (other than Mr Servant who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of this Resolution.

7. Resolution 4 – Re-election of Director - Russell Brimage

7.1 General

A summary of Articles 7.2(a) and 7.3 and Listing Rule 14.4 is in Section 5.1 above.

Russell Brimage, Non-Executive Director, was last elected at the annual general meeting held on 31 May 2018. Accordingly, Mr Brimage retires at this Meeting and, being eligible, seeks re-election pursuant to this Resolution 4.

If elected, the Board does not consider Mr Brimage to be an independent Director, as he has and will receive performance-based remuneration from the Company.

7.2 Russell Brimage

Mr Brimage has in excess of 40 years' of experience in the upstream oil and gas industry, in public listed oil and gas companies and the service industry, both onshore and offshore.

In the service industry, founder and Managing Director of Oilserv Australia in 1982 – the company became a dominant service contractor in Australia providing contract field

operations, testing and wire-line services, facility design and construction, and drilling and work-over services.

In the public company arena, demonstrated capability in capacity as CEO to secure and develop producing assets, often via industry countercyclical transactions, to transform companies from zero revenue to positive cashflow and profitability, with successful outcomes in Indonesia and the state and federal shallow waters of the US Gulf Coast.

As CEO of an ASX listed entity, early mover in identifying shale opportunities in the US with the farm-in to approximately 60,000 acres in the Niobrara shale play in the states of Colorado and Wyoming in August 2009.

Except as set out above, Mr Brimage does not currently hold any other material directorships.

The Company confirms that it took appropriate checks into Mr Brimage's background and experience and that these checks did not identify any information of concern.

7.3 Board recommendation

On the basis of Mr Brimage's skills, qualifications and experience and his contributions to the Board's activities, the Board (other than Mr Brimage, who has a personal interest in the outcome of this Resolution) recommends Shareholders vote in favour of the re-election of Mr Brimage.

7.4 Additional information

Resolution 4 is an ordinary resolution.

The Board (other than Mr Brimage who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of this Resolution.

8. Resolution 5 – Approval of 10% Placement Facility

8.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 5 seeks Shareholder approval to provide the Company with the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 8.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval in Listing Rule 7.1.

8.2 Listing Rule 7.1A

(a) **Is the Company an eligible entity?**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$15.264 million, based on the closing price of Shares (\$0.064) on 12 May 2021.

(b) **What Equity Securities can be issued?**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A = is the number of Shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the Relevant Period; or

(2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

(D) plus the number of partly paid Shares that became fully paid Shares in the Relevant Period;

(E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and

(F) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D = is 10%.

E = is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rules 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per Equity Security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 8.2(e)(i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of Resolution 5?

The effect of Resolution 5 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

8.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 8.2(f) above).

(b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 8.2(e) above).

(c) Purposes of issues under the 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in

accordance with the formula in Listing Rule 7.1A.2 (see Section 8.2(c) above) as at the date of this Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.032 50% decrease in Current Market Price	\$0.064 Current Market Price	\$0.128 100% increase in Current Market Price
238,501,790 Shares Variable A	10% Voting Dilution	23,850,179 Shares	23,850,179 Shares	23,850,179 Shares
	Funds raised	\$763,206	\$1,536,411	\$3,052,823
357,752,685 Shares 50% increase in Variable A	10% Voting Dilution	35,775,269 Shares	35,775,269 Shares	35,775,269 Shares
	Funds raised	\$1,144,809	\$2,289,617	\$4,579,234
477,003,580 Shares 100% increase in Variable A	10% Voting Dilution	47,700,358 Shares	47,700,358 Shares	47,700,358 Shares
	Funds raised	\$1,526,411	\$3,052,823	\$6,105,646

Notes:

1. The table has been prepared on the following assumptions:
 - (a) The issue price is the current market price (\$0.064), being the closing price of the Shares on ASX on 12 May 2021, being the latest practicable date before this Notice was prepared.
 - (b) Variable A comprises of 238,501,790 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
 - (c) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (d) No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
 - (e) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

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

(f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 30 July 2020.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued or agreed to issue Nil Equity Securities under Listing Rule 7.1A.

(g) Voting exclusion statement

At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

8.4 Additional information

Resolution 5 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 5.

9. Resolution 6 – Approval of new Employee Securities Incentive Plan

9.1 General

The Company considers that it is desirable to adopt a new employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 6 seeks Shareholder approval for the adoption of the new employee incentive scheme titled the Lion Energy Limited Employee Securities Incentive Plan (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 2.

If Resolution 6 is passed, the Company will be able to issue Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking Shareholder approval for the proposed issue of the Director Performance Rights pursuant to the Plan under Resolution 8(a),(b),(c),(d) and(e).

If Resolution 6 is not passed, the Company will not be able to adopt the Plan.

9.3 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) A summary of the material terms of the Plan is in Schedule 2.
- (b) This is the first time the Company is seeking Shareholder approval of the Plan and no Equity Securities have been issued under the Plan as at the date of this Notice.
- (c) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 6 is 23,850,179 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises 10% of the Company's Equity Securities currently on issue.
- (d) A voting exclusion statement is included in the Notice.

9.4 Additional information

Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 6 due to their personal interests in the outcome of the Resolution.

10. Resolution 7 – Approval of potential termination benefits under the Plan

10.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 7.

If Resolution 7 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

10.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 6, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

10.3 Valuation of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

10.4 Additional information

Resolution 7 is conditional on the passing of Resolution 6. If Resolution 6 is not approved at the Meeting, Resolution 7 will not be put to the Meeting.

Resolution 7 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 7 due to their potential personal interests in the outcome of the Resolution.

11. Resolution 8 – Approval of issue of Director Performance Rights

11.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 17,500,000 Performance Rights to the Directors (or their respective nominees) as follows:

- (a) up to 8,000,000 Performance Rights to Thomas Soulsby;
- (b) up to 5,000,000 Performance Rights to Damien Servant;
- (c) up to 1,500,000 Performance Rights to Russell Brimage;
- (d) up to 1,500,000 Performance Rights to Christopher Newton; and
- (e) up to 1,500,000 Performance Rights to Zane Lewis,

(together, the **Director Performance Rights**).

The Director Performance Rights will vest in the following proportions, as outlined below:

Tranche	Percentage of Director Performance Rights	Vesting Condition
Tranche A	15%	30 Day Average Closing Price of \$0.04
Tranche B	15%	30 Day Average Closing Price of \$0.08
Tranche C	20%	30 Day Average Closing Price of \$0.12
Tranche D	25%	30 Day Average Closing Price of \$0.16
Tranche E	25%	30 Day Average Closing Price of \$0.20

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the Director Performance Rights seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 8(a), (b), (c), (d) and (e) seeks Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of the Director Performance Rights to the Directors (or their respective nominees) under the Plan.

11.2 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship with the entity or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by Shareholders.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Director Performance Rights to the Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1 or the maximum permitted number of Equity Securities issued under Listing Rule 7.2, exception 13(b).

The effect of Shareholders passing Resolution 8(a), (b), (c), (d) and (e) will be to allow the Company to issue the Director Performance Rights to the Directors (or their respective nominees).

If Resolution 8(a), (b), (c), (d) and (e) is not passed, the Company will not be able to proceed with the issue of the Director Performance Rights, and the Company will have to consider alternative commercial means to incentivise its Directors.

11.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Performance Rights:

- (a) The Director Performance Rights will be issued under the Plan to Thomas Soulsby, Damien Servant, Russell Brimage, Christopher Newton and Zane Lewis (or their respective nominees).
- (b) The Directors fall into the category stipulated by Listing Rule 10.14.1 by virtue of being Directors of the Company.

- (c) A maximum of 17,500,000 Director Performance Rights will be issued to the Directors (or their respective nominees) in the manner and proportions set out in Section 11.1 above.
- (d) The current total annual remuneration package for each of the Directors as at the date of this Notice are set out below:

Related Party	Salary and fees
Thomas Soulsby ¹	US\$202,500
Damien Servant ²	US\$142,500
Russell Brimage	US\$43,200
Christopher Newton	US\$43,200
Zane Lewis	US\$43,200

Notes:

- Of Mr Thomas Soulsby's total fees of \$202,500, \$141,750 of fees are paid out of the East Seram Joint Operation, which is jointly funded by the Consolidated Entity and the Joint Venture Partner. The total fees attributable to the Consolidated Entity per year is US \$145,800.
 - Of Mr Damien Servant's total fees of \$142,500, \$71,250 of fees are paid out of the East Seram Joint Operation, which is jointly funded by the Consolidated Entity and the Joint Venture Partner. The total fees attributable to the Consolidated Entity per year is US \$114,000.
- (e) No Equity Securities have previously been issued under the Plan.
- (f) The Director Performance Rights will be issued on the terms and conditions in Schedule 3.
- (g) The Board considers that Performance Rights, rather than Shares or Options, are an appropriate form of incentive because they reward the Directors for achievement of sustained growth in the value of the Company.
- (h) Using a Monte Carlo valuation model, the Company's valuation of the Director Performance Rights is in Schedule 4, with a summary for each Director below:

Director	Value of Director Performance Rights	
	Number of Director Performance Rights	Total Value of Director Performance Rights
Thomas Soulsby	8,000,000	\$443,000
Damien Servant	5,000,000	\$276,875

Director	Value of Director Performance Rights	
	Number of Director Performance Rights	Total Value of Director Performance Rights
Russell Brimage	1,500,000	\$83,063
Christopher Newton	1,500,000	\$83,063
Zane Lewis	1,500,000	\$83,063

- (i) The Director Performance Rights will be issued to the Directors (or their respective nominees) as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (j) The Director Performance Rights will be issued for nil cash consideration and will be provided as an incentive component to the Directors' remuneration packages.
- (k) A summary of the material terms of the Plan is in Schedule 2.
- (l) No loan will be provided to the Directors in relation to the issue of the Director Performance Rights.
- (m) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

11.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Director Performance Rights constitutes giving a financial benefit to related parties of the Company.

Given the personal interests of all the Directors in the outcome of this Resolution, the Board is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the

issue of the Director Performance Rights. Notwithstanding that the issue of the Director Performance Rights is considered by the Board as reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act, the Board considers that there may be potential conflicts of interest should Shareholder approval not be sought.

11.5 Information required under Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Performance Rights:

(a) **Identity of the related parties to whom Resolution 8(a), (b), (c), (d) and (e) permit financial benefits to be given**

Refer to Section 11.3(a) above.

(b) **Nature of the financial benefit**

Resolution 8(a), (b), (c), (d) and (e) seeks Shareholder approval to allow the Company to issue the Director Performance Rights in the amounts specified in Section 11.1 above to the Directors (or their respective nominees).

The Director Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 3.

The Shares to be issued upon conversion of the Director Performance Rights will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Director recommendations**

The Board declines to make a recommendation to Shareholders in relation to Resolution 8(a), (b), (c), (d) and (e) due to their personal interests in the outcome of the Resolutions.

(d) **Valuation of financial benefit**

Refer to Section 11.3(h) above.

(e) **Remuneration of Directors**

Refer to Section 11.3(d) above.

(f) **Existing relevant interests of Directors**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Options	Performance Rights
Thomas Soulsby ¹	797,340	Nil	Nil

Director	Shares	Options	Performance Rights
Damien Servant ²	100,000	Nil	Nil
Russell Brimage ³	5,061,637	Nil	Nil
Christopher Newton ⁴	437,340	Nil	Nil
Zane Lewis ⁵	1,019,567	Nil	Nil

Notes:

1. Shares are held directly by Thomas Soulsby.
2. Shares are held directly by Damien Servant.
3. Shares are held by Pouvoir Pty Ltd, an entity of which Mr Brimage is a director and shareholder.
4. Shares are held directly by Christopher Newton.
5. Shares are held as follows:
 - (a) 719,567 Shares are held by Mr Zane Robert Lewis, an entity in which Mr Lewis has a relevant interest;
 - (b) 200,000 Shares are held by Odds On Pty Ltd <Odds On Super Fund A/C>, an entity in which Mr Lewis has a relevant interest; and
 - (c) 100,000 Shares are held by Smallcap Corporate Pty Ltd, an entity in which Mr Lewis has a relevant interest.

Assuming that each of the resolutions which form part of Resolution 8, and Resolution 11 for the issue of the Director Placement Shares, are approved by Shareholders, all of the Director Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options or Performance Rights held by the Directors as at the date of this Notice), the respective interests of the Directors in the Company would be as follows:

- (i) Thomas Soulsby's interest would represent approximately 0.33% of the Company's issued Share capital;
- (ii) Damien Servant's interest would represent approximately 0.04% of the Company's issued Share capital;
- (iii) Russell Brimage's interest would represent approximately 2.12% of the Company's issued Share capital;
- (iv) Christopher Newton's interest would represent approximately 0.18% of the Company's issued Share capital; and
- (v) Zane Lewis's interest would represent approximately 0.43% of the Company's issued Share capital.

(g) **Dilution**

The issue of the Director Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Performance Rights vest and are exercised. The potential dilution effect is summarised below:

Director Performance Rights	Dilutionary Effect
Tranche A	1.10%
Tranche B	1.10%
Tranche C	1.47%
Tranche D	1.83%
Tranche E	1.83%

The above table assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Performance Rights. The exercise of all of the Director Performance Rights will result in a total dilution of all other Shareholders' holdings of 7.34% on a fully diluted basis (assuming that all Options and Performance Rights are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.098 per Share on 5 May 2021

Lowest: \$0.014 per Share on various dates including 17 June 2020, 16 July 2020 and 27 October 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.054 per Share on 24 May 2021.

(i) **Corporate governance**

Thomas Soulsby and Damien Servant are executive Directors of the Company and therefore the Board (other than Thomas Soulsby and Damien Servant) believe that the grant of the Director Performance Rights is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Board acknowledges that the grant of the Director Performance Rights to Russell Brimage, Christopher Newton and Zane Lewis, the non-executive Directors, is contrary to Recommendation 8.2 of the Recommendations. However, the Board considers the grant of the Director Performance Rights to the non-executive Directors to be reasonable in the circumstances for the reasons provided in Section 11.1 above. The Board also considers that the grant does not affect the independence of the

Directors as there is no performance based milestones (other than Share price performance) attaching to the Director Performance Rights.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Performance Rights (including fringe benefits tax).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 8(a),(b),(c),(d) and (e).

11.6 **Additional information**

Each of the resolutions which forms part of Resolution 8 are conditional on the passing of Resolution 6. If Resolution 6 is not approved at the Meeting, the resolutions which form Resolution 8 will not be put to the Meeting.

Each of the resolutions which forms part of Resolution 8 is an ordinary resolution.

The Board declines to make a recommendation in relation to each of the resolutions which form part of Resolution 8 due to their personal interests in the outcome of the Resolution.

12. **Resolution 9 – Ratification of issue of Placement Shares**

12.1 **General**

On 23 April 2021, the Company announced a capital raising of \$2,800,000 (before costs). The capital raising is comprised of the following three tranches:

- (a) the issue of 31,100,000 Shares to unrelated parties at an issue price of \$0.03 per Share (**Placement Shares**), with one free-attaching Option for every one Placement Share issued (**Placement Options**);
- (b) the issue of 11,666,667 Shares to Directors (or their nominees) at an issue price of \$0.03 per Share (**Director Placement Shares**), with one free-attaching Option for every one Director Placement Share issued (**Director Placement Options**); and
- (c) the issue of 1,517,000 Convertible Notes, convertible into Shares at a conversion price of \$0.03, with one free-attaching Option for every one Share issued on conversion,

(collectively, the **Placement**).

On 29 April 2021, the Company issued the Placement Shares using the Company's placement capacity under Listing Rule 7.1.

Resolution 9 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

12.2 Listing Rules 7.1 and 7.4

A summary of Listing Rule 7.1 is in Section 9.2 above.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 9 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 9 is passed, 31,100,000 Placement 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 issue date.

If Resolution 9 is not passed, 31,100,000 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 31,100,000 Equity Securities for the 12 month period following the issue of the Placement Shares.

12.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to sophisticated and professional investors, none of whom is a related party of the Company or a Material Investor. The placement participants were introduced to the Company from existing contacts of the Lead Manager.
- (b) 31,100,000 Placement Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.
- (c) The 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 Placement Shares were issued on 29 April 2021.
- (e) The Placement Shares were issued at \$0.03 each.
- (f) The proceeds from the issue of the Placement Shares have been or are intended to be used to:
 - (i) complete the onshore seismic operations in the East Seram PSC;
 - (ii) undertake hydrogen studies in Indonesia;

- (iii) explore business opportunities in green hydrogen in Australia; and
- (iv) provide general working capital.
- (g) One free-attaching Option is proposed to be issued for every one Placement Share issued, subject to the receipt of Shareholder approval of Resolution 10. There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

12.4 Additional information

Resolution 9 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 9.

13. Resolution 10 – Approval of issue of Placement Options

13.1 General

The background to the proposed issue of the Placement Options is in Section 12.1 above.

Resolution 10 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 31,100,000 free-attaching Placement Options.

13.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 9.2 above.

The effect of Shareholders passing Resolution 10 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 10 is passed, the Company will be able to proceed with the issue of the Placement Options.

If Resolution 10 is not passed, the Company may continue to proceed with the issue of the Placement Options by using its 15% placement capacity permitted under Listing Rule 7.1 or will otherwise be required to reach a commercial agreement with the placement participants. The number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, will be reduced to the extent of 31,100,000 Equity Securities for the 12 month period following the issue of the Placement Options.

13.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Placement Options:

- (a) The Placement Options will be issued to the persons who were issued Placement Shares, as described in Section 12.3(a).
- (b) A maximum of 31,100,000 Placement Options will be issued.

- (c) The Placement Options will be exercisable at \$0.04 each and will expire 2 years from the date of issue and are otherwise subject to the terms and conditions in Schedule 1.
- (d) The Placement Options will be issued no later than 3 months after the date of the Meeting.
- (e) The Placement Options are proposed to be issued for nil cash consideration as they are free-attaching to the Placement Shares. Accordingly, no funds will be raised from the issue of the Placement Options.
- (f) A summary of the intended use of funds raised from the Placement is in Section 12.3(f) above. No additional funds will be raised by the issue of the Placement Options.
- (g) There are no other material terms to the agreement for the issue of the Placement Options.
- (h) A voting exclusion statement is included in the Notice.

13.4 Additional information

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

14. Resolution 11 – Approval of issue of Director Placement Securities

14.1 General

The background to the proposed issue of the Director Placement Securities is in Section 12.1 above.

Resolution 11(a), (b), (c), (d) and (e) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 11,666,667 Director Placement Shares and Director Placement Options (together, the **Director Placement Securities**) to the Directors (or their respective nominees).

The Directors have committed a total of \$350,000 under the Placement. The Director Placement Securities will be issued in the following proportions:

Director	Amount committed to the Placement (\$)	Number of Director Placement Shares	Number of Director Placement Options
Thomas Soulsby	\$100,000	3,333,333	3,333,333
Damien Servant	\$50,000	1,666,667	1,666,667
Russell Brimage	\$50,000	1,666,667	1,666,667
Christopher Newton	\$50,000	1,666,667	1,666,667

Director	Amount committed to the Placement (\$)	Number of Director Placement Shares	Number of Director Placement Options
Zane Lewis	\$100,000	3,333,333	3,333,333
TOTAL	\$350,000	11,666,667	11,666,667

14.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Directors are related parties of the Company by virtue of being Directors. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Securities as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Securities to the Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 11(a), (b), (c), (d) and (e) will be to allow the Company to issue the Director Placement Securities, raising \$350,000 (before costs).

If Resolution 11(a), (b), (c), (d) and (e) are not passed, the Company will not be able to proceed with the issue of the Director Placement Securities, and will not receive the additional \$350,000 committed by the Directors.

14.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Securities:

- (a) The Director Placement Securities will be issued to Thomas Soulsby, Damien Servant, Russell Brimage, Christopher Newton and Zane Lewis (or their respective nominees).
- (b) The Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) A maximum of 23,333,334 Director Placement Securities will be issued to the Directors (or their respective nominees) in the manner and form set out in Section 14.1 above.
- (c) The Director Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Director Placement Options will be exercisable at \$0.04 each and will expire 2 years from the date of issue. The Director Placement Options are subject to the terms and conditions in Schedule 1.
- (d) The Director Placement Securities will be issued no later than one month after the date of the Meeting.
- (d) The Director Placement Shares are proposed to be issued at an issue price of \$0.03 each, being the same price at which the Placement Shares were issued. The Director Placement Options are proposed to be issued for nil cash consideration as they are free-attaching to the Director Placement Shares. Accordingly, no funds will be raised from the issue of the Director Placement Options.
- (e) A summary of the intended use of funds raised from the Placement is in Section 12.3(f) above.
- (e) The proposed issue of the Director Placement Securities are not intended to remunerate or incentivise the Directors.
- (f) There are no other material terms to the proposed issue of the Director Placement Securities.
- (g) A voting exclusion statement is included in the Notice.

14.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Director Placement Securities constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Securities because the Securities will be issued on the same terms as those Securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

14.5 Additional information

Each of the resolutions which forms part of Resolution 11 is an ordinary resolution.

The Board declines to make a recommendation in relation to each of the resolutions which form part of Resolution 11 due to their personal interests in the outcome of the Resolution.

15. Resolution 12 – Approval of issue of Conversion Securities on conversion of Convertible Notes

15.1 General

The background to the issue of the Convertible Notes is in Section 12.1 above.

As part of the Placement, the Company issued 1,517,000 convertible notes with a face value of \$1.00 each (**Convertible Notes**) to raise \$1,517,000 (before costs). The Convertible Notes accrue interest at a rate of 12% per annum.

The Convertible Notes were issued on 29 April 2021 as debt instruments and not Equity Securities as they cannot be converted into Shares unless Shareholder approval is obtained.

Resolution 12 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 51,697,144 Shares and 51,697,144 Options (together, **Conversion Securities**) on conversion of the Convertible Notes and repayment of accrued interest in the form of Shares and Options, as follows:

	Value	Conversion Securities	
		Shares	Options
Face value	\$1,517,000	50,566,667	50,566,667
Maximum interest*	\$33,914	1,130,477	1,130,477
Total	\$1,550,914	51,697,144	51,697,144

* Assumes conversion of the Convertible Notes occurs on 6 July 2021 (being the date which is 5 business days after the date of the Meeting) and that all accrued interest is settled by the issue of Shares and Options.

The terms and conditions of the Convertible Notes (summarised in Schedule 6) provide for the mandatory conversion of the Convertible Notes into Shares within 5 business days after Shareholder approval is obtained in respect of this Resolution 12. The relevant conversion

price of the Convertible Notes is the same price as the Shares issued under the Placement, being \$0.03 each.

15.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 9.2 above.

If Resolution 12 is passed, the Convertible Notes will be converted into the Conversion Securities in accordance with the terms and conditions in Schedule 6.

If Resolution 12 is not passed, then:

- (a) the Convertible Notes will not be converted into the Conversion Securities; and
- (b) the Company must repay the Convertible Notes at their face value of \$1.00 per Convertible Note plus accrued interest to the relevant subscriber, in accordance with the terms and conditions summarised in Schedule 6.

15.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Convertible Securities on conversion of the Convertible Notes:

- (a) The Conversion Securities will be issued to the holders of the Convertible Notes. The Convertible Notes were issued to sophisticated and professional investors known to the Company, some of which were existing Shareholders, and some of which were new Shareholders. No Material Investor participated in the issue of the Convertible Notes.
- (b) A maximum of 51,697,144 Shares and 51,697,144 Options will be issued on conversion of the Convertible Notes.
- (c) A summary of the material terms of the Convertible Notes is in Schedule 6. The Shares issued on conversion of the Convertible Notes will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Options will be exercisable at \$0.04 each and expire 2 years from the date of issue, and otherwise be on the terms and conditions in Schedule 4.
- (d) The Conversion Securities will be issued within 5 business days after Shareholder approval is obtained in respect of this Resolution 12, and in any event no later than 3 months after the date of this Meeting.
- (e) The Convertible Notes were issued with a face value of \$1.00 each and accrue interest at a rate of 12% per annum. The relevant conversion price of the Convertible Notes into Shares is \$0.03 each. The Options will be issued for nil cash consideration as they are free-attaching to the Shares issued on conversion of the Convertible Notes.
- (f) A summary of the intended use of funds raised from the issue of the Convertible Notes is in Section 12.3(f) above.
- (g) The Convertible Notes were issued under a subscription deed pursuant to which subscribers provided a binding commitment to subscribe for the Convertible Notes on

the material terms summarised in this Notice (refer to Schedule 6) and otherwise on terms considered standard for agreements of this nature.

- (h) A voting exclusion statement is included in the Notice.

15.4 Additional information

Resolution 12 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 12.

16. Resolution 13 – Approval of issue of LM Options

16.1 General

Refer to Sections 12.1 and 15.1 above for the background to the Placement.

Peak Asset Management acted as lead manager and bookrunner to the Placement and the Convertible Note Placement (**Lead Manager**). As part consideration for the provision of lead manager services, the Company agreed to issue the Lead Manager (or its nominees) 10,000,000 Options exercisable at \$0.04 each and expiring 2 years from the date of issue (**LM Options**).

Resolution 13 seeks Shareholders approval pursuant to Listing Rule 7.1 to the issue the LM Options to the Lead Manager.

16.2 Summary of LM Mandate

The Company entered into a mandate with the Lead Manager for the provision of lead manager services and bookrunner services, including the coordination and management of the placements as well as marketing and corporate advisory services (**LM Mandate**).

Under the LM Mandate, the Company has agreed to pay the Lead Manager:

- (a) a capital raising fee of 6% on all funds raised under the Placement;
- (b) a capital raising fee of 2% for those investors who were introduced by the Lead Manager and subscribed for Convertible Notes; and
- (c) up to 10,000,000 LM Options, subject to the prior receipt of Shareholder approval.

The LM Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

16.3 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 9.2 above.

The effect of Shareholders passing Resolution 13 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 13 is passed, the Company will be able to proceed with the issue of the LM Options.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of LM Options and will have to consider alternative commercial means to pay the Lead Manager for its services, which may include issuing the Placement Options using any available 15% placement capacity permitted under Listing Rule 7.1.

16.4 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the LM Options:

- (a) The LM Options will be issued to the Lead Manager (or its nominees), none of whom is a related party or Material Investor.
- (b) A maximum of 10,000,000 LM Options will be issued.
- (c) The LM Options are exercisable at \$0.04 each and expire 2 years from the date of issue.
- (d) The LM Options are subject to the terms and conditions in Schedule 1.
- (e) The LM Options will be issued no later than 3 months after the date of the Meeting.
- (f) The LM Options will be issued for nil cash consideration and no funds will be raised by their issue.
- (g) A summary of the material terms of the LM Mandate is in Section 16.2 above.
- (h) A voting exclusion statement is included in the Notice.

16.1 Additional information

Resolution 13 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 13.

Schedule 1 Definitions

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

\$	means Australian Dollars.
10% Placement Facility	has the meaning in Section 8.1.
10% Placement Period	has the meaning in Section 8.2(f).
30 Day Average Closing Price	means the average closing price of Shares as quoted by ASX during 30 consecutive trading days on which sales of Shares were recorded on ASX.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
VWAP	means the volume weighted average price of Shares traded on ASX.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2020.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Lion Energy Limited (ACN 000 753 640).
Convertible Notes	has the meaning in Section 15.1.
Conversion Securities	means the Shares and the Options to be issued on conversion of the Convertible Notes, the subject of Resolution 12.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Director	means a director of the Company.
Director Placement Options	means the 11,666,667 free-attaching Options to the Director Placement Shares proposed to be issued to the Directors (or their respective nominees) under the Placement, the subject of Resolution 11.
Director Placement Securities	means the Director Placement Shares and the Director Placement Options, the Subject of Resolution 11.

Director Placement Shares	means the 11,666,667 Shares proposed to be issued to the Directors (or their respective nominees) under the Placement, the subject of Resolution 11.
Director Performance Rights	means the 17,500,000 Performance Rights proposed to be issued to the Directors (or their respective nominees), the subject of Resolution 8
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
LM Mandate	means the mandate between the Company and Lead Manager for the provision of lead manager services and bookrunner services in relation to the Placement and the Convertible Note Placement.
LM Options	means the 10,000,000 Options to be issued to the Lead Manager, the subject of Resolution 13.
Lead Manager	means Peak Asset Management.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received Shares which constituted more than 1% of the Company's capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning in Section 8.2(e).
Notice	means this notice of annual general meeting.

Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Performance Right	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
Placement	has the meaning in Section 12.1.
Placement Options	means the 31,100,000 free-attaching Options to the Placement Shares, the subject of Resolution 10.
Placement Shares	means the 31,100,000 Shares, the subject of Resolution 9.
Plan	means the Lion Energy Limited Employee Securities Incentive Plan.
Plan Securities	has the meaning in Section 10.1.
Proxy Form	means the proxy form attached to the Notice.
Recommendations	means the 4 th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
Relevant Period	means the 12 month period immediately preceding the date of the issue or agreement.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	means a day determined by ASX to be a trading day and notified to market participants being: <ul style="list-style-type: none"> (a) a day other than: <ul style="list-style-type: none"> (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and (ii) any other day which ASX declares and publishes is not a trading day; and

- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

WST

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

Schedule 2 Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (d) is an "eligible participant" (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
 - (e) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant

by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in

and/or benefit from any transaction arising from or in connection with the change of control event.

12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Schedule 3 Terms and Conditions of Director Performance Rights

1. Plan

- (a) The Performance Rights are granted under the Plan for nil cash consideration.
- (b) In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

2. Entitlement

Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on conversion, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

3. Milestones

The Performance Rights will vest in the following proportions, subject to the satisfaction of the following milestones:

Tranche	Percentage of Director Performance Rights	Vesting Condition
Tranche A	15%	30 Day Average Closing Price of \$0.04
Tranche B	15%	30 Day Average Closing Price of \$0.08
Tranche C	20%	30 Day Average Closing Price of \$0.12
Tranche D	25%	30 Day Average Closing Price of \$0.16
Tranche E	25%	30 Day Average Closing Price of \$0.20

4. Consideration

The Performance Rights will be granted to the Participant (or their permitted nominee) for nil cash consideration.

5. Exercise Price

The Exercise Price of each vested Performance Right is nil.

6. Expiry Date

Each Performance Right will expire on the earlier to occur of:

- (a) 5pm (WST) on the date that is three years from the date of issue; and

- (b) the Performance Right lapsing and being forfeited under the Plan or these terms and conditions,

(Expiry Date). For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.

7. Conversion

Upon vesting, each Performance Right will, at the Participant's election, convert into one Share. The Participant may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary (**Notice of Exercise**).

8. Timing of Issue of Shares and Quotation of Shares on Exercise

As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- (b) if required, issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
- (c) if required and subject to paragraph 10, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

9. Restrictions on Transfer of Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

10. Shares Issued on Exercise

All Shares issued upon the exercise of Performance Rights will upon issue rank pari passu in all respects with the then Shares of the Company.

11. Transfer

The Performance Rights are not transferable unless they have vested and only with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

12. Quotation

No application for quotation of the Performance Rights will be made by the Company.

13. Voting Rights

The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

14. Participation in Entitlements and Bonus Issues

Subject to the rights under paragraphs 15 and 16 below, during the currency of any Performance Rights and prior to their exercise, the holder is not entitled to participate in any new issue of Shares of the Company such as bonus issues and entitlement issues, as a result of their holding of the Performance Rights.

15. Adjustment for Bonus Issue

- (a) If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of the Performance Rights is entitled, upon exercise of the Performance Rights, to receive, in addition to the Shares in respect of which the Performance Rights are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.
- (b) Additional Shares to which the holder of the Performance Rights becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Performance Rights are exercised for the purposes of subsequent applications of paragraph 15(a) above, and any adjustments which, after the time just mentioned, are made under paragraph 16 below to the number of Shares, will also be made to the additional Shares.

16. No rights to return of capital

The Performance Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

17. Rights on winding up

The Performance Rights do not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

18. Reorganisation of Capital

If there is a reorganisation of the issued Share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

19. **Leaver**

Where the holder of the Performance Rights becomes a Leaver, all unvested Performance Rights will automatically be forfeited by the holder, unless the Board otherwise determines in its discretion to permit some or all of the Performance Rights to vest.

20. **Change of Control**

If a Change of Control Event (as defined in the Plan) occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 4 Valuation of Director Performance Rights

Director	Tranche	No. Performance Rights	Assumed Share Price at Grant Date	Expiry Date	Value per Performance Right	Total value of Performance Rights
Thomas Soulsby	A	1,200,000	\$0.069	9 May 2024	\$0.0621	\$74,520
	B	1,200,000	\$0.069	9 May 2024	\$0.0597	\$71,640
	C	1,600,000	\$0.069	9 May 2024	\$0.0564	\$90,240
	D	2,000,000	\$0.069	9 May 2024	\$0.0529	\$105,800
	E	2,000,000	\$0.069	9 May 2024	\$0.0504	\$100,800
	TOTAL	8,000,000	\$0.069	9 May 2024	\$0.0554	\$443,000
Damien Servant	A	750,000	\$0.069	9 May 2024	\$0.0621	\$46,575
	B	750,000	\$0.069	9 May 2024	\$0.0597	\$44,775
	C	1,000,000	\$0.069	9 May 2024	\$0.0564	\$56,400
	D	1,250,000	\$0.069	9 May 2024	\$0.0529	\$66,125
	E	1,250,000	\$0.069	9 May 2024	\$0.0504	\$63,000
	TOTAL	5,000,000	\$0.069	9 May 2024	\$0.0554	\$276,875
Russell Brimage	A	225,000	\$0.069	9 May 2024	\$0.0621	\$13,973
	B	225,000	\$0.069	9 May 2024	\$0.0597	\$13,433
	C	300,000	\$0.069	9 May 2024	\$0.0564	\$16,920
	D	375,000	\$0.069	9 May 2024	\$0.0529	\$19,838
	E	375,000	\$0.069	9 May 2024	\$0.0504	\$18,900
	TOTAL	1,500,000	\$0.069	9 May 2024	\$0.0554	\$83,063
Christopher Newton	A	225,000	\$0.069	9 May 2024	\$0.0621	\$13,973
	B	225,000	\$0.069	9 May 2024	\$0.0597	\$13,433
	C	300,000	\$0.069	9 May 2024	\$0.0564	\$16,920
	D	375,000	\$0.069	9 May 2024	\$0.0529	\$19,838
	E	375,000	\$0.069	9 May 2024	\$0.0504	\$18,900
	TOTAL	1,500,000	\$0.069	9 May 2024	\$0.0554	\$83,063
Zane Lewis	A	225,000	\$0.069	9 May 2024	\$0.0621	\$13,973
	B	225,000	\$0.069	9 May 2024	\$0.0597	\$13,433
	C	300,000	\$0.069	9 May 2024	\$0.0564	\$16,920
	D	375,000	\$0.069	9 May 2024	\$0.0529	\$19,838
	E	375,000	\$0.069	9 May 2024	\$0.0504	\$18,900
	TOTAL	1,500,000	\$0.069	9 May 2024	\$0.0554	\$83,063

The valuations above took into account the following matters:

1. The valuation of the Director Performance Rights assumes that the exercise does not affect the value of the underlying asset.
2. Given that the Director Performance Rights are to be issued for nil cash consideration, the value of the Director Performance Rights is reflected in the underlying Share price at the valuation date. The Share price used is the closing price on which sales of Shares were recorded on ASX on 10 May 2021, being \$0.069.
3. No consideration is to be paid upon the exercise of the Director Performance Rights.

Schedule 5 Terms and Conditions of Options

The free-attaching options (**Options**) will be issued on the following terms and conditions:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) upon exercise of the Option.
2. **(Exercise Price)**: The Options have an exercise price of \$0.04 per Option (**Exercise Price**).
3. **(Expiry Date)**: The Options expire at 5.00pm (Perth time) on the date two years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
5. **(Quotation of the Options)**: The Company intends to apply for quotation of the Options on ASX, subject to meeting the requirements of ASX and the Corporations Act.
6. **(Transferability)**: The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
7. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of at least 10,000 must be exercised on each occasion.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

8. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will, subject to paragraph 10:
 - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
9. **(Shares issued on exercise)**: Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

10. **(Takeovers prohibition):**
- (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options;
11. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
12. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
13. **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
14. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
15. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
16. **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
17. **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's Constitution.

Schedule 6 Terms and Conditions of Convertible Notes

1. Interpretation and definitions

Unless the context otherwise requires, in these conditions (**Note Conditions**):

\$, A\$ or dollar	means the lawful currency of the Commonwealth of Australia.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.
Attaching Options	means options to acquire Shares on the terms and conditions in Schedule 1.
Attaching Options Prospectus	means a disclosure document issued by the Company to ASIC pursuant to section 713 of the Corporations Act which complies with Chapter 6D of the Corporations Act, for the offer of Attaching Options.
Bonus Issue	has the meaning given to that term in the Listing Rules.
Bonus Securities	means Securities issued under a Bonus Issue.
Business Day	has the meaning given to that term in the Listing Rules.
Cleansing Prospectus	means a disclosure document issued by the Company to ASIC pursuant to section 708A(11) of the Corporations Act which complies with Chapter 6D of the Corporations Act, so as to ensure that an offer for sale of Shares after the date of the disclosure document does not require disclosure to investors under Part 6D.2 of the Corporations Act.
Cleansing Statement	means a written notice issued by the Company pursuant to section 708A(5)(e) of the Corporations Act at a time when the Company and the Shares comply with the matters set out in sections 708A(5)(a) to (d) of the Corporations Act, which notice meets the requirements of section 708A(6) of the Corporations Act, and is in a form, and contains the required information, that is sufficient to permit secondary trading on the ASX of the Shares to which it relates.
Completion Date	means 5pm on 29 April 2021.
Constitution	means the constitution of the Company.
Conversion or Converted	means the conversion of the Convertible Notes into Conversion Securities pursuant to the Note Conditions.
Conversion Price	means the issue price per Share under the Placement.
Conversion Shares	means the Shares issued pursuant to a Conversion.

Conversion Securities	means Conversion Shares and/or Attaching Options (as applicable).
Event of Default	means any event or circumstance specified in clause 8.
Face Value	means \$1.00.
Financial Indebtedness	<p>means any indebtedness for or in respect of:</p> <ul style="list-style-type: none"> (a) moneys borrowed and any debit balance at any financial institution; (b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption; (g) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; (h) consideration for the acquisition of assets or services payable more than 90 days after acquisition; (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) will be taken into account); (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; or (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.
Holder	has the meaning given in the Convertible Note Certificate (and, if applicable, any person to whom the Convertible Notes are

transferred or assigned in accordance with the Note Conditions).

Maturity Date means 31 December 2021.

Permitted Financial means:

Indebtedness

- (a) incurred under any other convertible note agreements entered into on terms materially the same as this agreement, as part of the same capital raising;
- (b) any Financial Indebtedness incurred between members of the Group as intercompany loans;
- (c) any Financial Indebtedness incurred in favour of any banks, financial institutions, lending entities or counterparties to a hedging arrangement or a security trustee or agent acting on behalf of such banks, financial institutions, lending entities or hedge counterparties, and any associated security interests) providing for the development and/or operations of any project operated by the Group and/or any subsequent re-financings of any such financings;
- (d) any Financial Indebtedness incurred in the ordinary course of business in an amount in aggregate not exceeding \$1,000,000;
- (e) any liability of a member of the Group under any agreement entered into in the ordinary course of business for the acquisition of any asset or service where payment for the asset or service is deferred for a period of not more than 90 days; and
- (f) any other Financial Indebtedness approved by the Holder in writing.

Register means the register(s) of Securities established and maintained by the Company.

Resolution means the approval of Shareholders at the General Meeting pursuant to and in accordance with Listing Rule 7.1 for the conversion of the Subscription Convertible Notes into Conversion Securities, pursuant to and in accordance with this agreement including the Note Conditions.

Securities includes Shares, options, debentures, debenture stocks and notes (including Convertible Notes) or rights to subscribe for any of them.

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

Shareholders means the holders of one or more Shares.

2. **Face Value**

Each Convertible Note has a face value of \$1.00 (**Face Value**).

3. **Terms of issue**

- (a) Each Convertible Note:
 - (i) is interest bearing at a rate of 12% per annum levied on the face value of the Convertible Notes from the date of issue of the Convertible Notes until the Convertible Notes are Converted or redeemed;
 - (ii) is unsecured, with the Holder ranking as an unsecured general creditor of the Company;
 - (iii) is not proposed to be quoted on any securities exchange;
 - (iv) is to automatically be Converted following Shareholder approval of the Resolution in accordance with Note Condition 4; and
 - (v) subject to the Corporations Act and the Listing Rules, may be sold, assigned or transferred to another person, subject to the Holder first providing written notice of the sale, assignment or transfer to the Company.
- (b) If a Convertible Note is Converted then such Convertible Note will be automatically cancelled and may not be re-issued.
- (c) On the Conversion of a Convertible Note, the obligations of the Company with respect to that Convertible Note are deemed to be discharged.

4. **Number of Conversion Securities**

- (a) The number of Conversion Shares to be issued on Conversion is equal to the Face Value of the Convertible Note divided by the Conversion Price.
- (b) The number of Attaching Options to be issued on Conversion is equal to the number of Conversion Shares to be issued.
- (c) If the Conversion of the Convertible Notes in accordance with Note Condition 4(a) results in a fraction of Conversion Securities, the number of Conversion Securities to be issued is to be rounded to the nearest whole number.

5. **Issue of Conversion Shares**

- (a) Subject to Note Conditions 1.1(b) to 1.1(f) (inclusive), within 5 Business Days after Shareholder approval of the Resolution, the Company must:
 - (i) allot and issue the Shares required to be issued to the Holder pursuant to the Conversion;
 - (ii) record the Holder as the holder of the Conversion Shares in the Register;
 - (iii) apply for official quotation on ASX of such Conversion Shares; and
 - (iv) subject to Note Condition 1.1(b), if the Company is able to issue a Cleansing Statement, lodge with the ASX in accordance with all applicable laws in respect of the issue of the Conversion Shares a Cleansing Statement which will enable the Conversion Shares to be freely tradeable from the date of the Cleansing Statement.

- (b) If the Company is not able to issue a Cleansing Statement within the time required pursuant to Note Condition 1.1(a)(iv), and subject to Note Condition 1.1(f), the Company must, instead of issuing a Cleansing Statement, issue a Cleansing Prospectus as soon as reasonably practicable after the issue of the Conversion Shares and in any event, within 20 Business Days of that date. Until the Company has issued the Cleansing Prospectus, the Holder may only transfer the Conversion Shares to a person satisfying the requirements of section 708(8), (10) or (11) of the Corporations Act.
- (c) The Company must, no later than 5 Business Days after the issue of the Conversion Shares to the Holder, deliver or cause to be delivered to the Holder a holding statement in respect of the Conversion Shares.
- (d) Upon the issue of the Conversion Shares, the Holder agrees to be bound by the Constitution.
- (e) The Conversion Shares must rank pari passu with the other Shares on issue at the date of issue. However, any Conversion Shares will not be entitled to any dividend which has been declared and whose record date occurs prior to the issue of the Conversion Shares.
- (f) Notwithstanding any other provision of these Note Conditions:
 - (i) the issue of Conversion Shares is subject to and conditional upon the issue of the relevant Conversion Shares not resulting in any person being in breach of section 606(1) of the Corporations Act;
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Conversion Shares;
 - (iii) if the issue of Conversion Shares would result in any person being in breach of section 606(1) of the Corporations Act:
 - (A) the Conversion shall be deferred until such time or times thereafter that the Conversion would not result in a contravention of section 606(1) of the Corporations Act; and
 - (B) if such time or times are after the Maturity Date, the Company must pay to the Holder an amount equal to the aggregate Face Value of the Convertible Notes the Conversion of which would result in the Holder being in contravention of section 606(1) of the Corporations Act and upon such payment such Convertible Notes will be cancelled.

6. **Issue of Attaching Options**

- (a) The Company must, by no later than the date of the General Meeting, issue the Attaching Options Prospectus.
- (b) The offer under the Attaching Options Prospectus will be subject to and conditional on the Resolution being passed by the requisite majority of Shareholders.

- (c) The Holder must apply for the Attaching Options under the Attaching Options Prospectus as a condition precedent to the issue of the Attaching Options on Conversion.
- (d) Subject to Note Conditions 6(a) to 6(c) (inclusive), within 5 Business Days after Shareholder approval of the Resolution, the Company must:
 - (i) allot and issue the Attaching Options required to be issued to the Holder pursuant to the Conversion;
 - (ii) record the Holder as the holder of the Attaching Options in the Register; and
 - (iii) apply for official quotation on ASX of such Attaching Options.
- (e) The Company must, no later than 5 Business Days after the issue of the Attaching Options to the Holder, deliver or cause to be delivered to the Holder a holding statement in respect of the Attaching Options.

7. **Bonus issues and reconstructions**

- (a) If at any time after the Completion Date but before the Convertible Notes being Converted, the Company:
 - (i) makes a Bonus Issue and issues to the holders of Shares any Bonus Securities, then the Company must issue to the Holder Bonus Securities of the number which the Holder would have been entitled to receive, by way of participation in the issue of Bonus Securities, if it had Converted the Convertible Notes then on issue into Shares:
 - (A) immediately before the issue of Bonus Securities; or
 - (B) if before the Conversion there has been more than one issue of Bonus Securities, immediately before the first issue of Bonus Securities, and had retained all the Conversion Shares issued together with all the Bonus Securities which would have been issued to it under this Note Condition following the first issue; or
 - (ii) conducts a reorganisation of the issued share capital of the Company, the rights of the Holders will be varied to the extent necessary to ensure that the Holders will not receive a benefit that holders of Shares do not receive.
- (b) Fractional entitlements are disregarded for the purposes of Note Condition 7(a).

8. **Event of Default**

- (a) On the occurrence of an Event of Default, the Holder may by written notice to the Company declare all of the Convertible Notes then outstanding due and payable and demand the payment of the Face Value of each Convertible Note.
- (b) Upon receipt of a declaration under Note Condition 8(a), the sum of the Face Value of each Convertible Note then outstanding shall become due and payable by the Company to the Holder on the date that is 20 Business Days following receipt of such declaration and the Company must pay such amount in immediately available funds to the bank account nominated by the Holder within this timeframe.

9. **Covenants by the Company**

(a) At all times prior to the earlier of all of the Convertible Notes being:

- (i) Converted in accordance with Note Condition 4; or
- (ii) repaid by the Company in accordance with Note Condition 8,

the Company must:

- (i) other than Permitted Financial Indebtedness, not incur any Financial Indebtedness;
- (ii) other than in respect of Permitted Financial Indebtedness, not permit any Financial Indebtedness to be granted a security interest ranking in priority to Convertible Notes;
- (iii) execute and do all acts and things as are reasonably necessary for conferring the full benefit of the Convertible Notes and the Note Conditions on the Holder; and
- (iv) not amend its Constitution or alter the voting or other rights attached to the Shares in a manner which is prejudicial to the interests of the Holder.



Lion Energy Limited
ABN 51 000 753 640

LIO
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST)** Sunday 27 June 2021.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

☐ the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Lion Energy Limited to be held at Suite 1, 295 Rokeby Road, Subiaco, Western Australia on Tuesday, 29 June 2021 at 10:00 AM (AWST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Subject to the following paragraph, where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6, 7 and 8(a) to 8(e) (except where I/we have indicated a different voting intention below) even though those Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on that Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form for that Resolution. Shareholders are encouraged to specify their voting intention for each Resolution.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6, 7 and 8(a) to 8(e) by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

- | | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Re-election of Director - Thomas Soulsby | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Re-election of Director - Damien Servant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Re-election of Director - Russell Brimage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 Approval of 10% Placement Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 Approval of new Employee Securities Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 Approval of potential termination benefits under the Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Resolution 8 - Approval of issue of Director Performance Rights

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 8(a) up to 8,000,000 Performance Rights to Thomas Soulsby | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8(b) up to 5,000,000 Performance Rights to Damien Servant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8(c) up to 1,500,000 Performance Rights to Russell Brimage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8(d) up to 1,500,000 Performance Rights to Christopher Newton | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8(e) up to 1,500,000 Performance Rights to Zane Lewis | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 Ratification of issue of Placement Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 Approval of issue of Placement Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Resolution 11 - Approval of issue of Director Placement Securities

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| Resolution 11(a) up to 3,333,333 Director Placement Shares and 3,333,333 Director Placement Options to Thomas Soulsby | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11(b) up to 1,666,667 Director Placement Shares and 1,666,667 Director Placement Options to Damien Servant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11(c) up to 1,666,667 Director Placement Shares and 1,666,667 Director Placement Options to Russell Brimage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11(d) up to 1,666,667 Director Placement Shares and 1,666,667 Director Placement Options to Christopher Newton | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11(e) up to 3,333,333 Director Placement Shares and 3,333,333 Director Placement Options to Zane Lewis | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 Approval of issue of Conversion Securities on conversion of Convertible Notes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 13 Approval of issue of LM Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

L I O

2 7 6 5 1 5 A



Computershare +