



NOTICE OF ANNUAL GENERAL MEETING

**For the Annual General Meeting of the Company to be held at 10:00 am (WST) on
Tuesday, 29 November 2016 at
Level 2, 6 Thelma Street,
West Perth, Western Australia**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6555 6000.

TRANSERV ENERGY LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Transerv Energy Limited (**Company**) will be held at Level 2, 6 Thelma Street, West Perth, Western Australia on Tuesday, 29 November 2016 at 10:00 am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 27 November 2016 at 10.00am (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2016 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

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

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

3. Resolution 2 – Conditional Spill Resolution

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

"That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to hold an extraordinary general meeting (**Spill Meeting**) within 90 days after the passing of this resolution;*
- (b) all of the Directors of the Company in office at the time when the Board resolution to make the Directors' Report for the financial year ended 30 June 2016 was passed (other than the Managing Director), and who remain Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting."*

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

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

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

4. Resolution 3 – Re-election of Director – Mr David Messina

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

"That, for the purposes of clause 13.4, ASX Listing Rule 14.4 and for all other purposes, Mr David Messina, a director who was appointed as an additional Director on 20 April 2016, and being eligible, is elected as a Director."

5. Resolution 4 – Re-election of Director and Chairman – Mr Charles Morgan

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

"That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Mr Charles Morgan, a Director and Chairman, who retires by rotation, and being eligible, is elected as a Director and Chairman."

6. Resolution 5 – Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities 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."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 6 – Approval of Employee Share Option Plan

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

*"That pursuant to and in accordance with Exception 9(b) of Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, the Company be authorised to issue securities under the Transerv Energy Limited Employee Share Option Plan (**Plan**)."*

Note: A summary of the terms of the Plan are contained in the Explanatory Memorandum accompanying this Notice.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee share option plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 18th October 2016

BY ORDER OF THE BOARD



Jo-Ann Long

Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 2, 6 Thelma Street, West Perth, Western Australia on Tuesday, 29 November 2016 at 10:00 am (WST).

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

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

2. Action to be taken by Shareholders

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

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

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

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

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R and 250BD of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

3. Annual Report

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

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is online at www.transerv.com.au by clicking on the direct link;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.
 - (i) in addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:
 - (ii) the preparation and the content of the Auditor's Report;
 - (iii) the conduct of the audit;
 - (iv) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (v) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five (5) business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to 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 reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors or the Company. Failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote.

At the Company's 2015 Annual General Meeting, 55.4% of the votes cast on the resolution to adopt the 2015 Remuneration Report were against the resolution. Accordingly, the Company received a 'first strike'. The Company understood the concerns that led to the 'first strike' and there have been changes to management during the year and these are set out in the Remuneration Report. The Directors take shareholder concerns about executive remuneration seriously and believe that the current management and remuneration address the key concerns that led to the 'first strike' at last year's AGM.

If the votes cast against this year's resolution to adopt the 2016 Remuneration Report are again at least 25% of the total votes cast, the Company will receive a "second strike". If a company receives two strikes, it is required to put a resolution to the meeting to determine whether the Company's Directors (who were in office at the time the 2016 Directors' Report was approved) will need to stand for re-election at a special meeting. In the interest of giving full effect to the true will of the members of the company if the proxy votes received indicate a second strike may result, the Chairman will call a poll, in the annual general meeting, to determine the result of this resolution before putting Resolution 2 before the meeting.

As a result, this Notice of Annual General Meeting includes a "conditional" resolution (Resolution 2). This resolution will be put to the Annual General Meeting, but even if it is passed, it will only become effective if, on the basis of the formal results of the poll, it is evident that the Company has received a second strike. Further detail is included in the Explanatory Notes to Resolution 2.

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

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorization for the Chairman to vote the proxy in accordance with the Chairman's intention.

Board Recommendation

The Board unanimously recommends that shareholders vote in **favour** of the resolution proposed in Resolution 1.

5. Resolution 2 – Conditional Spill Resolution

This resolution is a "conditional" resolution. It will be put to the Annual General Meeting in the usual course. However, even if it is passed, it will only become effective if, based on the formal results of the poll, it is clear that 25% or more of the votes cast on Resolution 1 are cast against the adoption of the 2016 Remuneration Report.

This resolution will be considered as an ordinary resolution, which means that, to be passed, the resolution requires the approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the matter.

If this resolution is passed, and becomes effective based upon the results of the poll on Resolution 1, then the Company must hold a further general meeting (**Spill Meeting**) within 90 days after the Annual General Meeting to consider the composition of the Board. If a Spill Meeting is required, the date of the meeting will be notified to shareholders in due course.

If a Spill Meeting is held, the following Directors (the **Relevant Directors**) will automatically cease to hold office as Directors of the Company at the conclusion of the Spill Meeting, unless they are willing to stand for re-election and are re-elected at that meeting:

- Charles Morgan (Chairman);
- Stephen Keenihan (Managing Director);
- David Messina (Executive Director)

Each of the Relevant Directors would be eligible to seek reelection at the Spill Meeting. However, there is no assurance that any of them would do so.

Noting that each Relevant Director would have a personal interest in any such resolution, and that each of them (and their closely related parties) would be excluded from voting on the resolution, the Board considers that a Spill Meeting would be extremely disruptive to the Company and that it would be inappropriate to remove all of the Relevant Directors in the circumstances. The Board also notes that shareholders can remove a Director by a majority shareholder vote at any general meeting and for any reason.

Board Recommendation

The Directors unanimously recommend that shareholders vote **against** the resolution proposed in Resolution 2, if it is put to the meeting.

6. Resolution 3 – Re-election of Executive Director – Mr David Messina

Article 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Listing Rule 14.4 requires that any director appointed casually or as an additional director "must not hold office (without re-election) past the next annual general meeting.

In accordance with the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following general meeting (in the case of the Company's constitution) and annual general meeting (in the case of Listing Rule 14.4) and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr. David Messina having been appointed by other Directors on 20 April 2016] in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Qualifications and other material directorships

Mr Messina is a highly successful and experienced international executive with proven entrepreneurial skills and solid track record in developing and managing a diverse range of businesses, raising finance, stakeholder engagement and delivering results to shareholders. Having recently returned from ten years in Europe, including five years in London, he has multi-sector experience in the Energy and Agricultural industries, holding senior positions at the board and executive management level. Having lived and worked in numerous countries he has acquired global management experience with both start-up and mature businesses.

Independence

Mr Messina has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board does not consider Mr Messina will be an independent director.

Board Recommendation

The Board believes that Mr. Messina will perform the duties and responsibilities of an Executive Director of the Company diligently and professionally, in the best interests of all Shareholders, and unanimously supports the re-election of Mr. Messina.

7. Resolution 4 – Re-election of Director and Chairman – Mr Charles Waite Morgan

Article 13.2 of the Constitution requires that one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) must retire at each annual general meeting. Article 13.2 of the Constitution also states that a Director who retires under article 13.2 is eligible for re-election. In accordance with the Constitution, Mr. Charles Morgan will retire by rotation and, being eligible, seeks re-election.

Qualifications and other material directorships

Mr Morgan is an experienced resources venture capitalist who has successfully identified early stage opportunities, acquired strategic assets and positions and partnered with regional and technology experts to develop those positions. Mr Morgan has extensive experience in equity capital markets and has been involved with numerous projects over a 25 year period. The bulk of these were in the resources/oil and gas industries and in the technology sector. Mr Morgan is an executive chairman of Grand Gulf Energy Limited, chairman of Hutton Energy Plc, non-executive director of Gateway Capital Limited and non-executive director of ADG Global Supply Limited. In the past three years, Mr Morgan has been the non-executive chairman of Tamaska Oil and Gas Limited and non-executive chairman/director of Alcyone Resources Ltd.

Independence

If elected the board does not consider Mr Morgan will be an independent director.

Board Recommendation

The Board believes that Mr. Morgan will perform the duties and responsibilities of a Director and Chairman of the Company diligently and professionally, in the best interests of all Shareholders, and unanimously supports the re-election of Mr. Morgan.

8. Resolution 5 – Approval of 10% Placement Facility

8.1 General

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

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.

While the Company has no current intention to use the 10% Placement Facility, the Company is now seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The exact 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).

As disclosed in the Company's announcements to the ASX, the Company continues actively seeking to acquire new resources assets and investments. The Company may use the 10% Placement Facility to acquire new resource assets or investments.

Board Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

8.2 Description of Listing Rule 7.1 A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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 Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, 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 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% 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 the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 835,264,337 Shares and therefore has a capacity to issue:

(i) 125,289,650 Equity Securities under Listing Rule 7.1; and

(ii) subject to Shareholder approval being sought under Resolution 4, 83,526,433 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) above).

(e) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders 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).

8.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 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).

8.4 Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
 which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price as at 10 October 2016.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.005 50% decrease in Issue Price	\$0.01 Issue Price	\$0.02 100% increase in Issue Price
Current Variable A 835,264,337	10% voting Dilution	83,526,433	83,526,433	83,526,433
	Funds Raised	\$417,632	\$835,264	\$1,670,529
50% increase in current Variable A 1,252,896,505	10% voting Dilution	125,289,650	125,289,650	125,289,650
	Funds Raised	\$626,448	\$1,252,897	\$2,505,793
100% increase in current Variable A 1,670,528,674	10% voting Dilution	167,052,867	167,052,867	167,052,867
	Funds Raised	\$835,264	\$1,670,529	\$3,341,057

The table has been prepared on the following assumptions:

1. There are currently 835,264,337 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 10 October 2016.
3. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. No Options are exercised into Shares before the date of the issue of the Equity Securities.
6. 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%.
7. 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.
8. 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.
9. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
10. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

- (a) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (b) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of the new energy and resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of energy and resources assets or investments (which may include costs associated with due diligence and engagement of advisors in assessing new energy and resource assets) and/or continued exploration on the Company's existing oil and gas assets in Canada and the United States and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (a) 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 issue or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisors (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 Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new energy or resource assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new energy or resources assets or investments.

- (a) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2015 Annual General Meeting.
- (b) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the notice.

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 29 November 2015 – 12 months prior to the Meeting, the Company otherwise issued a total of 10,444,444 Shares which represents approximately 1.24% of the total diluted number of Equity Securities on issue in the Company on 29 November 2015 – 12 months prior to the Meeting, which was 836,494,893 the total diluted number of Equity Securities on issue in the Company 12 months prior to the Meeting.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.

Board Recommendation

The Board unanimously recommends that shareholders vote in **favour** of the resolution proposed in Resolution 5.

9. Resolution 6 – Approval of Employee Share Option Plan

Resolution 6 seeks shareholder approval for the adoption of the Transerv Energy Limited Employee Share Option Plan (Plan) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. Shareholders should note that no Options have previously been issued under the Plan.

Any future issues of Options under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the terms of the Plan is set out in Annexure A. A copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting and 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.

Board Recommendation

The Board unanimously recommends that shareholders vote in **favour** of the resolution proposed in Resolution 6.

Schedule 1 - Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 8.1.

10% Placement Period has the meaning given in Section 8.2(e).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2016.

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

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Business Day has the meaning given to that term in the Listing Rules of the ASX.

Chairman means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Transerv Energy Limited ABN 68 079 432 796 and ACN 079 432 796.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Entity means an entity that, at the date of the relevant general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

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

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

VWAP means volume weighted average price.

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

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

Schedule 2 – issues of equity securities since 24 November 2015

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue & 3B – 23/12/15	444,444	Ordinary Shares ²	S3 Consortium Pty Ltd	Nil in consideration for services provided to the Company.	Nil Cash Consideration Consideration: \$20,000 in contract services rendered to the company. Current value ⁴ = \$4,444.44
Issue & 3B – 23/12/15	10,000,000 (on exercise of incentive Options)	Ordinary Shares ²	Ian Cockerill	\$0.007 Discount 84.44%	Amount raised = \$70,000

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: TSV (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.01) on 6 October 2016.

Schedule 3 – summary of terms of the employee share option plan

(a) **Eligibility:** Participants in the Plan may be:

- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Options under the Plan (**Participants**).

(b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

(c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.

(e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.

(f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to

- (i) the Participant ceasing to be a Participant due to death or total and permanent disability; or
- (ii) a Change of Control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in the Option;
- (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Option (eg due to death, total and permanent disability);
- (iii) in respect of unvested Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Option (eg due to death, total and permanent disability) or allow the unvested Options to remain unvested after the relevant person ceases to be a Participant;
- (iv) in respect of vested Options only, a relevant person ceases to be a Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;
- (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;
- (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Option; and
- (vii) the expiry date of the Option.

(h) **Not transferrable:** Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(i) **Cashless Exercise:** If a Participant wishes to exercise some or all of the Options, that Participant may elect to pay the exercise price or use the cashless exercise facility under the Plan, subject to Board approval. The cashless exercise facility enables the Participant to set-off the exercise price against the number of Shares he Participant is entitled to receive upon exercise of the Options. In that case, the Participant will be issued or transferred that number of Shares equal to the aggregate total Option exercise price otherwise payable less the total aggregate market value of Shares that would otherwise be issued on exercise of the Options divided by the market value of the Share. The market value is based on a 5 trading day VWAP before the exercise.

(j) **Cash Payment:** Where all vesting conditions have been satisfied, the Board may in its absolute discretion in lieu of issuing or transferring a Share to the Participant on exercise of the Option, pay the Participant a cash payment for the Option exercised, being a cash amount equal to the current market value of a Share less the option exercise price in respect of the Option. The market value is based on a 5 trading day VWAP before the cash payment.

(k) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.

(l) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

(m) **Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options.

(n) **No Participation Rights:** There are no participating 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.

(o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.

Definitions: Capitalised terms used in the above summary are as defined in the Plan, including:

Change of Control means:

- a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.