
ALGAE.TEC LIMITED

ACN 124 544 190

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00 AM (WST)

DATE: Monday, 28 November 2016

PLACE: Bentleys (WA) Pty Ltd
London House, Level 3
216 St Georges Terrace
Perth 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9380 6790.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00 AM (WST) on Monday, 28 November 2016 at:

Bentleys (WA) Pty Ltd
London House, Level 3
216 St Georges Terrace
Perth 6000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

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 11:00 AM (WST) on 26 November 2016.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

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**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- 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; and
- 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 (ie as directed); and
- 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 (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

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

- 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; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - 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.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the remuneration 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 ordinary resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."

Note: 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 either 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 this 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 – RE-ELECTION OF DIRECTOR – MALCOLM JAMES

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

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Malcolm James, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Statement.”

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.

5. QUESTIONS AND COMMENTS

The Chairman will allow reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

Dated: 14 October 2016

By order of the Board

Peter Hatfull
Director/Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://algaetec.com.au/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

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. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution will not be relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MALCOLM JAMES

3.1 General

Clause 13.2 of the Constitution provides that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has 2 Directors subject to retirement by rotation (this excludes Mr Peter Hatfull as Managing Director) and accordingly 1 must retire.

Mr James, the Director longest in office since his last election, retires by rotation and seeks re-election. Mr James was appointed a Director on 16 September 2014 and has continuously served as a Director since his appointment.

3.2 Qualifications and other material directorships

Malcolm James has over 27 years' experience in finance, project development and public company management. During this period Malcolm James has worked in several countries and been involved in over \$2 billion in capital and debt raisings. He is currently the principal of MRJ Advisors, a boutique investment, advisory and project development organisation with offices in Perth and New York, and is the Non-Executive Chairman of Anova Minerals Ltd. Mr. James is well known for his philanthropic work in Australia and overseas and was the inaugural CEO of the Australian Employment Covenant, an organisation set up to promote long term employment for Indigenous Australians.

Mr Malcolm James currently holds directorship in Anova Metals Ltd as Non-Executive Chairman. Malcolm James also held directorship in Peninsula Energy Limited to 2013 and Triton Gold Limited to 2014.

3.3 Independence

If elected the board considers Mr James will be an independent director.

3.4 Board recommendation

The Board (other than Mr James) recommend shareholders vote in favour of the Resolution.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (defined below) may seek Shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital (**10% Placement Capacity**) without using the Company's existing 15% annual placement capacity under Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual 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.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

The Company has a current market capitalisation of \$17,096,680. The calculation used for the purposes of this notice is the number of shares issued multiplied by \$0.05 (being the closing price on ASX on 10 October 2016).

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: AEB). The Company also has five classes of unquoted Options on issue and 5 classes of convertible notes on issue.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Shares under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Shares on issue as at 17 October 2016.

The table also shows the dilution impact where the number of Shares on issue (Variable A in the formula) changes and where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	DILUTION			
	Issue Price (per Share)	\$0.025 50% decrease in Issue Price	\$0.05 Issue Price	\$0.075 100% increase in Issue Price
341,933,619 (Current Variable A)	Shares issued - 10% voting dilution	34,193,362 Shares	34,193,362 Shares	34,193,362 Shares
	Funds raised	\$854,834	\$1,709,668	\$2,564,502
512,900,429 (50% increase in Variable A)	Shares issued - 10% voting dilution	51,290,043 Shares	51,290,043 Shares	51,290,043 Shares
	Funds raised	\$1,282,251	\$2,564,502	\$3,846,753
683,867,238 (100% increase in Variable A)	Shares issued - 10% voting dilution	68,386,724 Shares	68,386,724 Shares	68,386,724 Shares
	Funds raised	\$1,709,668	\$3,419,336	\$5,129,004

The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer or upon the exercise of options or conversion of convertible notes) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are 341,933,619 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 17 October 2016.
3. The Company issues the maximum possible number of Shares under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. 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.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the dilution is shown in each example as 10%.
9. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Shares under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new assets and investments, continued development and implementation of the Company's algae biofuel technology, development and construction of the Nowra Nutraceutical Project in New South Wales, and general working capital; and

- (ii) as non-cash consideration for the acquisition of new 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.

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

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is possible that the recipients under the 10% Placement Capacity will be vendors of the new assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2015 Annual General Meeting held on 13 November 2015 (**Previous Approval**).

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

During the 12 month period preceding the date of this Notice of Annual General Meeting, being on and from 28 November 2015, the Company otherwise issued a total of 10,478,631 Shares, 466,837 Options and 1,215,001 Convertible Notes (convertible into 64,527,502 shares based on conversion prices as set out in Annexure A) which represents approximately 17% of the total diluted number of Equity Securities on issue in the Company on 28 November 2015, which was 441,987,678 (being 338,597,845 Shares, a total of 95,312,941 Options and 1 convertible note (convertible into 8,076,892 Shares based on a conversion price of \$0.075 per Share)).

The table at Annexure A details all issues of Equity Securities by the Company during the 12 months preceding the date of this Notice.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Shares under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. QUESTIONS AND COMMENTS

In accordance with the Corporations Act at the Annual General Meeting the Chair will provide an opportunity for Shareholders to ask questions and make comments in relation to the management of the Company.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

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 includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying 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.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in section 4 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration ³
Issue 22/1/16 3B 25/1/16	650,000	Convertible Notes convertible into 15,752,551 fully paid ordinary shares (based on conversion price of \$0.049)	Institutional Investors	Issue price \$1.00 No Discount	\$650,000	All cash received has been spent. The funds raised from this issue were used for general working capital and technology development	N/A	N/A	N/A
Issue & 3B 29/1/16	525,510	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Shares issued in consideration for professional services to Marshall Michael Chartered Accountants	No issue price (non-cash consideration)	Nil	N/A	N/A	Issued in consideration for professional services	Current Value: \$26,275.50 ²
Issue & 3B 29/1/16	262,755	Unlisted options exercisable at \$0.10 on or before 29 January 2017	Options issued in consideration for professional services to Marshall Michael Chartered Accountants	No issue price (non-cash consideration)	Nil	N/A	N/A	Issued in consideration for professional services	Current Value: \$5,223 ²
Issue & 3B 8/2/16	125,000	Convertible Notes convertible into 3,029,326 fully paid ordinary shares (based on conversion price of \$0.049)	Institutional Investors	Issue price \$1.00 No Discount	\$125,000	All cash received has been spent. The funds raised from this issue were used for general working capital and technology development	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration ³
Issue & 3B 6/4/16	90,000	Convertible Notes convertible into 2,181,122 fully paid ordinary shares (based on conversion price of \$0.049)	Institutional Investors	Issue price \$1.00 No Discount	\$90,000	All cash received has been spent. The funds raised from this issue were used for general working capital and technology development	N/A	N/A	N/A
Issue 21/4/16 3B 22/4/16	551,658	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Shares issued in lieu of cash for interest payments to Institutional investors	Issue price \$0.049 Market price \$0.052 Discount to market price 5.76%	\$27,031	All cash received has been spent. The funds raised from this issue were used for interest payments	N/A	N/A	N/A
Issue 21/4/16 3B 22/4/16	204,082	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Shares issued in consideration for professional services to Marshall Michael Chartered Accountants	No issue price (non-cash consideration)	Nil	N/A	N/A	Issued in consideration for professional services	Current Value: \$10,204.10 ²
Issue 21/4/16 3B 22/4/16	204,082	Unlisted options exercisable at \$0.10 on or before 21 April 2017	Options issued in consideration for professional services to Marshall Michael Chartered Accountants	No issue price (non-cash consideration)	Nil	N/A	N/A	Issued in consideration for professional services	Current Value: \$1,324 ²
Issue & 3B 8/7/16	1	Convertible Note convertible into 31,220,000 fully paid ordinary shares (based on conversion price of \$0.10)	Gencor Pacific	Issue price USD\$1,000,000 No Discount	\$1,000,000 USD	All cash received has been spent. The funds were used for purchasing equipment and development of nutraceutical plant and further product development	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration ³
Issue & 3B 8/7/16	350,000	Convertible Notes convertible into 12,344,503 fully paid ordinary shares (based on conversion price of \$0.075)	Magna Equities II, LLC	Issue price USD\$1.00 No Discount	\$350,000 USD	All cash received has been spent. The funds raised from this issue were used for general working capital and technology development	N/A	N/A	N/A
Issue 28/7/16 3B 29/7/16	609,592	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of convertible note issued to Magna Equities LLC	Issue price \$0.054791 Market price \$0.068 Discount to market price 19%	\$33,400.14	All cash received has been spent. The funds raised from this issue were used for general working capital and technology development	N/A	N/A	N/A
Issue 28/7/16 3B 29/7/16	551,658	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Shares issued in lieu of cash for interest payments to institutional investors	Issue price \$0.049 Market price \$0.068 Discount to market price 28%	\$27,031	All cash received has been spent. The funds raised from this issue were used for interest payments	N/A	N/A	N/A
Issue 9/9/16 3B 13/9/16	893,274	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of convertible note issue to Magna Equities LLC	Issue price \$0.043741 Market price \$0.057 Discount to market price 23%	\$39,072	All cash received has been spent. The funds raised from this issue were used for general working capital and technology development	N/A	N/A	N/A

NOTES -

¹ Market price is the closing price on the trading platform, excluding special crossings, overnight sales and ETO 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 In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.05) on the ASX on 10 October 2016. In respect of unquoted Equity Securities the value of Options is measured using the Bentleys option valuation. Measurement inputs include risk free rate (2.5, 10 year Aus government bond rates), company share price and volatility were all extracted per the measurement date on the grant date, either 29 January 2016 or 21 April 2016 as the case may be.

PROXY FORM

ALGAE.TEC LIMITED
ACN 124 544 190

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11:00 AM (WST), on Monday, 28 November 2016 at Bentleys (WA) Pty Ltd, London House, Level 3, 216 St Georges Terrace, Perth 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Malcolm James	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail
in relation to this Proxy Form:

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

By Mail Share Registry – Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Victoria 3001

By Fax 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Custodian Voting For Intermediary Online subscribers only (custodians) please visit
www.intermediaryonline.com to submit your voting intentions

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.