



24 May 2016

ENTITLEMENT OFFER CLEANSING NOTICE UNDER SECTION 708AA(2)(F) CORPORATIONS ACT – ENEGEX LIMITED (ASX CODE: ENX)

EneGex Limited ("**EneGex**") (ASX Code: ENX) has, on 26 February 2016, announced a proposed capital raising of up to A\$321,999 through a one for two pro rata non-renounceable entitlement offer ("**Rights Issue**") of 26,833,246 new fully paid ordinary shares ("**new Shares**") and has lodged an Appendix 3B New issue announcement and application for quotation of additional securities with ASX Limited on 23 May 2016 in relation thereto.

The offer has been fully underwritten by Natural Resources Group Pty Ltd (ABN 46 004 650 597) ("**Underwriter**").

EneGex will offer the new Shares for issue without disclosure to investors under section 708AA (2)(f) of the Corporations Act 2001 ("**Corporations Act**") as notionally modified by ASIC Class Order 08/35 (CO 08/35). For the purposes of section 708AA (7) of the Corporations Act, EneGex advises:

1. the new Shares will be offered for issue without disclosure under Part 6D.2 Corporations Act as notionally modified by CO 08/35;
2. this notice is given under section 708AA(2)(f) Corporations Act as notionally modified by CO 08/35;
3. as at the date of this notice, EneGex has complied with:
 - (a) the provisions of Chapter 2M Corporations Act as they apply to EneGex; and
 - (b) section 674 Corporations Act;
4. as at the date of this Notice, there is no excluded information of the type referred to in section 708AA(8) and 708AA(9) Corporations Act as notionally modified by CO 08/35;
5. the potential effect that the Rights Issue will have on the control of EneGex, and the consequences of that effect will depend upon a number of factors including both the level to which Eligible Members take up their Entitlements and the identity of those Members and the level to which Eligible Members who hold nonmarketable parcels of Shares who are entitled to apply for additional new Shares under the Shortfall Offer exercise their right to do so. It is not possible for EneGex to predict the level of such participation by Eligible Members.

In relation to the effect of the Underwriting on the control of the Company it is noted that the Underwriter is a company associated with Mr E G Albers. Mr Albers and his Associates within the meaning of Corporations Act ("**the Albers Shareholders**") have a relevant interest in 20.53% of the voting power attached to all Shares on issue. The table below takes into account what the Albers Shareholders' present relevant interests and voting power in Shares are now and the effect on those relevant interests of various levels of acceptance under the Rights issue. The amount, if any, by which the Albers Shareholders' relevant interests in EneGex increase will depend on the actual level of subscription by Eligible Members taking up their Entitlements and, in the case of Eligible Members entitled to apply for additional new Shares, the level of subscription by them for such additional new Shares. This effect of the Rights Issue on control of EneGex is analysed in four possible cases. In each case below the level of subscription for additional new Shares under the Shortfall Offer is assumed to be nil.

CASE A: Assumes Albers Shareholders take up Entitlements to 5,507,798 new Shares and assumes that no other Eligible Members take up their respective entitlements and the Underwriter takes up all Shortfall Shares to meet its underwriting obligation.

CASE B: Assumes Albers Shareholders take up Entitlements to 5,507,798 new Shares, and other Members subscribe for 5,331,362 new Shares being 25% of the remaining new Shares available for subscription (whether by taking up Entitlements or subscription for Shortfall Shares and the Underwriter takes up all Shortfall to meet its underwriting obligation.

CASE C: Assumes Albers Shareholders take up Entitlements to 5,507,798 new Shares, and other Members subscribe for 10,662,724 new Shares being 50% of the remaining new Shares available for subscription (whether by taking up Entitlements or subscription for Shortfall Shares and the Underwriter takes up all Shortfall to meet its underwriting obligation.

CASE D: Assumes full subscription by all Members with the Underwriter not taking up any Shortfall.

VARIOUS POSSIBLE INCREASE IN CONTROL SCENARIOS RESULTING FROM UNDERWRITING				
	Case A	Case B	Case C	Case D
Present Issued Capital	53,666,491	53,666,491	53,666,491	53,666,491
Present Albers Shareholding	11,015,597	11,015,597	11,015,597	11,015,597
Current Voting Power	20.53%	20.53%	20.53%	20.53%
Albers Shareholders Entitlement	5,507,798	5,507,798	5,507,798	5,507,798
New Shares				
Shares subscribed for by Albers Shareholders	5,507,798	5,507,798	5,507,798	5,507,798
Shares subscribed for by other Members	0	5,331,362	10,662,724	21,325,448
Shares subscribed for by the Underwriter	21,325,448	15,994,086	10,662,724	0
Total New Shares	26,833,246	26,833,246	26,833,246	26,833,246
Capital Post Issue	80,499,737	80,499,737	80,499,737	80,499,737
Post Issue Albers Shareholding	37,848,843	32,517,481	27,186,119	16,523,395
Albers Shareholders Voting Power Post Issue	47.02%	40.39%	33.77%	20.53%
Increase (decrease) in Albers Shareholders Voting Power	26.49%	19.87%	13.25%	0.00%

6. Save as set out above, it is not possible to state the potential effect the issue of the relevant securities will have on the control of EnegeX.
7. It is the Board and Underwriter's intention that EnegeX should;
 - (a) continue to carry on its participation in the Cornea Retention Lease.
 - (b) develop potential alliances for the development of Cornea.
 - (c) maintain fiscal discipline.
 - (d) continue to be open to opportunities that may present and in the current economic climate.
 - (e) not dispose of any of EnegeX's assets otherwise as determined by resolution of the EnegeX Board.
 - (f) to maintain the current employment or contractual basis of all of EnegeX's present employees and consultants. There is no present intention to adversely change the terms on which any of those persons presently provide services to EnegeX.

8. The above reflects the Board's and the Underwriter's present attitudes to these matters. However, if circumstances change, this may lead to a change in those attitudes to reflect and accommodate such changed circumstances. Notwithstanding that, any future corporate action taken by EnegeX will be carried out in accordance with all relevant regulatory requirements.
9. Further details regarding the Rights issue are set out in the Rights Issue document.

Signed for and on behalf of EnegeX Limited.



Dated 24 May 2016

Raewyn Clark
Director