

Notice of Annual General Meeting and Explanatory Memorandum

UIL Energy Ltd ACN 153 352 160

Date of Meeting: Tuesday 29 November 2016

Time of Meeting: 1.00 pm (Brisbane time)

Place of Meeting: HopgoodGanim
Level 7, 1 Eagle Street, Brisbane, Queensland

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** will be held at the offices of HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, Queensland, on 29 November 2016 at 1:00 pm (Brisbane time).

Terms used in this Notice of Meeting are defined in Section 17 of the accompanying Explanatory Memorandum.

Agenda

ORDINARY BUSINESS

Financial Statements

To receive and consider the financial statements of the Company and its controlled entities for the period ended 30 June 2016 and the related Directors' Report, Directors' Declaration and Auditor's report.

1. Resolution 1 - Adoption of the Remuneration Report

To consider and, if thought fit, pass the following Resolution, as an advisory Resolution, without amendment:

"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 (as set out in the Directors' Report) is adopted."

The Company's Annual Report 2016, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting restriction pursuant to Section 250R(4) of the Corporations Act

A vote on this Resolution 1 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; and
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
 - (2) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
 - (A) does not specify the way the proxy is to vote on the Resolution; and
 - (B) expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the

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remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intentions of the Chairman

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

2. Resolution 2 - Re-election of Mr Simon Hickey as a Director

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

"That Mr Simon Hickey, who retires by rotation in accordance with Rule 20.2 of the Company's Constitution and, being eligible, offers himself for re-election be re-elected as a Director of the Company."

3. Resolution 3 - Re-election of Mr Garry Marsden as a Director

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

"That Mr Garry Marsden, who was appointed to the Board following the last annual general meeting of the Company and who retires in accordance with Rule 19.4 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company."

4. Resolution 4 – Approval of Issue of Plan Shares to John de Stefani in Lieu of Director Fees under the Director's Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*"That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 2,240,000 fully paid ordinary shares (**Plan Shares**) to John de Stefani under the previously approved Directors' Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 4 by:

- (a) any Director who is entitled to participate in the Director's Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 4 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 4 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 4, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

5. Resolution 5 – Approval of Issue of Plan Shares to Simon Hickey in Lieu of Director Fees under the Director's Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*"That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 1,680,000 fully paid ordinary shares (**Plan Shares**) to Simon Hickey under the previously approved Directors' Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 5 by:

- (a) any Director who is entitled to participate in the Director's Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 5 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a

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consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 5 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 5, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

6. Resolution 6 – Approval of Issue of Plan Shares to Keith Skipper in Lieu of Director Fees under the Director's Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*"That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 720,000 fully paid ordinary shares (**Plan Shares**) to Keith Skipper under the previously approved Directors' Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 6 by:

- (a) any Director who is entitled to participate in the Director's Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 6 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 6 must not be cast by:

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- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 6 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 6, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

7. Resolution 7 – Approval of Issue of Plan Shares to Stephen Bizzell in Lieu of Director Fees under the Director's Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*"That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 720,000 fully paid ordinary shares (**Plan Shares**) to Stephen Bizzell under the previously approved Directors' Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 7 by:

- (a) any Director who is entitled to participate in the Director's Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 7 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 7 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

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who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 7 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 7, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

8. Resolution 8 – Approval of Issue of Plan Shares to Garry Marsden in Lieu of Director Fees under the Director's Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*"That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 720,000 fully paid ordinary shares (**Plan Shares**) to Garry Marsden under the previously approved Directors' Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum."*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 8 by:

- (a) any Director who is entitled to participate in the Director's Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 8 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 8 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

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However, the Company need not disregard a vote on this Resolution 8 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 8, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

9. Resolution 9 – Ratify the Issue of Placement Shares

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Company ratify the issue of 11,900,000 fully paid ordinary shares in the Company at an issue price of \$0.05 per share (**Placement Shares**) on 6 October 2016 to unrelated professional, sophisticated or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001 (Cth).”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 9 by:

- (a) a recipient of Placement Shares; and
- (b) any associate of a recipient of Placement Shares.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 9, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

10. Resolution 10 – Approval for the Issue of Placement Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That, in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue up to 11,900,000 attaching options to subscribe for fully paid

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*ordinary shares in the Company exercisable at \$0.075 each, expiring on the date being 18 months from the date of issue and otherwise on the terms and conditions set out in the Explanatory Memorandum (**Placement Options**) to shareholders who received the Placement Shares, on the basis of one Placement Option for each Placement Share issued."*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 10 by:

- (a) a recipient of Placement Shares and any other person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed; and
- (b) any associate of a recipient of Placement Shares.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 10, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

11. Resolution 11 – Approval for Participation by John de Stefani in Placement Shares and Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue:

- (a) *up to 1,000,000 Placement Shares at an issue price of \$0.05 per share; and*
- (b) *subject to the approval of Resolution 10, up to 1,000,000 Placement Options, on the basis of one Placement Option for each Placement Share issued,*

to John De Stefani or his nominees on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 11 by:

- (a) John de Stefani and his nominee; and
- (b) any associate of John de Stefani and his nominee.

However, the Company need not disregard a vote if:

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- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 11, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

12. Resolution 12 – Approval for Participation by Stephen Bizzell in Placement Shares and Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue:

- (c) *up to 2,000,000 Placement Shares at an issue price of \$0.05 per share; and*
- (d) *subject to the approval of Resolution 10, up to 2,000,000 Placement Options, on the basis of one Placement Option for each Placement Share issued,*

to Stephen Bizzell or his nominees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 12 by:

- (a) Stephen Bizzell and his nominee; and
- (b) any associate of Stephen Bizzell and his nominee.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 12, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

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13. Resolution 13 – Approval for Participation by Garry Marsden in Placement Shares and Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue:

- (e) *up to 100,000 Placement Shares at an issue price of \$0.05 per share; and*
- (f) *subject to the approval of Resolution 10, up to 100,000 Placement Options, on the basis of one Placement Option for each Placement Share issued,*

to Garry Marsden or his nominees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 13 by:

- (a) Garry Marsden and his nominee; and
- (b) any associate of Garry Marsden and his nominee.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 13, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

14. Resolution 14 – Approve the issue of any SPP shortfall

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That, in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company be authorised to issue:

- (a) *any fully paid ordinary shares offered, but not issued, to Shareholders pursuant to the Share Purchase Plan (**SPP Shortfall Shares**) up to a maximum of 15,000,000 SPP Shortfall Shares; and*
- (b) *subject to the approval of Resolution 15, up to 15,000,000 attaching Options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.075 each and expiring on the date being 18 months from the date of issue (**SPP Shortfall Options**) on the basis of one SPP Shortfall Option for each Shortfall Share issued,*

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to unrelated professional, sophisticated or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001 (Cth) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 14 by:

- (a) any person who participates in the proposed issue of the SPP Shortfall Shares and SPP Shortfall Options and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note

The proposed allottees of any SPP Shortfall Shares and SPP Shortfall Options are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the SPP Shortfall Shares and SPP Shortfall Options), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 14, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

15. Resolution 15 – Approval for the Issue of SPP Options

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company is authorised to issue up to 15,000,000 attaching options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.075 each, expiring on the date being 18 months from the date of issue and otherwise on the terms and conditions set out in the Explanatory Memorandum (**SPP Options**) to shareholders who receive fully paid ordinary shares pursuant to the SPP, on the basis of one SPP Option for each share issued pursuant to the SPP.*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 15 by:

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(a) a person who has received Shares pursuant to the SPP and any other person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed; and

(b) any associate of that person or persons.

However the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides. **Voting Intention of Chair**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 15, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

ASX Waiver

The Company has applied to ASX for a waiver from the operation of Listing Rule 7.3.8 which requires the inclusion of a voting statement which excludes participants in the SPP from voting on this resolution. If a waiver is obtained, votes received from shareholders who participate in the SPP will be able to be counted with respect to this Resolution 15. The Company will notify shareholders when a decision has been obtained from the ASX. There is no guarantee that the waiver will be granted by the ASX. See section 12.4 of the Explanatory Statement for further information.

16. Resolution 16 – Approval for the Issue of SPP Options to Simon Hickey

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, and subject to the approval of Resolution 15, approval be given for the Company to issue up to 300,000 SPP Options, on the basis of one SPP Option for each SPP Share issued to Simon Hickey or his nominees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 16 by:

(a) Simon Hickey and his nominee; and

(b) any associate of Simon Hickey and his nominee.

However the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

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Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 16, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

17. Resolution 13 – Approval for the Issue of SPP Options to Garry Marsden

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, and subject to the approval of Resolutions 15, approval be given for the Company to issue up to 300,000 SPP Options, on the basis of one SPP Option for each SPP Share issued to Garry Marsden or his nominees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 17 by:

- (a) Garry Marsden and his nominee; and
- (b) any associate of Garry Marsden and his nominee.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 17, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

18. Resolution 18 - Issue of Broker Options to Hartleys Limited

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That, in accordance with Listing Rule 7.1 and for all other purposes, the Company be authorised to issue up to 10,000,000 Broker Options to Hartleys Limited, being corporate advisors to the Company, for the purposes and on the terms set out in the Explanatory Memorandum”.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 18 by:

- (a) any person who may participate in the proposed issue and any other person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed; and
- (b) any associate of that person or persons.

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However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 18, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

SPECIAL BUSINESS

19. Resolution 19 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following Resolution, as a Special Resolution, without amendment:

*“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of 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, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (**Placement Securities**).”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 19 by:

- (a) a person who may participate in the issue of the Placement Securities and a person who might obtain a benefit if this Resolution 15 is passed, except a benefit solely in their capacity as a holder of Shares if the Resolution is passed; and
- (b) an associate of that person (or those persons).

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

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GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board

A handwritten signature in black ink, appearing to be 'Drew Speedy', written over a circular stamp or seal.

28 October 2016
Drew Speedy
Company Secretary

Explanatory Statement

1. Introduction

This Explanatory Memorandum is provided to shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, Queensland on Tuesday 29 November 2016 commencing at 1:00pm (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 17.

2. Financial Statements

The Corporations Act requires that the Company's Annual Financial Report for the period ending 30 June 2016 (including the Directors' Report, Financial Statements and the Audit Report) be laid before the Annual General Meeting for discussion. Although not requiring a vote of members, an opportunity will be provided for members to ask questions on the Annual Financial Report.

The Company's Annual Report 2016, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

3. Resolution 1 - Adoption of Remuneration Report

3.1 Remuneration Report

In accordance with Section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Financial Report for the period ending 30 June 2016 and is available on the Company's website <http://www.uilenergy.com.au>. The Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

3.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

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3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

As set out in the notes to Resolution 1, a voting exclusion statement applies with respect to the voting on this Resolution by certain persons connected to the Company.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

4. Resolution 2 - Re-election of Mr Simon Hickey as a Director

Mr Simon Hickey retires by rotation in accordance with Rule 20.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Under Rule 20.2 of the Company's Constitution, one-third of Directors are required to retire at each annual general meeting (excluding directors seeking election at the meeting for the first time, or the Managing Director).

Mr Hickey retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Simon Hickey's qualifications and experience

Mr Hickey is the founder of the Company and has over 20 years' experience in resource projects in Australia, North America and Asia. Mr Hickey has previously been a director of several ASX and TSX listed companies and has a record of successfully establishing and growing businesses in both Australia and North America.

Mr Hickey has a Bachelor of Commerce and a Graduate Diploma of Applied Finance and Investment.

Mr Hickey is a member of the Company's Audit and Risk Management Committee.

The Directors (with Mr Hickey abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 3 - Re-election of Mr Garry Marsden as a Director

Under Rule 19.4 of the Company's Constitution, the Board has the power at any time to appoint any person as a Director. A Director appointed under this Rule holds office only until the next annual general meeting of the Company, and is then eligible for re-election.

Mr Garry Marsden was appointed by the Board as a Director on 23 September 2016. Pursuant to Rule 19.4 of the Company's Constitution, Mr Marsden retires at the end of this Meeting and, being eligible, presents himself for re-election

Garry Marsden's qualifications and experience

Mr Marsden is an experienced oil and gas manager, with a degree in Petroleum Geology and a strong recent track record in investor communications, commercial management and retains an extensive contact network in the Australian oil and gas industry.

Mr Marsden worked for over a decade at AWE Limited, as Corporate Development Manager and Business Development Manager and more recently has acted as a Consultant to the oil and gas industry. Mr Marsden is a member of PESA and a Member of the Australian Institute of Company Directors.

Mr Marsden is a member of the Company's Audit and Risk Management Committee.

Explanatory Statement

The Directors (with Mr Marsden abstaining) recommend that you vote in favour of this Ordinary Resolution.

6. Resolutions 4, 5, 6, 7 and 8 –Issue of Plan Shares in Lieu of Director Fees

6.1 Introduction

The Directors have resolved to refer to Shareholders for approval the proposed issue of up to a maximum of 6,080,000 fully paid ordinary Shares in aggregate to John de Stefani, Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden, the current executive and non-executive directors of the Company, and to any person appointed as a director of the Company in the ensuing 12 months, or to their respective nominees (**Participating Director**), pursuant to the Director's Fee Plan (**Plan**) which was approved for the purposes of Listing Rule 7.2 exception 9 at the 2015 Annual General Meeting. The Shares will be issued in lieu of remuneration for the provision of services by the Directors. The terms of the Shares to be issued to the Participating Directors (**Plan Shares**) are set out in more detail below.

The Directors believe that the benefit of the proposed issue of Shares to Shareholders will be the conservation of cash for the Company to maintain a satisfactory level of working capital, as well as aligning the interest of directors with those of the Company and the Shareholders.

Approval for the Plan and the issue of the Plan Shares pursuant to the Plan is sought in accordance with Listing Rule 10.14 and for the purposes of Exception 14 of Listing Rule 7.2. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rule 10.11.

6.2 Background to the Proposal

A Director's Fee Plan was presented and approved at the 2015 Annual General Meeting to enable the Directors to receive Shares in lieu of cash remuneration. All Directors have agreed to propose the issue of shares as a precautionary measure to issue up to 50% of the remuneration of the managing director and up to 100% of the remuneration for the remaining Participating Directors payable in Shares (pending this approval) if required, for the ensuing 12 months.

Approval at this meeting is being sought for the issue of Plan Shares to the Participating Directors in lieu of all or part of their Director's fees and remuneration pursuant to the Plan for the 12 months following the Meeting. As such the Plan Shares will be granted for nil cash consideration and no funds will be raised from their issue.

6.3 Listing Rule 10.14

Because each of the Participating Directors is a related party of the Company for the purposes of Listing Rule 10.11, the proposed issue of Plan Shares to Participating Directors under the Plan must be approved under Listing Rule 10.14.

If approval is given under Listing Rule 10.14 approval is not required under Listing Rule 7.1. Accordingly, if approved, the issue of the Plan Shares pursuant to Listing Rule 10.14 will not be counted towards the Company's 15% for the purpose of Listing Rule 7.1. As a result, the Directors of the Company will be able to consider additional funding initiatives consistent with the provisions of ASX Listing Rule 7.1 without diminishing its issue capacity under Listing Rule 7.1.

6.4 Information on the Issue of Plan Shares

The terms of the Plan under which Directors may be issued Plan Shares in lieu of fees and remuneration, including the formula for calculating the issue price, are set out in Schedule 1.

Explanatory Statement

As the Plan is intended to operate for 12 months after the Meeting, and because the trading price for the Shares on the ASX may fluctuate, approval is sought for a maximum of 6,080,000 Plan Shares. This number has been determined on the basis of:

- (a) in the case of the current Participating Directors other than the managing director, the maximum aggregate amount of fees payable to Directors over a one year period of \$192,000;
- (b) in the case of the Participating Director who is a managing director, a maximum annual amount of \$112,000; and
- (c) an issue price of \$0.05, being the closing share price on 25th October 2016.

Accordingly, if the Plan Shares are issued at \$0.05 and 50% of the managing director's remuneration and all of the other Participating Directors remuneration is nominated to be issued as Plan Shares, the maximum number of 6,080,000 Plan Shares would be issued (representing 3.46% of the current issued share capital of the Company). However, if only 25% of the managing director's remuneration and only 50% of the other Participating Director's remuneration is nominated to be issued as Plan Shares, the number of Plan Shares issued would be 3,040,000 Plan Shares (representing 1.73% of the current issued share capital of the Company).

Subject to this cap of 6,080,000 Plan Shares, the number of Plan Shares which will be issued in the 12 months from the date of the Meeting will be determined by the relevant issue price of the Shares at the time of issue and the level of remuneration which each Participating Director specifies is to be paid by way of the issue of Plan Shares. If the maximum number of 6,080,000 Plan Shares is reached before the expiration of 12 months from the Meeting, no further Plan Shares will be issued.

Accordingly, if the average issue price of Plan Shares issued during the 12 months after the Meeting is higher than \$0.05, for example, at \$0.06 and 50% of the managing director's remuneration and 100% of the remaining Participating Directors remuneration is nominated to be issued as Plan Shares, the number of Plan Shares issued during the next 12 months would be reduced (to 5,066,667 Plan Shares at an issue price of \$0.06 representing 2.88% of the current issued share capital of the Company). If the average share price is lower than \$0.05, then the number of Plan Shares issued in exchange for the amount of remuneration nominated will increase but the total number of Plan Shares issued under the Plan between the Participating Directors will not exceed 6,080,000 Plan Shares.

6.5 Directors' Interests

All Participating Directors have a material interest in the outcome of Resolutions 4, 5, 6, 7 and 8, as it is proposed to issue shares to them (or their nominee).

If each of the Participating Directors participated in the Plan for 100% of their directors remuneration (or 50% in the case of the Participating Director who is the managing director), then the effect on the holding of each Participating Director would be as follows:

Participating Director	Current share holding	% of total share capital	Maximum shares issued (on the basis of an issue price of \$0.05) (3)	Shareholding after maximum shares issued (3)	% of total share capital after maximum shares issued (3)	Other securities
John de Stefani	14,144,051	8.04%	2,240,000 (1)	16,384,051 (1)	9.01% (1)	4,223,401 options

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Simon Hickey	19,022,532	10.82%	1,680,000(2)	20,702,532 (2)	11.38% (2)	2,842,074 options
Keith Skipper	87,183	0.05%	720,000(2)	807,183 (2)	0.44% (2)	500,000 options
Stephen Bizzell	9,050,441	5.15%	720,000 (2)	9,770,441 (2)	5.37% (2)	5,155,400 options
Garry Marsden	91,368	0.05%	720,000 (2)	811,368 (2)	0.45% (2)	58,143 Class B Preference Shares

Notes:

- (1) On the basis of Plan Shares issued in lieu of 50% of remuneration as the managing director;
- (2) On the basis of Plan Shares issued in lieu of 100% of remuneration as a director;
- (3) Based upon the current share capital at the date of this Notice of Meeting of 175,816,715 and assumes that no current options on issue are exercised and no other securities are issued, including any shares and options under any other resolution in this Notice.

Schedule 3 sets out the interests of all Directors if all Resolutions under this Notice are approved.

6.6 Information required under ASX Listing Rule 10.15

In accordance with Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

- (a) Plan Shares will only be issued to Participating Directors or to their nominees;
- (b) The maximum number of Plan Shares to be issued during the 12 months after the Meeting is 6,080,000. The number of Plan Shares issued under the Plan will be determined by the application of the relevant issue price to the level of remuneration nominated by the Participating Directors to be paid by the issue of Plan Shares, but will not exceed 6,080,000 during the 12 months following the Meeting.
- (c) The issue price of each Plan Share will be determined on the basis of the Volume Weighted Average Market Price of Shares for the last 30 Trading Days of the quarter for which an Election Notice has been given by a Participating Director and any fractional entitlement to be issued Plan Shares will be rounded up to the nearest whole number;
- (d) The details of the securities issued under the Plan approved by shareholders at the 2015 Annual General Meeting are as follows:

Recipient	Number of securities received	Acquisition price of each security
Mr Simon Hickey	232,488	\$0.0516
Mr John de Stefani	278,725	\$0.0516
Mr Keith Skipper	87,183	\$0.0516
Mr Stephen Bizzell	87,183	\$0.0516

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- (e) The Participating Directors are John de Stefani, Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden and any person appointed as a Director of the Company during the 12 months after the Meeting;
- (f) No loans are being given in respect of the issue of any Plan Shares; and
- (g) The Plan Shares are intended to be issued as and when elections are made by Participating Directors under the Plan, the intention being that Plan Shares would be issued to the Participating Directors in 4 tranches on the ending of each quarter (December 2016, March 2017, June 2017 and September 2017) and in any event no later than twelve (12) months following the date of the Meeting.

Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 4, 5, 6, 7 and 8.

6.7 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without shareholder approval unless the benefit falls within one of various exceptions to the general prohibition. The process for and requirements that need to be met for the convening of the shareholder's meeting are set out in Chapter 2E of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company, and entities controlled by him or her.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company issuing securities to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolutions 4, 5, 6, 7 and 8, if passed, will confer a financial benefit on the Recipients. Each Director of the Company is considered a related party of the Company.

Under section 211 of the Corporations Act the Company is not required to obtain the approval of Shareholders if the financial benefit is remuneration which it would be reasonable to give in the circumstances of the Company and the related party. As the Plan Shares are to be issued in lieu of remuneration payable to the Participating Directors the Board are of the view that the "remuneration" exception in section 211 of the Corporations Act is available to the Company.

6.8 Directors' Recommendation

Each of John de Stefani, Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden has a material personal interest in Resolutions 4, 5, 6, 7 and 8 and do not make any recommendations.

7. Background to Resolutions 9 to 19 – Re-capitalisation

As announced on 29 September 2016, the Company is undertaking a re-capitalisation process which involves:

- (a) the Placement, which has been completed and raised approximately \$750,000; and
- (b) a Share Purchase Plan to raise up to approximately \$750,000.

Explanatory Statement

The above process involves the issue of new Shares at \$0.05 each and, subject to shareholder approval, the issue of attaching Options on the basis of one attaching Option for each new Share issued. The attaching Options are a new class of Option which are exercisable at \$0.075 each, expire 18 months from the date of issue and are otherwise on the terms set out in Schedule 2. It is intended that these new attaching Options will be listed.

The purpose of the re-capitalisation is to progress development of the Company's Perth Basin permits including undertaking key activities relating to Ocean Hill 3D seismic approvals, 3D seismic Walayering farmout with Bombora Natural Energy Pty Ltd (Bombora), upgrading prospects on its central permits and for working capital (**Proposed Use of Funds**).

In order to complete the re-capitalisation process and undertake a number of other matters, the following Resolutions are being put to Shareholders for their approval at the Meeting:

- (a) Resolution 9 - Ratification of issue of Placement Shares;
- (b) Resolution 10 – Approval to issue Placement Options to unrelated parties;
- (c) Resolutions 11, 12 and 13 – Approval for participation by John de Stefani, Stephen Bizzell and Garry Marsden in the issue of Placement Shares and Placement Options;
- (d) Resolution 14 – Ratification of issue of SPP Shortfall;
- (e) Resolution 15 – Approval to issue SPP Options;
- (f) Resolutions 16 and 17 – Approval for participation by Simon Hickey and Garry Marsden in the issue of SPP Options;
- (g) Resolution 18 – Approval for issue of Broker Options to Hartley's Limited;

Further details regarding each of these Resolutions are set out below.

If no other Shareholders participated in the re-capitalisation process other than the Directors, the maximum percentage of voting power each Director could obtain if all of Resolutions 10 to 17 are approved and the Directors are issued with all the securities for which approval is sought pursuant to Resolutions 9 to 17 is as follows:

Director	Current shareholding (direct and indirect)		Directors' shareholding following issue of all Director Placement Shares and Director SPP Shares to Directors		Directors' shareholding following issue of all Director Placement Shares and Director SPP Shares to Directors and assuming all Options held by or issued to Directors (including Director Placement Options and Director SPP Options) are exercised and all Class B Convertible Preference shares are converted	
	No.	%	No.	%	No.	%
Simon Hickey	19,022,532	10.82	19,322,532	10.76	22,464,606	11.46
John de Stefani	14,144,051	8.04	15,144,051	8.44	20,367,452	10.39

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Director	Current shareholding (direct and indirect)		Directors' shareholding following issue of all Director Placement Shares and Director SPP Shares to Directors		Directors' shareholding following issue of all Director Placement Shares and Director SPP Shares to Directors and assuming all Options held by or issued to Directors (including Director Placement Options and Director SPP Options) are exercised and all Class B Convertible Preference shares are converted	
Stephen Bizzell	9,050,441	5.15	11,050,441	6.16	18,205,841	9.29
Keith Skipper	87,183	0.05	87,183	0.05	587,183	0.3
Garry Marsden	91,368	0.05	491,368	0.27	949,511	0.48

Note: the above table assumes that no other securities are issued to any person by the Company, including the Plan Shares to the Directors under Resolutions 4, 5, 6, 7 and 8 and as a result of the exercise of the Broker Options in Resolution 18.

Schedule 3 sets out the interests of all Directors if all Resolutions under this Notice are approved

8. Resolution 9 – Ratification of issue of Placement Shares

8.1 Introduction

As announced on 29 September 2016 the Company successfully placed Shares to professional, sophisticated and other investors to raise approximately \$750,000. In this regard, 11,900,000 Shares were issued on 6 October 2016 to unrelated parties (**Placement Shares**) and a further 3,100,000 have been subscribed for by related parties subject to shareholder approval (as referenced by Resolutions 11, 12 and 13) (**Director Placement Shares**).

8.2 ASX Listing Rule 7.4

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue and allotment of the Placement Shares, being issues of securities made by the Company on 6 October 2016 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 9 is approved it will have the effect of refreshing the Company's ability, to the extent of the Placement Shares, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing

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Rules and the Corporations Act). If Resolution 9 is not passed, the Placement Shares will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

For the purposes of ASX Listing Rule 7.5, the Company advises:

Number of securities issued	11,900,000 Placement Shares were issued.
Date the Company issued the securities	The Placement Shares were issued on 6 October 2016.
Issue price of the securities	\$0.05 per Placement Share.
Recipients of the securities	Unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the Issued Securities	The Placement Shares are fully paid ordinary shares and rank equally with all other existing Shares presently on issue.
Intended use of funds	The funds raised by the issue of the Placement Shares (approximately \$595,000) are intended to be used for the Proposed Use of Funds.

8.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

9. Resolution 10 – Approval for the issue of Placement Options

9.1 Introduction

Resolution 10 seeks shareholder approval to issue up to 11,900,000 attaching options to subscribe for Shares in the Company exercisable at \$0.075 each and expiring on the date being 18 months from the date of issue (**Placement Options**) to shareholders who received the Placement Shares, on the basis of one Placement Option for each Placement Share issued (with any fractional entitlement to be rounded down).

9.2 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Placement Options to shareholders who receive Placement Shares.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

By passing Resolution 6, the Company will be permitted to issue the Placement Options during the 3 months after the Meeting. If Resolution 10 is not passed, the Company will not be permitted to issue the Placement Options.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be	11,900,000 Placement Options will be issued. The Placement Options will be issued on the basis of one Placement Option for each Placement Share issued (with any fractional entitlement to be rounded
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issued	down).
Date by which the Company will issue the securities	The Placement Options will be issued as soon as reasonably practicable after the Meeting and not later than three months after the date of the Meeting. It is intended that the Placement Options will be issued on the same date.
Issue price of the securities	The issue price is nil.
Recipients of the securities	Investors who received the Placement Shares, being unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the securities to be issued	Refer to Schedule 2.
Intended use of funds	There will be no funds raised by the issue of the Placement Options.

9.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

10. Resolutions 11, 12 and 13 – Approval for participation by John de Stefani, Stephen Bizzell and Garry Marsden in the issue of Placement Shares and Placement Options

10.1 Background

As outlined above in Resolutions 9 and 10, the Company is seeking shareholder approval to ratify the issue of the Placement Shares and to approve the issue of the Placement Options (together, the **Placement**).

The Company has invited the Directors to participate in the Placement, subject to shareholder approval and John de Stefani, Stephen Bizzell and Garry Marsden have provided acceptances to participate in the Placement subject to shareholder approval. These acceptances total 3,100,000 Director Placement Shares and 3,100,000 attaching options to subscribe for Shares in the Company exercisable at \$0.075 each and expiring on the date being 18 months from the date of issue (**Director Placement Options**). Accordingly, the Company is seeking the approval of Shareholders to permit the Directors (or their nominees) to participate in the Placement.

Any Director Placement Shares and Director Placement Options issued to the Directors (or their nominees) in accordance with Resolutions 11, 12 and 13 will be in addition to those outlined in Resolutions 5 and 6. Accordingly, the total number of securities which will be issued under the Placement pursuant to Resolutions 9, 10, 11, 12 and 13 is 15,000,000 Shares (comprising the Placement Shares and Director Placement Shares) and 15,000,000 Options (comprising the Placement Options and Director Placement Options).

Resolutions 11, 12 and 13 therefore seek the approval of Shareholders for the issue and allotment of a total of up to 3,100,000 Director Placement Shares (in aggregate) and up to 3,100,000 Director Placement Options (in aggregate) under the Placement to the identified Directors of the Company or their nominees as follows:

- (a) 1,000,000 Director Placement Shares (raising up to \$50,000) and 1,000,000 Director Placement Options to John de Stefani or his nominees as part of the Placement;
- (b) 2,000,000 Director Placement Shares (raising up to \$100,000) and 2,000,000 Director Placement Options to Stephen Bizzell or his nominees as part of the Placement; and

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- (c) 100,000 Director Placement Shares (raising up to \$5,000) and 100,000 Director Placement Options to Garry Marsden or his nominees as part of the Placement, (together the **Recipients**).

The Director Placement Shares outlined above are to be issued at the same price as the Placement Shares in Resolution 9 (to unrelated investors), all being \$0.05 each. The maximum amount of funds that will be raised by the issue of the Director Placement Shares to the Recipients pursuant to Resolutions 11, 12 and 13 will be \$155,000.

If the Recipients are issued all of the Director Placement Shares the subject of Resolutions 11, 12 and 13, their voting power will change as follows:

- (a) John de Stefani's voting power (based on his current shareholding) will increase from 8.04% to 8.46%;
- (b) Stephen Bizzell's voting power (based on his current shareholding) will increase from 5.15% to 6.18%; and
- (c) Garry Marsden's voting power (based on his current shareholding) will increase from 0.05% to 0.11%.

The above voting power percentages assume that no other securities are issued, including other securities approved under Resolutions in this Notice.

Schedule 3 sets out the interests of all Directors if all resolutions are approved.

10.2 Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without the prior approval of a majority of disinterested shareholders, or the issue otherwise comes within one of the exceptions to Listing Rule 7.1 (**15% Rule**).

However, under Listing Rule 7.2 (Exception 14), if approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. Therefore the Director Placement Shares and the Director Placement Options will not count towards the Company's 15% Capacity under Listing Rule 7.1.

10.3 ASX Listing Rule 10.11

Listing Rule 10.11 requires the approval of Shareholders before securities in the Company can be issued to a related party. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

In accordance with Listing Rule 7.2 (exception 14), as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

The following information is given under Listing Rule 10.13 in relation to securities that are proposed to be issued pursuant to Resolutions 11, 12 and 13.

Related Party	In respect of Resolution 11: <ol style="list-style-type: none">1. Mr John de Stefani or his nominees.2. Mr John de Stefani is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice, Mr de Stefani and parties associated
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	<p>with him hold 14,144,051 Shares in the Company and 4,223,401 Options.</p> <p>In respect of Resolution 12:</p> <ol style="list-style-type: none"> 1. Mr Stephen Bizzell or his nominees. 2. Mr Stephen Bizzell is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice, Mr Bizzell and parties associated with him hold 9,050,441 Shares and 5,155,400 Options. <p>In respect of Resolution 13:</p> <ol style="list-style-type: none"> 1. Mr Garry Marsden or his nominees. 2. Mr Garry Marsden is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice, Mr Marsden and parties associated with him hold 91,368 Shares and 58,143 Class B Convertible Redeemable Preference Shares.
Maximum number of securities to be issued	<p>In respect of Resolution 11, up to 1,000,000 Director Placement Shares and up to 1,000,000 Director Placement Options.</p> <p>In respect of Resolution 12, up to 2,000,000 Director Placement Shares and up to 2,000,000 Director Placement Options.</p> <p>In respect of Resolution 13, up to 100,000 Director Placement Shares and up to 100,000 Director Placement Options.</p>
Date the Company may issue the securities	<p>The Company may issue the Director Placement Shares and the Director Placement Options the subject of Resolutions 11, 12 and 13 to the Recipients within one month after the date of the Meeting.</p>
Issue price of the shares and options	<p>\$0.05 per Director Placement Share.</p> <p>The issue price of each Director Placement Option is nil.</p>
Intended use of funds	<p>The funds raised by the issue of the Director Placement Shares are intended to be used together with the funds raised from the Placement Shares for the Proposed Use of Funds. No funds will be raised from the issue of the Director Placement Options.</p>

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 11, 12 and 13.

10.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without shareholder approval unless the benefit falls within one of various exceptions to the general prohibition. The process for and requirements that need to be met for the convening of the shareholder's meeting are set out in Chapter 2E of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company, and entities controlled by him or her.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company issuing securities to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

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The proposed Resolutions 11, 12 and 13, if passed, will confer a financial benefit on the Recipients. Each Director of the Company is considered a related party of the Company.

Under section 210 of the Corporations Act the Company is not required to obtain the approval of Shareholders if the financial benefit is given on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length or are less favourable than those terms. The terms of the Placement were reached in consultation with the Company's advisory team and brokers for offer by the brokers to unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act and the Board are of the view that the "arm's length" exception in section 210 of the Corporations Act is available to the Company.

10.5 Director Recommendation

The non-interested members of the Board, comprising Keith Skipper and Simon Hickey, recommend that Shareholders vote in favour of this Ordinary Resolution.

11. Resolution 14 – Approval of issue of any SPP shortfall

11.1 Introduction

The terms of the SPP provide that, in the event that not all Shares offered under the SPP are issued, the Shares not issued will comprise the shortfall and may be placed, at the discretion of the Directors, to unrelated parties, subject to Shareholder approval. It is also proposed that one SPP Shortfall Option (having an exercise price of \$0.075 and an expiry date of 18 months from the date of issue) will be issued for each Shortfall Share issued (with any fractional entitlement to be rounded down).

As at the date of issue of this Notice, the SPP offer has not yet closed. The SPP offer is expected to close on 7 November 2016 with the shortfall being placed after the date of the Meeting. As such, the amount of the shortfall is not currently known.

Resolution 14 seeks Shareholder approval to issue such number of Shares which have been offered to, but not issued to, Shareholders pursuant to the SPP (**SPP Shortfall Shares**) up to a maximum of 15,000,000 SPP Shortfall Shares, together with one SPP Shortfall Option for each SPP Shortfall Share issued.

11.2 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the SPP Shortfall to unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

Whilst the SPP to be undertaken by the Company complies with the requirements of Listing Rule 7.2 Exception 15 and Listing Rule 10.12 Exception 8, these exceptions do not extend to the placement of any SPP Shortfall Shares arising from the SPP or for any SPP Shortfall Options that may be issued.

By passing Resolution 10, the Company will be permitted to issue the SPP Shortfall during the 3 months after the Meeting. If Resolution 14 is not passed, the Company will not be permitted to issue the SPP Shortfall unless it has placement capacity pursuant to Listing Rule 7.1 or 7.1A and is acting in compliance with Listing Rule 7.1B.2.

For the purposes of Listing Rule 7.3, the Company provides the following information:

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Maximum number of securities to be issued	Up to 15,000,000 SPP Shortfall Shares may be issued. Up to 15,000,000 SPP Shortfall Options may be issued.
Date by which the Company will issue the securities	The SPP Shortfall Shares will be issued immediately after the Meeting and not later than 3 months after the date of the Meeting. It is intended that the SPP Shortfall Shares will be issued on the same date. The SPP Shortfall Options will be issued as soon as reasonably practicable after the Meeting and not later than within 3 months after the date of the Meeting. It is intended that the SPP Shortfall Options will be issued on the same date.
Issue price of the securities	\$0.05 per SPP Shortfall Share. The issue price for the SPP Shortfall Options is nil.
Recipients of the securities	Unrelated professional, sophisticated and other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
Terms of the securities to be issued	The SPP Shortfall Shares are fully paid ordinary shares and will rank equally with existing Shares presently on issue. Refer to Schedule 2 for the terms of the SPP Shortfall Options.
Intended use of funds	The funds raised from the issue of the SPP Shortfall Shares (up to approximately \$750,000 depending on the level of the Shortfall under the SPP) are intended to be used for the Proposed Use of Funds. There will be no funds raised by the issue of the SPP Shortfall Options.

11.3 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

12. Resolution 15 – Approval for the issue of SPP Options

12.1 Introduction

On 29 September 2016 the Company announced that it would be undertaking a shareholder Share Purchase Plan (**SPP**) to raise up to \$750,000.

The Company also announced that it intends, subject to obtaining Shareholder approval, to issue each participant in the SPP with one SPP Option for each share issued pursuant to the SPP (with any fractional entitlement to be rounded down). The Company will issue up to 15,000,000 SPP Options, subject to shareholder approval. The SPP Options will be exercisable at \$0.075 each and expire on the date being 18 months from the date of issue (**SPP Options**) to shareholders who receive fully paid ordinary shares pursuant to the SPP, on the basis of one SPP Option for each share issued pursuant to the SPP.

12.2 ASX Listing Rules 7.2 – Share Purchase Plan

Listing Rule 7.2, Exception 15 provides an exception to the requirement to seek Shareholder approval for the issue of Shares, where the Company undertakes a security purchase plan. In order to comply with the exception in Listing Rule 7.2:

- (a) the security purchase plan must comply with ASIC Class Order 09/425;
- (b) the number of shares to be issued under the security purchase plan must not exceed 30% of the number of fully paid ordinary shares already on issue; and

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- (c) the issue price for shares under the security purchase plan must be at least 80% of the average market price for securities in that class calculated over the last 5 days on which sales in the securities were recorded either before the day on which the issue was announced or before the day on which the issue was made.

The SPP to be undertaken by the Company complies with the requirements of Listing Rule 7.2, Exception 15.

Accordingly, any Shares issued pursuant to the SPP will not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

However, the SPP Options do not fall within Listing Rules 7.2, Exception 15, as this exception applies only to Shares issued pursuant to the SPP. Further, the Company does not presently have sufficient capacity pursuant to Listing Rule 7.1 to issue the SPP Options.

12.3 ASX Listing Rule 7.1 - Issues exceeding 15% of capital

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the SPP Options to Eligible Shareholders who were issued shares under the SPP.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A. By passing Resolution 15, the Company will be permitted to issue the SPP Options during the 3 months after the Meeting. If Resolution 15 is not passed, the Company will not be permitted to issue the SPP Options.

For the purposes of Listing Rule 7.3, the Company provides the following information:

Maximum Number of securities to be issued	Up to 15,000,000 SPP Options may be issued. The SPP Options will be issued on the basis of one SPP Option for each Share issued pursuant to the SPP (with any fractional entitlement to be rounded down).
Date by which the Company will issue the securities	The SPP Options will be issued as soon as reasonably practicable after the Meeting and not later than three months after the date of the Meeting. It is intended that the SPP Options will be issued on the same date.
Issue price of the securities	The issue price is nil.
Recipients of the securities	Shareholders who are issued Shares pursuant to the SPP.
Terms of the securities to be issued	Refer to Schedule 2.
Intended use of funds	There will be no funds raised by the issue of the SPP Options.

12.4 Voting Exclusion

A voting exclusion statement is included for Resolution 15 in the Notice of Meeting for the purposes of Listing Rules 7.3.8 and 14.11.

Under the voting exclusion statement, shareholders who participate in the SPP are excluded from having their vote counted with regards to this Resolution 15.

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As announced to shareholders in the SPP offer document dated 6 October 2016, the SPP opened on 10 October 2016 and is scheduled to close on 7 November 2016, with shares under the SPP expected to be issued to shareholders on 11 November 2016 and holding statements sent to shareholders on 14 November 2016. The Meeting will be held on 28 November 2016.

The Company has applied to ASX for a waiver from the operation of Listing Rule 7.3.8. The effect of the grant of the waiver will be that shareholders who participate in the SPP will be able to have their vote on Resolution 15 counted at the Meeting. The Company will notify shareholders by making an announcement on the ASX platform when a decision has been obtained from the ASX.

There is no guarantee that the waiver will be granted by the ASX. If the waiver is not granted by the ASX, then votes cast by shareholders who have participated in the SPP will not be counted for Resolution 15 in accordance with the voting exclusion required by Listing Rule 7.3.8 and 14.11.

12.5 Director Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

13. Resolutions 16 and 17 – Approval for participation by Simon Hickey and Garry Marsden in the issue of SPP Options

13.1 Background

As outlined above in Resolution 15, the Company is seeking shareholder approval for the issue of the SPP Options.

The Company has invited the Directors to participate in the SPP, subject to shareholder approval and Simon Hickey and Garry Marsden have advised the Company that they intend to participate in the SPP, subject to shareholder approval, to each acquire up to \$15,000 of Shares (representing 300,000 Shares each under the SPP). The Company has not currently entered into any binding commitments with these two Directors to subscribe for securities in the SPP, however, the Company is seeking the approval of Shareholders to permit those two Directors (or their nominees) to participate in the SPP should they subscribe for Shares under the SPP. Other Directors may also elect to participate in the SPP during the offer period for the SPP but they will not be entitled to participate in the offer of the SPP Options without having obtained prior shareholder approval.

In subscribing for Shares under the SPP, Mr Hickey and Mr Marsden will become entitled to receive 300,000 attaching options to subscribe for Shares in the Company exercisable at \$0.075 each and expiring on the date being 18 months from the date of issue (**Director SPP Options**). Accordingly, the Company is seeking the approval of Shareholders to permit these Directors (or their nominees) to be issued the Director SPP Options.

Any Director SPP Options issued to Mr Hickey and Mr Marsden (or their nominees) in accordance with Resolutions 16 and 17 will form part of the SPP Options and will not be in addition to those outlined in Resolution 15. As such, the maximum number of securities which may be issued pursuant to Resolutions 15, 16 and 17 is 15,000,000 SPP Options.

Resolutions 15 and 16 therefore seek the approval of Shareholders for the issue and allotment of a total of up to 600,000 Director SPP Options (in aggregate) under the SPP to Mr Hickey and Mr Marsden or their nominees as follows:

- (a) up to 300,000 Director SPP Options to Simon Hickey or his nominees as part of the SPP; and
- (b) up to 300,000 Director SPP Options to Garry Marsden or his nominees as part of the SPP; and

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(together the **Option Recipients**).

No funds will be raised by the issue of the Director SPP Options.

The issue to the Option Recipients will not immediately change the voting power of Mr Hickey or Mr Marsden. By subscribing for Director SPP Shares under the SPP, the voting power of Mr Hickey and Mr Marsden will change as follows:

- (a) Simon Hickey's voting power (based on his current shareholding) will increase from 9.81% to 9.96%; and
- (b) Garry Marsden's voting power (based on his current shareholding) will increase from 0.10% to 0.25%.

The above voting power percentages assume the following:

- (a) the prior issue of the Director Placement Shares under Resolutions 7, 8 and 9;
- (b) that the SPP is undertaken and fully subscribed;
- (c) that Simon Hickey (and controlled entities) subscribes for 300,000 Shares under the SPP;
- (d) that Garry Marsden (and controlled entities) subscribes for 300,000 Shares under the SPP.

Schedule 3 sets out the interests of all Directors if all Resolutions under this Notice are approved.

13.2 ASX Listing Rule 10.11 – Share Purchase Plan

Listing Rule 10.12, Exception 8, provides an exception to the requirement to seek Shareholder approval for the issue of Shares to a related party of the Company, where the Company undertakes a security purchase plan. In order to comply with the exception in Listing Rule 10.12:

- (a) the security purchase plan must comply with ASIC Class Order 09/425;
- (b) the number of shares to be issued under the security purchase plan must not exceed 30% of the number of fully paid ordinary shares already on issue; and
- (c) the issue price for shares under the security purchase plan must be at least 80% of the average market price for securities in that class calculated over the last 5 days on which sales in the securities were recorded either before the day on which the issue was announced or before the day on which the issue was made.

The SPP to be undertaken by the Company complies with the requirements of Listing Rule 10.12, Exception 8. Accordingly, SPP Shares which are issued to the Option Recipients will not be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

However, the SPP Options do not fall within Listing Rule 10.12, Exception 8, as these exceptions apply only to Shares issued pursuant to the SPP. Accordingly, the Company is seeking the approval of Shareholders for the purposes of Listing Rule 10.11 to enable the issue of the Director SPP Options to the Option Recipients.

13.3 Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15%**

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Capacity) without the prior approval of a majority of disinterested shareholders, or the issue otherwise comes within one of the exceptions to Listing Rule 7.1 (**15% Rule**).

However, under Listing Rule 7.2 (Exception 14), if approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. Therefore, the Director SPP Options will not count towards the Company's 15% Capacity under Listing Rule 7.1.

13.4 ASX Listing Rule 10.11

Listing Rule 10.11 requires the approval of Shareholders before securities in the Company can be issued to a related party. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

In accordance with Listing Rule 7.2 (exception 14), as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

The following information is given under Listing Rule 10.13 in relation to securities that are proposed to be issued pursuant to Resolutions 16 and 17.

Related Party	<p>In respect of Resolution 16:</p> <ol style="list-style-type: none">1. Mr Simon Hickey or his nominees.2. Mr Simon Hickey is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice, Mr Hickey and parties associated with him hold 19,022,532 Shares in the Company and 2,842,074 Options. <p>In respect of Resolution 17:</p> <ol style="list-style-type: none">1. Mr Garry Marsden or his nominees.2. Mr Garry Marsden is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice, Mr Marsden and parties associated with him hold 91,368 Shares and 58,143 Class B Convertible Preference Shares.
Maximum number of securities to be issued	<p>In respect of Resolution 16, up to 300,000 Director SPP Options.</p> <p>In respect of Resolution 17, up to 300,000 Director SPP Options.</p>
Date the Company may issue the securities	<p>The Company may issue the Director SPP Options the subject of Resolutions 16 and 17 to the Recipients within one month after the date of the Meeting.</p>
Issue price of the options	<p>The issue price of each Director SPP Option is nil.</p>
Intended use of funds	<p>No funds will be raised from the issue of the Director SPP Options.</p>

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 16 and 17.

13.5 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without shareholder approval unless the benefit falls within one of various exceptions to the general prohibition. The process for and requirements

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that need to be met for the convening of the shareholder's meeting are set out in Chapter 2E of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company, and entities controlled by him or her.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company issuing securities to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolution 17, if passed, will confer a financial benefit on the Recipients. Each Director of the Company is considered a related party of the Company.

Under section 211 of the Corporations Act the Company is not required to obtain the approval of Shareholders if the financial benefit is given to the related party in their capacity as a member of the Company and giving the benefit does not discriminate unfairly against the other members of the Company. As the SPP Options are to be issued to these Directors in their capacity as Eligible Shareholders under the SPP and on the same terms as offered to other Eligible Shareholders, the Board are of the view that the "benefit to members" exception in section 215 of the Corporations Act is available to the Company.

13.6 Director Recommendation

The non-interested members of the Board, comprising John de Stefani, Stephen Bizzell and Keith Skipper recommend that Shareholders vote in favour of this Ordinary Resolution.

14. Resolution 18 – Issue of Broker Options to Hartleys

14.1 Background

As announced by the Company on 29 September 2016, the Company undertook a placement of 15,000,000 shares at an issue price of \$0.05 to professional and sophisticated investors to raise \$750,000 (before issue costs), together with one free attaching listed Option exercisable at \$0.075 on or before the expiry date being 18 months from the date of issue (**Placement**).

In addition the Company is undertaking the SPP Offer to raise up to \$750,000 on the same terms as the Placement.

Pursuant to a letter agreement between Hartleys and the Company dated 30 March 2016, Hartleys has agreed to provide corporate advice and capital raising services to the Company, including acting as broker to the Placement and the SPP Offer.

In consideration of the provision of these services, the Company has agreed to allot and issue up to 10,000,000 listed Options exercisable at \$0.075 on or before the expiry date being 18 months from the date of issue (**Broker Options**) to Hartleys (or its nominee)

14.2 Listing Rule Information

Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of Shares on issue at the commencement of that 12 month period.

The effect of Resolution 18 will be to allow the Directors to issue the Broker Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

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

- (a) The maximum number of Broker Options to be issued is 10,000,000.
- (b) The Broker Options will be issued and allotted no later than 3 months after the date of the General Meeting (or such later date as permitted by the Listing Rules) and it is intended that allotment will occur on one date.
- (c) The Broker Options will be issued for nil cash consideration as they are being allotted in consideration of Hartleys acting as broker to the Placement and SPP Offer, accordingly, no funds will be raised by the placement of the Broker Options.
- (d) The Broker Options will be allotted and issued to Hartleys or its nominee(s).
- (e) The Broker Options will be granted on the terms and conditions set out in Schedule 2 of this explanatory memorandum.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 18.

15. Resolution 19 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

15.1 Introduction

Pursuant to Resolution 19, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A, small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 19.

15.2 Listing Rule 7.1A

(a) General

(1) Eligibility

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An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 25 October 2016, the Company's market capitalisation was \$8.79 million based on the closing trading price on that date. The calculation of market capitalisation will be based on the closing price of the shares, on the last trading day on which trades in the shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not anticipated to be included in the S&P/ASX300 Index as at the time of the Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September. The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution 19, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

(2) **Special Resolution**

Listing Rule 7.1A requires this Resolution 19 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

(3) **Shareholder approval**

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

(4) **Formula for calculating Additional 10% Placement**

Listing Rule 7.1A.2 provides that Eligible Entities that 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 x D) - E

Where:

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval); and

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- (4) less the number of fully paid ordinary securities 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 Rules 7.1 or 7.4.

(b) **Listing Rules 7.1 and 7.1A**

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

At the date of this Notice of Meeting, the Company has on issue 175,816,715 Shares. Provided that the number of Shares on issue remains the same, the Company would have the capacity to issue the following Equity Securities on the date of the Meeting:

- (A) subject to the approval of Resolution 5, 26,372,507 Equity Securities under Listing Rule 7.1; and
- (B) subject to Shareholder approval being obtained under Resolutions 9 and 19, 17,581,671 Placement Securities under Listing Rule 7.1A.

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

(c) **Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 19 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, will be released to the market on the date of issue:
 - details of the dilution to the existing holders of Shares caused by the issue;
 - where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
 - details of any underwriting arrangements, including any fees payable to the underwriter; and
 - any other fees or costs incurred in connection with the issue.

Explanatory Statement

15.3 Specific information required by Listing Rule 7.3A

(a) Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

(b) Risk of economic and voting dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 19 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 175,816,715 Shares. Should the number of Shares on issue remain the same, the Company could issue 17,581,671 Placement Securities on the date of the meeting (however, it is important to note that the exact number of Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Table 1

Issued Capital	Share	50% decrease in Market Price \$0.025		Current Market Price \$0.05		100% increase in Market Price \$0.10	
		10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
Present Issued Share Capital = 175,816,715 Shares		17,581,672	\$439,542	17,581,672	\$879,084	17,581,672	\$1,758,167

Explanatory Statement

50% Increase in Share Capital = 263,725,073 Shares	26,372,507	\$659,313	26,372,507	\$1,318,625	26,372,507	\$2,637,251
100% Increase in Share Capital = 351,633,430 Shares	35,163,343	\$879,084	35,163,343	\$1,758,167	35,163,343	\$3,516,334

Assumptions and explanations

- The table assumes that there are 175,816,715 Shares on issue.
- Assumes a Market Price of \$0.05 based on the closing price of the shares on the ASX on 25 October 2016.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

(c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 29 November 2017. The approval under Resolution 19 for the issue of the Placement Securities 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 of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

(d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company's current assets and general working capital.

(e) Shares issued for non-cash consideration - Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

(f) Company's allocation policy - Listing Rule 7.3A.5

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

Explanatory Statement

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

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

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

(g) Company has previously obtained shareholder approval under listing rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous annual general meeting held on 18 November 2015 but has not issued any Equity Securities under this authority.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities (quoted and unquoted) issued in the previous 12 months preceding the date of the AGM (that is, since 18 November 2015):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue on at commencement of 12 month period	108,023,755 Ordinary Shares 36,312,959 Share Options <u>1,000,000 Performance Rights</u> 145,336,714 Equity Securities (Total)
Equity securities issued in prior 12 month period	12,792,960 Shares (excluding 55,000,000 Shares issued from conversion of the Class A CRPS listed below) 55,000,000 Class A CRPS (which have converted to 55,000,000 Shares) <u>35,000,000 Class B CRPS</u> 102,792,960 Equity Securities (Total)
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	70.73%

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

Date of Issue:	29 August 2016
Number issued:	165,000
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Shares issued on conversion of performance rights.
Names of persons who received securities or basis on which those persons was determined	Shares were issued to an Executive, Vic Palanyk for services.
Price at which equity securities were issued:	Nil

Explanatory Statement

Consideration received:	Not Applicable
Use of Cash:	Not Applicable
Non-cash consideration paid:	Conversion of Performance Rights into Shares following successful completion of Performance Hurdles. On the basis of the share price of \$0.05 on 25 October 2016, these shares have a current value of \$8,250.

Date of Issue:	8 September 2016
Number issued:	55,000,000 Class A 35,000,000 Class B
Type of equity security:	Convertible Redeemable Preference Shares (CRPS)
Summary of terms:	CRPS issued as consideration under the Shares Sale Agreement with Eneabba Gas Ltd (as approved at the Extraordinary General Meeting held 6 May 2016).
Names of persons who received securities or basis on which those persons was determined	In-specie distribution to Eneabba Gas Ltd's shareholders on the record date of 14 September 2016.
Price at which equity securities were issued:	Nil
Consideration received:	Eneabba Gas Ltd's two subsidiary companies that hold EP 495 (Ocean Hill Project) and EP 447 (50%).
Use of Cash:	Not Applicable
Non-cash consideration paid:	The Class A CRPS have been converted to ordinary shares which, on the basis of the share price of \$0.05 on 25 October 2016, these shares have a current value of \$2,750,000. If the Class B CRPS were converted as of 25 October 2016, they would have a current value of \$1,750,000

Date of Issue:	21 September 2016
Number issued:	55,000,000
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Shares issued on conversion of Class A Convertible Redeemable Preference Shares
Names of persons who received securities or basis on which those persons was determined	Issued to Eneabba Gas Ltd shareholders on the record date of 14 September 2016.
Price at which equity securities were issued:	Nil
Consideration received:	The Shares were issued on conversion of Class A Convertible Redeemable Preference Shares
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.05 on 25 October 2016, these shares have a current value of \$2,750,000

Date of Issue:	6 October 2016
Number issued:	11,900,000
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Placement to sophisticated and professional investors at \$0.05 per share.

Explanatory Statement

Names of persons who received securities or basis on which those persons was determined	Sophisticated and professional investors.
Price at which equity securities were issued:	\$0.05
Consideration received:	\$595,000
Use of Cash:	The cash consideration has not yet been used. The amount received will be used to progress the development of the Company's Perth Basin Oil and Gas exploration permits and provide working capital.
Non-cash consideration paid:	Not Applicable

Date of Issue:	14 October 2016
Number issued:	685,579
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of Shares to Participating Directors of Director's Fee Plan approved at Annual General Meeting dated 18 November 2015
Names of persons who received securities or basis on which those persons was determined	Mr Simon Hickey, Mr John de Stefani, Mr Stephen Bizzell and Mr Keith Skipper (Participating Directors as approved at Annual General Meeting held 18 November 2015.
Price at which equity securities were issued:	\$0.0516 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed director fees for 3 months from 1 July 2016 to 30 Sept 2016 pursuant to the Director's Fee Plan.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.05 on 25 October 2016, these shares have a current value of \$34,278.95

Date of Issue:	14 October 2016
Number issued:	42,381
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to a consultant in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to a consultant, D Cornish for the provision of consulting and company secretarial services.
Price at which equity securities were issued:	\$0.0516 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees for 3 months from 1 July 2016 to 30 Sept 2016.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.05 on 25 October 2016, these shares have a current value of \$2,119.05

(h) Voting Exclusion Statement

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these

Explanatory Statement

circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

16. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Brisbane time) on 27 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

17. Interpretation

Annual General Meeting or Meeting means the Annual General Meeting of the Company to be held on 29 November 2016.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (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 dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

Company means UIL Energy Ltd ACN 153 352 160

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

Directors means the directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Listing Rules means the listing rules of the ASX.

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Market Price has the meaning given to that term in the Listing Rules.

Explanatory Statement

Notice of Meeting or **Notice** means this notice of meeting.

Options means an option to subscribe for a Share in the Company.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast by members entitled to vote on the Resolution.

Placement Securities means the Equity Securities that may be issued if Resolution 4 is passed, representing up to 10% of the issued capital of the Company (at the time of issue) and calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3, and otherwise on the terms and conditions described in the Explanatory Memorandum.

Resolution means a resolution to be proposed at the Meeting.

Shares means ordinary fully paid shares in the issued capital of the Company

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) passed by at least 75% of the votes cast by members entitled to vote on the Resolution.

VWAP means the volume weighted average market price of the Shares.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Drew Speedy (Company Secretary): drew.speedy@uilenergy.com phone +61 7 3007 9600.

Explanatory Statement

Schedule 1 - Summary of terms of Director's Fee Plan

- (a) All executive and non-executive Directors of the Company will be entitled during the term of the Plan to elect to be paid some or all of their remuneration for services by way of an issue of Shares.
- (b) An Election Notice may be given by a Participating Director within 10 Business Days after each quarter and will specify:
 - (1) the amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Plan Shares; and
 - (2) whether the Participating Director wishes to have the Plan Shares issued in his or her own name or in the name of a nominee.
- (c) The obligation of the Company to issue any Plan Shares is subject to obtainment of any approvals which may be required under:
 - (1) the Listing Rules; and
 - (2) the Corporations Act 2001 (Cth).
- (d) The issue price of each Directors Share will be determined on the basis of the volume-weighted average price of Shares for the last 30 Trading Days of the quarter for which the Election Notice is given by a Participating Director and any fractional entitlement to be issued Plan Shares will be rounded up to the nearest whole number.
- (e) The Company will:
 - (1) issue the Plan Shares in lieu of any Outstanding Remuneration as specified in the Election Notice within three Business Days of receipt of an Election Notice;
 - (2) forthwith deliver a statement of holding in respect of the Plan Shares; and
 - (3) cause the Plan Shares to be listed on ASX as soon as reasonably practicable.
- (f) Unless otherwise approved by shareholders of the Company, the maximum number of Plan Shares which may be issued by the Company in each 12 months during the term of the Plan will be 6,320,000 Plan Shares.

Explanatory Statement

Schedule 2 - Summary of Option terms

1. The Options shall be issued for no consideration;
2. The exercise price of each Option is \$0.075 (**Exercise Price**);
3. The Options will vest immediately upon grant (**Vesting Condition**).
4. The Options will expire on the date being 18 months from the date of issue (Expiry Date) unless earlier exercised;
5. The Entity will apply for listing of the options on the ASX.
6. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Option to the Entity at any time on or after the date of issue of the Options and on or before the Expiry Date;
7. The number of Options that may be exercised at one time must be not less than 10,000;
8. Upon the valid exercise of the Options and payment of the Exercise Price, the Entity will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;
9. Option holders do not have any right to participate in new issues of securities in the Entity made to shareholders generally. The Entity will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
10. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Entity are issued prior to the record date to determine entitlements to the dividend;
11. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Entity:
 - (a) the number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged;
12. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

N + 1

Where:

- O^n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

Explanatory Statement

- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
13. If there is a bonus issue to the holders of shares in the Entity, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue;
14. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Entity approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options; and
15. The Entity shall apply for listing of the resultant shares of the Entity issued upon exercise of any Option.

Explanatory Statement

Schedule 3 - Summary of Directors Interests

Director	Current Shareholding at 28 October 2016 ^(a)						Issue of Plan Shares (Resolutions 4, 5, 6, 7 and 8) ^(b)	Issue of Director Placement Shares and Director Placement Options (Resolutions 11, 12 & 13)		Issue of Shares and Options under the SPP (Resolutions 16 & 17) ^{(c) (d)}	
	Shares	%	Options	%	Class B CRPS	%		Shares	Options	Shares	Options
Simon Hickey	19,022,532	10.82	2,842,074	11.01	-	-	1,680,000	-	-	300,000	300,000
John de Stefani	14,144,051	8.04	4,223,401	16.37	-	-	2,240,000	1,000,000	1,000,000	-	-
Stephen Bizzell	9,050,441	5.15	5,155,400	19.98	-	-	720,000	2,000,000	2,000,000	-	-
Keith Skipper	87,183	0.05	500,000	1.94	-	-	720,000	-	-	-	-
Garry Marsden	91,368	0.05	-	-	58,143	0.17	720,000	100,000	100,000	300,000	300,000
Other Shareholders	133,571,140	75.89	13,084,084	50.7	34,941,857	99.83	-	-	-	14,400,000	14,400,000
Total	175,816,715	100	25,804,959	100	35,000,000	100	6,080,000	3,100,000	3,100,000	15,000,000	15,000,000

(a) Includes 11,900,000 Placement Shares issued 6 October 2016.

(b) Assumes Directors elect to take the full amount of shares in lieu of fees over the 12 months following AGM approval.

(c) Assumes Mr Hickey (and his controlled entities) and Mr Marsden (and his controlled entities) each subscribe for up to \$15,000 worth of Shares under the SPP and that no other Directors subscribe for Shares under the SPP.

(d) Assumes that the SPP is fully subscribed.

The table below indicates the Director holdings Post AGM on the assumption that all of Resolutions 4 to 19 are approved and all Shares and Options to be issued under the Placement, SPP and Broker Options have been issued.

	Shares	%	Options	%	Class B CRPS	%
Simon Hickey	21,002,532	10.5	3,142,074	4.77	-	-
John de Stefani	17,384,051	8.69	5,223,401	7.94	-	-
Stephen Bizzell	11,770,441	5.89	7,155,400	10.87	-	-
Keith Skipper	807,183	0.4	500,000	0.76	-	-
Garry Marsden	1,211,368	0.61	400,000	0.61	58,143	0.17
Other Shareholders	147,821,140	73.91	49,384,084	75.05	34,941,857	99.83
Total	199,996,715	100	65,804,959	100	35,000,000	100



UIL Energy Limited
ABN 92 153 352 160

LODGE YOUR VOTE



EMAIL

Scan and email to: info@uilenergy.com



BY MAIL

UIL Energy Limited
GPO Box 3284
Brisbane QLD 4000
Australia



BY FAX

+61 7 3212 9201



BY HAND

UIL Energy Limited
Level 9, 1 Eagle St, Brisbane QLD 4000



ALL ENQUIRIES TO

Telephone: +61 7 3007 9600

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **1:00pm on Sunday, 27 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of UIL Energy Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **1:00pm on Tuesday, 29 November 2016 at HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, QLD, 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4, 5, 6, 7 and 8: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5, 6, 7 and 8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval for Participation by John de Stefani in Placement Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Simon Hickey as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval for Participation by Stephen Bizzell in Placement Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Garry Marsden as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval for Participation by Garry Marsden in Placement Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of Plan Shares to John de Stefani in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approve the issue of any SPP shortfall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of issue of Plan Shares to Simon Hickey in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval for the Issue of SPP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of Plan Shares to Keith Skipper in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval for the Issue of SPP Options to Simon Hickey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of issue of Plan Shares to Stephen Bizzell in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Approval for the Issue of SPP Options to Garry Marsden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of issue of Plan Shares to Garry Marsden in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Issue of Broker Options to Hartleys Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Ratify the Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL BUSINESS			
10 Approval for the Issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19 Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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