
ENERJI LTD

ABN 62 009 423 189

NOTICE OF GENERAL MEETING

TIME: 10.30 am (WST)

DATE: 2 October 2012

PLACE: BDO
38 Station Street
SUBIACO WA 6008

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Mr Geoffrey Reid or the Executive Director, Mr Greg Pennefather, on (+61 8) 9268 3800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30 am (WST) on 2 October 2012 at:

BDO
38 Station Street
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies

should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

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

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 10.30 am (WST) on 2 October 2012 at BDO, 38 Station Street, Subiaco, Western Australia.

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 10.30 am (WST) on 30 September 2012.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – ISSUE OF PLAN SHARES AND APPROVAL OF LOAN TO A RELATED PARTY

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

“That, for the purposes of Section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue 8,000,000 Shares to Ian Campbell (or his nominee), and provide Ian Campbell a loan to subscribe for the Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- i. the proxy is either:
 - a. a member of the Key Management Personnel; or
 - b. a Closely Related Party of such a member; and
 - ii. the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- iii. the proxy is the Chair of the Meeting; and
 - iv. the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – PLACEMENT - SECURITIES

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue Shares with free attaching Options to raise a total of up to \$3,000,000 on the terms and conditions set out in the Explanatory Statement.”

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

3. RESOLUTION 3 – ISSUE OF SECURITIES

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 20,000,000 Shares and 20,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

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

4. RESOLUTION 4 – ISSUE OF BONDS

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50 Bonds to the Subscriber under the Subscription Agreement on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

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

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 2,597,765 Shares and 30,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 30,151,125 Shares and 28,725,562 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 21,000,000 Shares and 13,500,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 25,961,538 Shares and 3,173,077 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 13,250,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 15 AUGUST 2012

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "Greg Pennefather". The signature is written in a cursive, flowing style.

**GREG PENNEFATHER
MANAGING DIRECTOR**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.30 am (WST) on 2 October 2012 at BDO, 38 Station Street, Subiaco, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – ISSUE OF PLAN SHARES AND APPROVAL OF LOAN TO A RELATED PARTY

1.1 General

The Company has agreed, subject to obtaining Shareholder approval, to the provision of a non-recourse, interest free loan (**Loan**) to Director Ian Campbell (**Eligible Participant**) pursuant to the Plan for the purpose of subscribing for 8,000,000 Shares on the terms and conditions set out below pursuant to an offer made to Ian Campbell (**Offer**).

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

In addition, Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The provision of the Loan to the Eligible Participant requires the Company to obtain Shareholder approval because:

- (a) the non-recourse interest free loan to acquire the Shares constitute giving a financial benefit; and
- (b) as a Director, Ian Campbell is a related party of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares to the Eligible Participant.

1.2 Technical information required by Chapter 2E of the Corporations Act and Listing Rule 10.14

Pursuant to and in accordance with the requirements of Sections 219 of the Corporations Act and Listing Rule 10.15, the following information is provided in relation to the proposed issue of Shares to the Eligible Participant:

- (a) the Eligible Participant is Ian Campbell and he is a related party by virtue of being a Director;
- (b) the maximum amount of the Loan (being the nature of the financial benefit) to be provided to the Eligible Participant (or his nominee) can be calculated by multiplying the number of Shares to be issued (set out in paragraph (c)) by the issue price (determined in accordance with paragraph (d)). By way of a worked example, and based on the last trading price of Shares before the date of this Notice (i.e. 0.6 cents), the amount of the Loan to the Eligible Participant would be \$48,000;
- (c) the maximum number of securities to be issued to the Eligible Participant (or his nominee) is 8,000,000 Shares;
- (d) the issue price of the Shares will be not less than the volume weighted average price at which Shares were traded on the ASX over the 5 trading days up to the date of the Offer or, if no Shares were traded in that period, then the last price at which an Offer was made on ASX to purchase Share;
- (e) no funds will be raised from the issue of the Shares as there will be no change to the Company's cash position (i.e. the Loan made by the Company will be used to subscribe for the Shares to be issued to the Eligible Participant). Amounts repaid to the Company by the Eligible Participant in the future in satisfaction of the Loan will be used by the Company for general working capital purposes;
- (f) 10,000,000 Shares have previously been issued under the Plan;
- (g) the Plan was last adopted by Shareholders at general meeting of Shareholders on 16 May 2012;
- (h) all Directors are entitled to participate in the Plan, however, at the current time the Company does not intend to make an offer to the other Directors, being Rolf Hasselstrom or Greg Pennefather. Accordingly approval is being sought only for an offer to the other Director, Ian Campbell;
- (i) the Loan will be provided on the following key terms and otherwise subject to the terms and conditions of the Plan, a summary of which is set out in Schedule 1:
 - (i) no interest is payable on the Loan;
 - (ii) the Loan may be repaid in full at any time prior to expiry and prior to this occurring the Eligible Participant may not dispose of any of the Shares;
 - (iii) if, upon death, bankruptcy or ceasing to be employed by the Company, the Loan has not been repaid in full, the Eligible Participant (or his personal representative) shall elect by serving written notice on the Company within 7 days of such an event occurring:
 - (A) to have the Company sell the Shares on their behalf and the proceeds of the sale of the Shares be applied towards the satisfaction of the Loan. If the proceeds of the Shares do not cover the outstanding value of the

Loan (i.e. the sale price is less than the issue price), the Eligible Participant shall not be obliged to repay the amount by which the Loan exceeds the proceeds of the sale of the Shares. The Loan is therefore risk-free to the Eligible Participant. If the proceeds of the sale exceed the outstanding value of the Loan (i.e. the sale price is more than the issue price), the Eligible Participant shall be entitled to retain this amount; or

- (B) to repay the Loan within 1 month where the Eligible Participant ceases to be an employee (other than by retirement or retrenchment) or within 12 months where the Related Party dies, becomes bankrupt or ceases to be an employee by reason or retirement or retrenchment; or

where no such election is made the Eligible Participant shall be deemed to have elected the first alternative set out above; and

- (iv) in the event the Eligible Participant does not repay the Loan on or before the expiry of the term specified in 1.2(j)(v) below the Company may sell the Shares in accordance with section 1.2(j)(iii)(a) above.
- (j) the value of the Loan is \$36,143 using the Black & Scholes valuation methodology and based on the following assumptions:
- (i) a valuation date of 1st August 2012;
 - (ii) a deemed issue price of \$0.006 per Share and corresponding Loan principal of \$48,000;
 - (iii) a current market price of \$0.006 per Share. Shareholders should also note that the market price of Shares during the term of the Loan will affect the value of the financial benefit provided to the Eligible Participant;
 - (iv) a risk free interest rate of 4.75% per annum;
 - (v) a Loan term of 5 years. Shareholders should note that the actual term of the Loan may be shorter (e.g. where the Eligible Participant ceases to be an employee of the Company, an event of insolvency occurs in respect of the Eligible Participant, or, the Eligible Participant elects to repay the Loan early). The actual term of the Loan will affect the value of the financial benefit provided to the Eligible Participant; and
 - (vi) a Share price volatility of 95%;
- (k) the Shares will be issued to the Eligible Participant no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on one date;
- (l) the Shares issued to the Eligible Participant will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than being subject to

a holding lock until such time as the respective Loan has been extinguished or repaid under the terms of the Plan or 12 months from the date of issue of the Shares, whichever is the greater;

- (m) the relevant interests of the Eligible Participant in securities of the Company as at the date of this Notice are set out below:

Eligible Participant	Shares	Options
Ian Campbell	4,000,000	Nil

- (n) the amounts paid from the Company to the Eligible Participant and their associates for the previous two financial years are set out below:

Eligible Participant	2010	2011
Ian Campbell	\$159,754	\$122,974

- (o) if the maximum number of Shares are issued to the Eligible Participant, a total of 8,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 1,196,383,860 to 1,204,383,860 (assuming that no options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 0.67%;

- (p) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
Highest	0.027	26 and 29 August 2011
Lowest	0.005	10 August 2012
Last	0.006	14 August 2012

- (q) the primary purpose of the issue of Shares to the Eligible Participant is to provide cost effective consideration to the Eligible Participant for his ongoing commitment and contribution to the Company in his role as a Director. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed;

- (r) the primary purpose of the provision of the Loan to the Eligible Participant is to enable the Eligible Participant to subscribe for Shares;

- (s) the Board acknowledges the issue of Shares to Ian Campbell is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of Shares to Ian Campbell is reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;

- (t) Greg Pennefather recommends that Shareholders vote in favour of Resolution 1 for the following reasons:

- (i) the use of the Loan by the Eligible Participant to subscribe for Shares will further align the interests of the Eligible Participant with those of Shareholders by creating a stronger link between performance resulting in increased Shareholder value and reward to the Eligible Participant. The Eligible Participant will have a greater involvement with, and share in, any future growth and profitability of the Company; and
 - (ii) the provision of the Loan is a reasonable and appropriate method to provide benefits to the Eligible Participant as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash benefits were given to the Eligible Participant;
- (u) Rolf Hasselstrom recommends that Shareholders vote in favour of Resolution 1 for the reasons set out in subparagraphs (i) and (ii) immediately above;
 - (v) Ian Campbell declines to make a recommendation to Shareholders in relation to Resolution 1 due to his material personal interest in the outcome of the Resolution;
 - (w) the Directors consider that in providing the Loan to the Eligible Participant upon the terms proposed the following opportunity cost to the Company, and benefits foregone by the Company, may occur:
 - (i) no interest is payable on the Loan;
 - (iii) the Loan is non-recourse which means the full amount of the Loan may not be recovered where the Shares are sold for less than the amount outstanding on the Loan. In addition, where the sale proceeds are greater than the amount of the Loan the Company will not receive any additional repayment as the Eligible Participant is entitled to the surplus proceeds;
 - (x) in forming their recommendations, each Director considered the experience of the Eligible Participant, the existing and proposed contribution of the Eligible Participant to the Company and the current market practices when determining the provision of the Loan upon the terms proposed; and
 - (y) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

2. RESOLUTION 2 – PLACEMENT - SHARES

2.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of up that number of Shares, when multiplied by the issue price, that will raise up to \$3,000,000, together with 1 free attaching Option per Share (or such lesser ratio of Options to Shares as determined by the Company) (**Securities Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

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

The effect of Resolution 2 will be to allow the Directors to issue Securities pursuant to the Securities Placement 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.

2.2 Technical information required by Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued is up to that number of Securities which, when multiplied by the issue price, equals \$3,000,000;

The following is a worked example of the number of Shares that may be issued under Resolution 2:

The average closing price of Shares in the 5 trading days before the date of this Notice is \$0.0062. The lowest issue price (i.e. maximum discount) of not less than 80% of this average market price would be approximately \$0.005 per Share. At this issue price the Company could issue up to 600,000,000 Shares.

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out in the worked example above are issued, the number of Shares on issue would increase from 1,196,386,860 (being the number of Shares on issue as at the date of this Notice) to 1,796,386,860 and the shareholding of existing Shareholders would be diluted by 33.40%.

- (b) the maximum number of Options to be issued will be one Option per Share (or such lesser ratio of Options to Shares as determined by the Company).

Based upon the worked example in (a) above up to 600,000,000 Options may be issued, thus increasing the number of listed options (exercisable at 3 cents each on or about 30 June 2012) from 597,103,931 to 1,197,103,931. If those additional options are converted (and assuming no other options are converted or Shares issued other than the Shares in (a) above), the conversion, together with the issue of Shares set out in (a) above, would dilute the shareholding of existing Shareholders (as at the date of this Notice of Meeting) by a total of 50.08%;

- (c) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the issue price of the Shares will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in Shares were recorded before the date the prospectus is signed;

- (e) the Options will be issued for nil consideration;
- (f) the Directors will determine to whom the Securities will be issued but these persons will be unrelated professional and sophisticated investors;
- (g) the Shares issued will be fully paid ordinary shares in the capital of the Company and on the same terms and conditions of the Company's existing Shares;
- (h) the Options will be listed Options on the terms and conditions set out in Schedule 2; and
- (i) the Company intends to use the funds raised from the Securities Placement towards installation of Opcon Powerboxes and working capital purposes.

3. RESOLUTION 3 – ISSUE OF SECURITIES

3.1 General

Resolution 3 seeks Shareholder approval for the allotment and issue of 20,000,000 Shares and 20,000,000 Options in consideration for the facilitation of obtaining loans for the Company and for consulting fees (**Securities Issue**).

The subscriber pursuant to this issue will not be related parties of the Company.

Refer to Section 2.1 for a summary of Listing Rule 7.1.

The effect of Resolution 3 will be to allow the Directors to issue the Securities pursuant to this issue and allotment 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.

3.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Securities Issue:

- (a) the maximum number of Shares to be issued is 20,000,000;
- (b) the maximum number Options to be issued is 20,000,000;
- (c) the Securities will be issued as consideration for the facilitation of obtaining loans for the Company and for consulting fees at a deemed issue price per Security as follows:
 - (i) \$0.006 per Share; and
 - (ii) \$0.002 per option;
- (d) the Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- (e) the Securities will be issued to Belloc Pty Limited an unrelated entity;

- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company and on the same terms and conditions of the Company's existing Shares;
- (g) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (h) no funds will be raised for this issue as the Securities will be issued as consideration for the facilitation of obtaining loans for the Company and for consulting fees.

4. RESOLUTION 4 – ISSUE OF BONDS

4.1 General

On or about 2 November 2010, the Company entered into a subscription agreement with Fortensa Special Opportunities Fund Limited (**Fortensa** or **Subscriber**), which was then varied on or about 8 December 2011 (**Subscription Agreement**). Under the Subscription Agreement the Company agreed to issue the Subscriber and/or its Affiliates a series of redeemable zero coupon convertible bonds (**Bonds**) convertible into Shares.

Since entering into the Subscription Agreement, the Company has issued 125 Bonds valuing in total \$1,250,000. All of these Bonds have since been converted into Shares or redeemed. Therefore, the Company currently has no Bonds on issue.

Resolution 4 seeks Shareholder approval for the Company to issue up to 50 Bonds in accordance with the Subscription Agreement.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 4 will be to allow the Directors to issue up to 50 Bonds pursuant to the Subscription Agreement during the period of 3 months after the Meeting, without using the Company's 15% annual placement capacity.

4.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of Bonds under the Subscription Agreement:

- (a) the maximum number of Bonds that may be issued is 50 Bonds;
- (b) the maximum number of Shares that may be issued on the conversion of the 50 Bonds (assuming all 50 Bonds are issued) is that number of Shares which multiplied by Conversion Price that equals \$500,000;
- (c) the Company will issue the Bonds within 3 months of the date of the Meeting. It is anticipated that the Bonds will be issued progressively;
- (d) the Bonds will be issued with a face value of \$10,000 per Bond;
- (e) Shares will be issued upon conversion of Bonds at a deemed issue price of the higher price of the following:
 - (i) 90 per cent of the VWAP for any 5 Trading Days in the 30 consecutive Trading Days immediately preceding the Conversion Date; and

- (ii) 80% of the VWAP for the 5 Trading Days immediately preceding the date of issue of the Shares upon conversion of the relevant Bond/s;
- (f) under the Subscription Agreement the Bonds, and Shares issued upon conversion of Bonds, will be issued to:
- (i) the Subscriber; and
- (ii) Affiliates of the Subscriber (including any investment vehicle of such entity or person);
- (g) the terms of the Bonds are set out Appendix A. A summary of the terms of the Bonds are as follows:

Type	Unquoted bonds convertible into ordinary shares of the Company.
Denomination	\$10,000
Status	Direct, unsubordinated, unconditional and unsecured.
Interest rate	Zero, except for default interest and interest on early redemption of the Bonds by the Company, both at a rate of 6% (please see Appendix A for more detail).
Maturity and redemption	The Bonds mature and must be redeemed by the Company 5 years after the date of issue of the Bond. The Bondholder has the option to require redemption at any time after one year from the date of issue. The Company may exercise a right of early redemption after one year, but must pay interest at a rate of 6% if it does so.
Conversion Price	The higher of: <ul style="list-style-type: none"> • 90 per cent of the VWAP for any 5 Trading Days in the 30 consecutive Trading Days immediately preceding the Conversion Date; or • 80% of the VWAP for the 5 Trading Days immediately preceding the date of issue of the Shares upon conversion of the relevant Bond/s.
Conversion Ratio	Face Value divided by Conversion Price.
Conversion period	The conversion right may be exercised by the holder from immediately after the date of issue until the day before the Maturity Date.
Warranties and Undertakings	The Company gives various warranties and undertakings.
Events of Default	Events of Default apply. Please refer to Appendix

	A.
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- (h) the Company intends to use the funds raised from the issue of Bonds as set out below:
- (i) to meet the Company's obligations to purchase Opcon Powerboxes under a Powerbox supply agreement with Opcon AB (a Company incorporated in Sweden);
 - (ii) to carry out detailed engineering design for the implementation of Powerboxes at customer sites;
 - (iii) to purchase other necessary equipment required to capture waste heat, channel the captured heat to the Powerboxes and provide the required cooling infrastructure; and
 - (iv) to replenish working capital which was previously used to make instalment payments for Opcon Powerboxes.

4.3 Comparative information

By way of further information for the benefit of the Shareholders, the following comparative information is presented.

The pro forma capital structure of the Company at 3 months after the date of Shareholder is summarised in the tables below. This table is a pro forma example of the maximum possible issue of securities arising out of the approval of Resolution 4 (subject to the assumptions stated below). The actual capital structure of the Company will vary depending on the number of Bonds actually issued and the number of Bonds actually converted into Shares. The table assumes during the three month period after approval of Resolution 4:

- (i) the issue of 50 Bonds;
- (ii) the issue of 80,645,161 Shares at a Conversion Price of \$0.0062, being the 5 day average closing price of Shares before the date of this Notice of Meeting (the actual price of conversion will vary depending on the price of Shares each time a Bond is converted and will be converted in accordance with the formula for the Conversion Price as set out in Section 4.2(e) above) on conversion of 50 Bonds;
- (iii) no other Shares are issued, or Options or Bonds are converted.

Quoted Securities	Currently on issue	Pro Forma – Resolution 4
Shares quoted on the ASX	1,196,386,860	1,277,032,021
Options quoted on the ASX (31 December 2016)	64,737,499	64,737,499
Options quoted on the ASX (30 June 2015)	597,103,931	597,103,931

4.4 Recommendation of the Board

The Directors recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

5.1 General

On 5 April 2012 the Company announced it had issued a total of 2,597,765 Shares and 30,000,000 Options as consideration for corporate services.

The subscribers pursuant to this issue were not related parties of the Company.

Refer to Section 2.1 for a summary of Listing Rule 7.1.

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

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares and Options (**Securities Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Securities Ratification:

- (a) a total of:
 - (i) 2,597,765 Shares were issued and allotted; and
 - (ii) 30,000,000 Options were issued and allotted;
- (b) the Securities were issued as consideration for corporate services with a deemed issue price per Security as follows:
 - (i) \$0.011 per Share; and
 - (ii) \$0.003 per Option;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 2;
- (e) the Securities were allotted and issued to Hawera Pty Ltd and Dawesville Nominees Pty Ltd, parties not related to the Company.
- (f) the Securities were issued in consideration for corporate services. Accordingly, no funds were raised from this issue.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

6.1 General

On 30 May 2012 the Company announced it had issued a total of 30,151,125 Shares and 28,725,562 Options as consideration for corporate services.

The subscribers pursuant to this issue were not related parties of the Company.

Refer to Section 2.1 for a summary of Listing Rule 7.1.

Refer to Section 5.1 for a summary of Listing Rule 7.4.

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares and Options (**Securities Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Securities Ratification:

- (a) a total of:
 - (i) 30,151,125 Shares were issued and allotted; and
 - (ii) 28,725,562 Options were issued and allotted;
- (b) the Securities were issued as consideration for corporate services with a deemed issue price per Security as follows:
 - (i) \$0.01 per Share; and
 - (ii) \$0.003 per Option;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 2;

the Securities were allotted and issued to Landpath Pty Limited, Zerimar Enterprises Pty Ltd, Belloc Pty Limited, Ashley Howard and Dwellingup Holdings Pty Ltd, parties not related to the Company.
- (e) the Securities were issued in consideration for corporate services. Accordingly, no funds were raised from this issue.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

7.1 General

On 25 June 2012 the Company announced it had issued a total of 36,384,615 Shares and 22,692,308 Options as consideration for corporate services and to set off a short term loan debt.

The subscribers pursuant to this issue were not related parties of the Company.

Refer to Section 2.1 for a summary of Listing Rule 7.1.

Refer to Section 5.1 for a summary of Listing Rule 7.4.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares and Options (**Securities Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Securities Ratification:

- (a) a total of:
 - (i) 36,384,615 Shares were issued and allotted; and
 - (ii) 22,692,308 Options were issued and allotted;
- (b) the Securities were issued as consideration for corporate services and to set off a short term loan debt with a deemed issue price per Security as follows:
 - (i) \$0.013 per Share; and
 - (ii) nil per Option as they were free attaching to the Shares;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 2;
- (e) the Securities were allotted and issued to Australasian Nominees Pty Ltd, Suburban Holdings Pty Limited, Landpath Pty Limited, Graciela Ramirez and Trading & Investment Group Pty Limited, parties not related to the Company; and
- (f) the Securities were issued in consideration for corporate services and to set off a short term loan debt. Accordingly, no funds were raised from this issue.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

8.1 General

On 25 July 2012 the Company announced it had issued a total of 25,961,538 Shares and 3,173,077 Options as consideration for corporate services.

The subscribers pursuant to this issue were not related parties of the Company.

Refer to Section 2.1 for a summary of Listing Rule 7.1.

Refer to Section 5.1 for a summary of Listing Rule 7.4.

Resolution 8 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares and Options (**Securities Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Securities Ratification:

- (a) a total of:
 - (i) 25,961,538 Shares were issued and allotted; and
 - (ii) 3,173,077 Options were issued and allotted;
- (b) the Securities were issued as consideration for corporate services with a deemed issue price per Security as follows:
 - (i) \$0.013 per Share; and
 - (ii) nil per Option as they were free attaching to the Shares;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 2;
- (e) the Securities were allotted and issued to HSBC Nominees (NZ) Limited, Jefferery Ovens, Superstructure Energy Pty Ltd and Landpath Pty Limited, parties not related to the Company.
- (f) the Securities were issued in consideration for corporate services. Accordingly, no funds were raised from this issue.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

9.1 General

On 8 August 2012 the Company announced it had issued a total of 48,250,000 Shares. 35,000,000 of the Shares were issued with Shareholder approval obtained

at the Company's annual general meeting of Shareholders for the financial year ended 31 December 2012. The remaining 13,250,000 Shares were issued as consideration for corporate services.

The subscribers pursuant to this issue were not related parties of the Company.

Refer to Section 2.1 for a summary of Listing Rule 7.1.

Refer to Section 5.1 for a summary of Listing Rule 7.4.

Resolution 9 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares and Options (**Securities Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

9.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Securities Ratification:

- (a) a total of 13,250,000 Shares were issued and allotted;
- (b) the Shares were issued in consideration for corporate services with a deemed issue price of \$0.013 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to HSBC Nominees (NZ) Limited, a party not related to the Company; and
- (e) the Shares were issued in consideration for corporate services. Accordingly, no funds were raised from this issue.

10. ENQUIRIES

Shareholders are required to contact the Company Secretary, Mr Geoffrey Reid or the Executive Director, Mr Greg Pennefather, on (+61 8) 9268 3800 if they have any queries in respect of the matters set out in these documents.

SCHEDULE 1 – SUMMARY OF TERMS OF ENERJI EMPLOYEE SHARE PLAN

The key terms of the Enerji Employee Share Plan are as follows:

- (a) **Eligibility:** Participants in the Plan may be Directors, full-time and part-time employees of the Company or any of its subsidiaries (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Plan. The offer:
 - (i) will invite application for the number of Shares specified in the offer;
 - (ii) will specify the issue price for the Shares or the manner in which the issue price is to be calculated;
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;
 - (iv) will specify an acceptance period;
 - (v) will specify an vesting conditions; and
 - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be not less than the volume weighted average price at which Shares were traded on the ASX over the 5 trading days up to the date of the Offer or, if no Shares were traded in that period, then the last price at which an Offer was made on ASX to purchase Share.
- (e) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
- (f) **Loan:** A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
 - (i) the Loan must be made solely to the Participant and in the name of that Participant;
 - (ii) the Loan will be interest free;
 - (iii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Plan Shares;
 - (iv) the term of the Loan, the time in which repayment of the Loan must be made by the Participant and the manner for making such payments shall be determined by the Board and set out in the invitation;

- (v) the amount repayable on the Loan by the Participant will be the lesser of:
 - (A) the issue price of the Plan Shares multiplied by the number of Plan Shares issued less any cash dividends paid in respect of the Plan Shares and applied by the Company to reduce the amount of the Loan and any amount of the Loan repaid by the Participant; and
 - (B) the last sale price of the Shares on ASX on the date of repayment of the Loan multiplied by the number of Plan Shares issued, or, if there are no transactions on that day, the last sale price of the Shares prior to that date, or, if the Plan Shares are sold by the Company, the amount realised by the Company from that sale;
 - (vi) a Participant must repay the Loan in full prior to expiry of the term of the Loan but may elect to repay the Loan amount in respect of any or all of the Plan Shares (in multiples representing not less than 1,000 Plan Shares) at any time prior to expiry of the term of the Loan;
 - (vii) any fees, charges and duty payable in respect of a Loan will be payable by the Participant;
 - (viii) the Company shall have a lien over the Plan Shares in respect of which a Loan is outstanding and the company shall be entitled to sell those Plan Shares in accordance with the terms of the Plan; and
 - (ix) Plan Shares will not be tradeable by a Participant on ASX until the Loan amount in respect of those Plan Shares has been repaid and the Company will retain the share certificate in respect of such Plan Shares until the Loan has been repaid.
- (g) **Immediate repayment of the Loan:** If, prior to repayment of a Loan by a Participant, the Participant dies, becomes bankrupt or is no longer a director or employee of, or consultant to, the Company or its subsidiaries as a result of retirement or retrenchment, then the Participant (or his or her personal representative) shall elect, by serving written notice on the Company within seven days of such event occurring, one of the following two alternatives:
- (i) to have the Company either:
 - (A) place the Plan Shares to persons who are excluded offerees for the purpose of Section 708 of the Corporations Act, at a price being not less than 80% of the weighted average of the prices at which Shares were traded on ASX over the five days prior to the sale; or
 - (B) sell the Plan Shares on ASX,

and apply the proceeds of the sale in repayment of the Loan. If the proceeds exceed the amount of the Loan, the Company will then apply the balance to pay all reasonable expenses of the sale and then refund the surplus, if any, to the Participant. Once the Company has sold the Plan Shares and applied the proceeds of sale against the Loan, the Loan shall be deemed to be fully satisfied and the Participant shall have no further liability to the Company in respect of the Loan; or

- (ii) to repay the Loan:
 - (A) within 12 months in the event of the death or bankruptcy of the Participant or in the event that the Participant ceases to be a director or employee of, or consultant to, the Company or its subsidiaries as a result of retirement or retrenchment; or
 - (B) within one month in the event that the Participant resigns, is terminated or otherwise ceases to be eligible to participate in the Plan for any reason other than one set out in paragraph (A) above,and, upon repayment in full of the Loan, have the Plan Shares fully vested in their name.

If such a notice is not served within seven (7) days of the event occurring the Participant shall be deemed to have elected the alternative described in subparagraph (i) above.

- (h) **Plan limit:** The Company must ensure that the number of Plan Shares offered on any date does not exceed 10% of the issued capital of the Company on the day before the Plan Shares are offered, less the total nominal amount of:
 - (i) Shares issued on the exercise of Options granted within the previous five years under any employee share option plan;
 - (ii) Shares remaining issuable in respect of Options granted on the same date or within the previous five years under any employee share option plan; and
 - (iii) Shares issued on the same date or within the previous five years under the Plan or any other employee share option plan.

Shares issued and Options granted by the Company to overseas offerees and excluded offerees in accordance with section 708 of the Corporations Act are not included in calculating the 10% limit.

- (i) **Restriction on transfer:** Participants may not sell or otherwise deal with a Plan Share until the Loan amount in respect of that Plan Share has been repaid and until the expiry of the qualifying period in respect of the Plan Shares, if any, that may be imposed by the Board and set out in the invitation.
- (j) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share and the Participant agrees to the application of a holding lock over each Plan Share until the Loan in respect of the Plan Share has been repaid and any restrictions on transfer of the Plan Shares set out in the invitation have expired.
- (k) **Rights attaching to Plan Shares:** Plan Shares will rank equally in all respects (other than with respect to any restrictions on transfer specified above or otherwise imposed by the Board) with other Shares on issue.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 30 June 2015 (**Expiry Date**). Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are transferable and it is proposed they will be listed on ASX.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the Options on ASX within 10 business days of their issue.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (l) A Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

GLOSSARY

Affiliate means with respect to any entity or person, all entities which are controlling, controlled by or under common control with such entity or person (including any investment vehicle of such entity or person).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the current board of directors of the Company.

Bond means a bond issued under the Subscription Agreement.

Bondholder means the holder of a Bond.

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

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

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

Company means Enerji Ltd (ABN 62 009 423 189).

Conditions means the conditions of the Bonds set out in Appendix A.

Constitution means the Company's constitution.

Conversion Date means the ASX trading day immediately following the date the Bondholder delivers a conversion notice, the certificate(s) for the Bonds, and the application form required for conversion. The Conversion Date must fall at a time when the Conversion Right is exercisable under the Conditions.

Conversion Price means the price of conversion of a Bond as set out in Condition 1.4.1.

Conversion Right means the right of a Bondholder to convert any Bond into Shares in accordance with the Conditions.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Fortensa or **Subscriber** means Fortensa Special Opportunities Fund Limited (a company duly incorporated in the Cayman Islands).

General Meeting means the meeting convened by the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rule means a listing rule of the ASX.

Maturity Date means, in respect of any Bond, the date falling five (5) years after the date of issue of a Bond.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share on the terms and conditions set out in Schedule 2.

Plan or **Enerji Employee Share Plan** means the employee share plan of the Company, the terms of which are summarised in Schedule 1.

Plan Shares means Shares issued under the terms of the Plan.

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

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

Shareholder means a holder of a Share.

Subscription Agreement means the bond subscription agreement dated on or about 2 November 2010 between the Company and Fortensa as amended on or about 8 December 2011.

Trading Day means a Trading Day (as defined in the Listing Rules), provided that if no closing price is reported in respect of the Shares by the ASX or the ASX suspends or halts trading in Shares for one or more consecutive Trading Days such day or days will be disregarded in any relevant calculation and will be deemed not to have existed when ascertaining any period of Trading Days.

VWAP means the volume weighted average trading price of the Shares as traded on ASX.

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

PROXY FORM

**APPOINTMENT OF PROXY
ENERJI LTD
ABN 62 009 423 189**

GENERAL MEETING

I/We
of

being a member of Enerji Ltd entitled to attend and vote at the General Meeting, hereby
Appoint

Name of proxy. NOTE: Leave this box blank if you are selecting the Chairman of the Meeting.

OR the Chairman of the General Meeting as your proxy

or failing the individual or body corporate named or, if no individual or body corporate is named, the Chairman of the General Meeting, or the Chairman's nominee, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting of Enerji Limited to be held at BDO, 38 Station Street, Subiaco, Western Australia on Friday, 2 October 2012 at 10.30 am (WST), and at any adjournment thereof.

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

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Issue of Plan Shares, and approval of Loan to a Related Party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Securities ratification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Securities ratification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Securities ratification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Securities ratification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Securities ratification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

VOTING EXCLUSION

By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she may have an interest in the outcome of Resolution 1 and that votes cast by him/her for Resolution 1, other than as a proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director

Contact Name: _____ **Contact Ph (daytime):** _____

ENERJI LTD
ABN 62 009 423 189

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to PO Box 1933, West Perth WA 6872; or
 - (b) or hand deliver to Ground Floor, 10 Ord Street WA 6005; or
 - (c) facsimile to the Company on facsimile number (+61 8) 9226 2018,

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

Proxy forms received later than this time will be invalid.

ANNEXURE A – TERMS AND CONDITIONS OF BONDS

The issue of A\$6,250,000 in aggregate principal amount (over the term of the Agreement (defined below)) of redeemable zero coupon convertible bonds (**the Bonds**), which term shall include, unless the context requires otherwise, any further Bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith), of Enerji Ltd (**the Issuer**) is pursuant to a Bond Subscription Agreement dated on or about 2 November 2010 (as the same may from time to time be amended, modified or supplemented) (**the Agreement**) between Enerji Ltd as the Issuer and Fortensa Special Opportunities Fund Limited as the Subscriber, and was authorised by a resolution of the Board of Directors of the Issuer passed on or about 2 November 2010. The statements in these terms and conditions (**these Conditions**) include summaries of, and are subject to, the detailed provisions of the Agreement. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Agreement. Copies of the Agreement are available for inspection at the registered office of the Issuer being at the date hereof at 10 Ord Street, Western Perth, Western Australian. The Bondholders are entitled to the benefit of the Agreement and are bound by, and are deemed to have notice of, all the provisions of the Agreement applicable to them.

1. Status

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations, other than subordinated obligations and priorities created by law. The Bonds do not confer on the Bondholder any entitlement to vote at a general meeting of shareholders of the Issuer, to receive dividends or to participate in any issue of securities other than upon conversion of the Bonds.

2. Form, face value and title

2.1 Form and face value

The Bonds are issued in registered form with a face value of A\$10,000 each or integral multiples thereof. A bond certificate (each a **Certificate**) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the share registrar of the Issuer (**the Registrar**).

2.2 Title

Title to the Bonds passes only by transfer and registration in the register of Bondholders as described in Condition 3. The holder of any Bond will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these terms and conditions '**Bondholder**' and (in relation to a Bond) '**holder**' means the person in whose name a Bond is registered in the Register.

3. Transfers of Bonds; Issue of Certificates

3.1 Register

The Issuer will cause to be kept at the specified office of the Registrar and a register on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds (**the Register**).

3.2 Transfer Restrictions

Unless otherwise agreed in writing with the Issuer, a Bond may not be assigned to any third party other than persons who are Affiliates of the Bondholder. Any assignee will be bound by the terms of this Bond as if a party to it.

3.3 Transfers

Subject to Conditions 3.2 and 3.6, a Bond may be transferred or exchanged by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar. No transfer of title to a Bond will be valid unless and until entered on the Register.

3.4 Delivery of New Certificates

3.4.1 Each new Certificate to be issued upon a transfer or exchange of Bonds will, within seven Business Days of receipt by the Registrar of the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder entitled to the Bonds (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar.

3.4.2 Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued, is to be transferred, exchanged or converted, a new Certificate in respect of the Bonds not so transferred, exchanged or converted will, within seven Business Days of delivery of the original Certificate to the Registrar, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder of the Bonds not so transferred, exchanged or converted (but free of charge to the holder) to the address of such holder appearing on the Register.

3.5 Formalities free of charge

Registration of a transfer of Bonds will be effected without charge by or on behalf of the Issuer, but upon (i) payment (or the giving of such indemnity as the Issuer may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; and (ii) the Issuer being satisfied that the regulations concerning transfer of Bonds have been complied with.

3.6 Closed periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the date for redemption pursuant to Condition 6.1; (ii) after a Conversion Notice (as defined in Condition 4.2) has been delivered with respect to a Bond; (iii) after a Put Option Notice (as defined in Condition 6.3) has been deposited in respect of such a Bond; (iv) after a Relevant Event Exercise Notice (as defined in Condition 6.4) has been deposited in respect of such a Bond; or (v) after a Purchase Notice (as defined in Condition 6.5.3) has been deposited in respect of such a Bond, each such period being a '**Closed Period**'.

3.7 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds as set out in Conditions 3.1 to 3.6 above. The regulations may be changed by the Issuer, with the prior written approval of the Bondholders whose approval shall not be unreasonably withheld or delayed. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon request.

4. Conversion

4.1 Conversion Right

4.1.1 **Conversion Period:** Subject as hereinafter provided, Bondholders have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the '**Conversion Right**'. Subject to and upon compliance with the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on and after the date of issue of such Bond up to the close of business on the date immediately preceding the Maturity Date (as defined in Condition 6.1) (but, except as provided in Condition 4.1.5, in no event thereafter) (**the Conversion Period**).

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Shares (**a Book Closure Period**), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in

Condition 4.2) after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and, subject to Condition 4.1.5, shall be deemed to have expired if, as a result of any postponement pursuant to this paragraph, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Issuer undertakes to ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Australian law.

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect at the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds, subject to the minimum conversion amount set out in Condition 4.1.2. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

4.1.2 Minimum Conversion Amount: Unless otherwise agreed by the Issuer, the minimum aggregate principal amount of bonds to be converted in any single conversion of Bonds shall be A\$250,000. The Issuer may reject any Conversion Notice (as defined in Condition 4.2) which relates to a request for Conversion of Bonds of an aggregate principal amount of less than A\$250,000.

4.1.3 Fractions of Shares: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the date of the Agreement which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash (in Australian Dollars by means of an Australian Dollar cheque drawn on a bank in Australia) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 4.1.1, as corresponds to any fraction of a Share not issued if such sum exceeds A\$10.

4.1.4 Conversion Price: The price at which Shares will be issued upon conversion of a Bond (**the Conversion Price**) will be equal to the higher of:

4.1.4.1 90 per cent of the VWAP for any 5 Trading Days in the 30 consecutive Trading Days immediately preceding the Conversion Date (as defined in Condition 4.2.1.2); and

4.1.4.2 80% of the VWAP for the 5 Trading Days immediately preceding the date of issue of the Shares upon conversion of the relevant Bond/s.

4.1.5 Revival and/or survival after Default: Notwithstanding the provisions of Condition 4.1.1, if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date (as defined in Condition 6.1) by reason of the occurrence of any of the events referred to in Condition 8, (c) any Bond is not redeemed on the Put Option Date (as defined in Condition 6.3) or (d) any Bond is not redeemed on the Maturity Date in accordance with Condition 6.1, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Bondholders and notice of such receipt has been duly given to the Issuer and, notwithstanding the provisions of Condition 4.1.1, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined in Condition 4.1.4.1) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Bondholder before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

4.1.6 Meaning of 'Shares': As used in these Conditions, the expression '**Shares**' means ordinary shares of the Issuer (which include ordinary shares of the Issuer listed on the ASX) or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

4.2 Conversion procedure

4.2.1 Conversion notice:

4.2.1.1 To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense to the Issuer a notice of conversion (**a Conversion Notice**) substantially in the form attached as Appendix A hereto, together with the relevant Certificate and any amounts required to be paid by the Bondholder under Condition 4.2.2.

4.2.1.2 The conversion date in respect of a Bond (**the Conversion Date**) must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 4.1.5) and will be deemed to be the Stock Exchange Trading Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal. **'Stock Exchange Trading Day'** means any Trading Day as defined in the Listing Rules.

4.2.2 **Stamp Duty & Registration Fees etc.:**

A Bondholder delivering a Certificate in respect of a Bond for conversion must pay to the Issuer any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp or issue or registration duties payable in Australia in respect of the allotment and issue of Shares, if any) and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion.

4.2.3 **Registration:**

4.2.3.1 As soon as practicable, and in any event not later than one (1) Business Day after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder deposited or paid as required by Conditions 4.2 and 4.2.2, procure that the relevant number of Shares are allotted to and registered in the name of the relevant Bondholder or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or regulations) and that a holding statement is delivered to the relevant Bondholder or in accordance with such instructions.

4.2.3.2 The person or persons designated in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date it is or they are registered as such in the Issuer's register of members or subregister (**the Registration Date**). The Shares issued upon conversion of the Bonds will in all respects rank pari passu with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

4.2.3.3 If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date, the Issuer will pay to the converting Bondholder or his designee an amount (**the Equivalent Amount**) in Australian Dollars equal to the Fair Market Value (as defined in Condition 4.3.2) of any such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by means of an Australian Dollar cheque drawn on a bank in Australia and sent to the address specified in the relevant Conversion Notice.

4.3 For the purposes of these Conditions:

4.3.1 **Closing Price** for the Shares for any Trading Day shall be the average official closing market price quoted by the ASX for the last 10 Trading Days before such Trading Day.

4.3.2 **Fair Market Value** means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by a leading investment bank of international repute, selected by the Issuer and approved in writing by the Bondholders, acting as expert; provided that (i) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as

determined by such investment bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded.

4.4 Undertakings

4.4.1 Save as disclosed in the Disclosure Letter issued prior to or on the date of issue of this Bond and save with the prior written approval of the Bondholder, the Issuer hereby irrevocably undertakes that, so long as any Bond remains outstanding or until the Agreement is terminated (whichever is later), it shall:

4.4.1.1 **Availability of Shares:** make available, free from pre-emptive or other similar rights, such number of Shares as would be required to be issued on conversion of all the Bonds from time to time remaining outstanding and to satisfy in full all other rights of conversion into or exchange or subscription for Shares and will ensure that all Shares delivered on conversion of Bonds will be duly and validly issued as fully-paid Provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by applicable law;

4.4.1.2 **Listing:** use its best endeavours to maintain admission to the official list of the ASX;

4.4.1.3 **Quotation of Shares:** use its best endeavours to (i) maintain the official quotation by the ASX of all the issued Shares for the time being, and (ii) obtain an official quotation by ASX of all the Shares issued on exercise of the Conversion Rights on the relevant Conversion Date;

4.4.1.4 **Expenses:** pay the expenses of the issue of, and all expenses of obtaining quotation for, Shares arising on conversion of the Bonds;

4.4.1.5 **Limited Modification of Rights:** not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of share capital carrying any rights which are more favourable than the rights attaching to Shares but so that nothing in this Condition 4.4.1.5 shall prevent (i) the issue, offer or grant of Shares or other securities to employees (including directors) of the Issuer or any of its Subsidiaries by virtue of their office or employment pursuant to an employees' share scheme or plan that was approved and put in place prior to the date of the Agreement, (ii) a consolidation or subdivision of the Shares, (iii) a modification to the rights attaching to the Shares which is not, in the opinion of two (2) leading investment banks of international repute, selected by the Issuer and approved by the Bondholders, prejudicial to the interests of the Bondholders, (iv) a modification of rights attaching to the Shares where prior thereto the Issuer shall have instructed a firm of accountants or a leading investment bank of international repute (acting as expert) in each case selected by it;

4.4.1.6 **Extend Offer:** if an offer is made to all (or as nearly as may be practicable all) Shareholders, other than the offeror and/or any associate or associates of the offeror, to acquire all or a majority of the issued ordinary share capital of the Issuer, or if any person proposes a scheme with regard to such acquisition, and if such offer comes to the knowledge of the Issuer, give notice of such offer or scheme to the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) stating that details concerning such offer or scheme may be obtained from the Issuer and, where such an offer or scheme has been recommended by the Board of Directors of the Issuer or where such an offer has become or been declared unconditional in all respects, use its reasonable endeavours (to the extent permitted under applicable law) to procure that a like offer or scheme is extended to the Bondholders and the holders of any Shares issued during the period of the offer or scheme arising out of the Conversion Rights;

4.4.1.7 **No Reduction of Issued Share Capital:** not reduce its issued share capital or any uncalled liability in respect thereof, except pursuant to the terms of issue of the relevant share capital, or by means of a purchase or redemption of the share capital which is permitted under Australian law;

4.4.1.8 **Closing of Register:** unless so required by applicable law or regulation or in order to establish a dividend, distribution or other rights attaching to the Shares, not close its register of members or take any other action which prevents the transfer of its Shares generally and ensure that the Bonds may be converted legally and the Shares issued on conversion may (subject to any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Issuer) at all times while the register is closed or such other action is effective, nor take any action which prevents the conversion of the Bonds or the issue of Shares in respect of such conversion;

4.4.1.9 **Consents:** if it is a party to any transaction referred to in Condition 9 in which the Issuer is not the continuing entity, use its reasonable best efforts to obtain all consents which may be necessary or appropriate under the laws of Australia to enable the continuing entity to give effect to the Conversion Right.

5. **Payments**

5.1 **Principal Amount**

Payment of the principal amount due in respect of any Bond will be made by transfer to the registered account of the Bondholder or by Australian Dollar cheque drawn on a bank in Australia mailed to the registered address of the Bondholder if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of the Registrar.

5.2 **Registered accounts**

For the purposes of this Condition, a Bondholder's registered account means the bank account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the second Business Day before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

5.3 **Fiscal laws**

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

5.4 **Payment initiation**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of a payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the Registrar.

5.5 **Default interest and delay in payment**

If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 6 per cent. per annum from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 365-day year.

Bondholders will not be entitled to any interest or other payment for any delay in receiving the amount due within five (5) Business Days after the due date if the due date is not a Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

5.6 **Partial Payment**

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

6. **Redemption, Purchase and Cancellation**

6.1 **Maturity**

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 100.0 per cent. of its principal amount on the date falling five (5) years after the date of issue of such Bond (**the Maturity Date**). The Issuer may not redeem the Bonds at its option prior to that date (but without prejudice to Condition 6).

6.2 Redemption for taxation reasons

At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), redeem all, and not some only, of the Bonds at their principal amount plus interest accrued at the rate of six (6) per cent per annum from the date of issue of such Bonds up till the date of expiry of the aforesaid notice, if (i) the Issuer has or will become obliged to pay additional amounts as referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Agreement, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Bondholders (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (taking reasonable measures available to it) and (b) an opinion of independent legal or tax advisors of recognised international standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Bondholders shall be entitled to accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders.

6.3 Redemption at the option of the Bondholders

The Issuer will, at the option of the holder of any Bond, redeem all or some of that holder's Bonds at any time after the date falling one (1) year from the date of issue of such Bonds as may be notified by that holder (**the Put Option Date**), at the principal amount of the Bonds. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of the Registrar a duly completed and signed notice (**the Put Option Notice**) together with the Certificate evidencing the Bonds to be redeemed not later than five (5) days prior to the Put Option Date.

A Put Option Notice, once delivered, shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal, and the Issuer shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid on the Put Option Date.

6.4 Redemption in the event of Change of Control

- 6.4.1 Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem in whole but not in part such holder's Bonds on the Relevant Event Put Date (as defined below) at their principal amount. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of the Registrar a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of the Registrar (**Relevant Event Put Exercise Notice**) together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16. The **Relevant Event Put Date** shall be the 14th day after the expiry of such period of 30 days as referred to above.
- 6.4.2 A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Relevant Event Put Exercise Notices delivered as aforesaid on the Relevant Event Put Date.
- 6.4.3 Not later than seven days after becoming aware of a Relevant Event, the Issuer shall procure that notice regarding the Relevant Event shall be delivered to Bondholders (in accordance with Condition 16) and, if required by the Listing Rules, the ASX stating:
- 6.4.3.1 the Relevant Event Put Date;
 - 6.4.3.2 the date of such Relevant Event and, briefly, the events causing such Relevant Event;
 - 6.4.3.3 the date by which the Relevant Event Put Exercise Notice must be given;
 - 6.4.3.4 the redemption amount and the method by which such amount will be paid;
 - 6.4.3.5 briefly, the Conversion Right and the then current Conversion Price;
 - 6.4.3.6 the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event redemption right or Conversion Right; and

6.4.3.7 that a Relevant Event Put Exercise Notice, once validly given, may not be withdrawn.

6.4.4 For the purposes of this Condition 6:

6.4.4.1 **Control** means the control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or the legally enforceable right to appoint and/or remove all or the majority of the members of the Issuer's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

6.4.4.2a **Change of Control** occurs when:

6.4.4.2.1 any person or persons acting together acquires Control of the Issuer if such person or persons does not or do not have, and would not be deemed to have, Control of the Issuer on the date of the Agreement (the person or persons acting together who does or do have such Control as at such date, the '**Controlling Shareholder**');

6.4.4.2.2 the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other person, unless the consolidation, merger, sale or transfer will not result in another person or persons (other than the Controlling Shareholder) acquiring Control over the Issuer or the successor entity; or

6.4.4.2.3 one or more other persons (other than the Controlling Shareholder) acquires the legal or beneficial ownership of all or substantially all of the Issuer's total issued and outstanding Capital Stock;

6.4.4.3 **Capital Stock** means, with respect to any person, any and all shares, ownership interests, participation or other equivalents (however designated), including all ordinary shares and all preferred shares which carry voting rights, of such person;

6.4.4.4a '**person**' includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer's Board of Directors or any other governing board and does not include the Issuer's wholly-owned direct or indirect Subsidiaries; and

6.4.4.5 **Relevant Event** occurs when there has been a Change of Control of the Issuer.

6.5 **Delisting Put Right**

6.5.1 In the event the Issuer ceases to be listed and quoted (save for a trading halt for the purposes of releasing any announcement which shall not exceed a period of more than 3 Business Days) on the official list of the ASX (**a Delisting**) each Bondholder shall have the right (**the Delisting Put Right**), at such Bondholder's option, to require the Issuer to redeem all (but not less than all) of such Bondholder's Bonds on the 20th business day after notice referred to under Condition 6.5.2 below has been given to Bondholders regarding the Delisting or, if such notice is not given, the 20th business day after the Delisting (**the Delisting Put Date**) at their principal amount (**the Delisting Put Price**).

6.5.2 Promptly after becoming aware of a Delisting, the Issuer shall procure that notice regarding the Delisting Put Right shall be given to Bondholders (in accordance with Condition 16) and the ASX stating:

6.5.2.1 the Delisting Put Date;

6.5.2.2 the date of such Delisting and, briefly, the events causing such Delisting;

6.5.2.3 the date by which the Purchase Notice (as defined below) must be given;

6.5.2.4 the Delisting Put Price and the method by which such amount will be paid;

6.5.2.5 briefly, the Conversion Right and the then current Conversion Price;

6.5.2.6 the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting Put Right or Conversion Right; and

6.5.2.7 that a Purchase Notice, once validly given, may not be withdrawn.

6.5.3 To exercise its rights to require the Issuer to purchase its Bonds, the Bondholder must deliver a written irrevocable notice of the exercise of such right (**a Purchase Notice**), to the Registrar on any Business Day prior to the close of business at the location of the Registrar on such day and which day is not less than 10 Business Days prior to the Delisting Put Date.

6.5.4 A Purchase Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which are the subject of the Purchase Notices delivered as aforesaid on the Delisting Put Date.

6.6 Redemption in case of an Insolvency Event

At any time while an Insolvency Event subsists, any Bondholder may elect to require the Issuer to redeem its Bonds by delivering a redemption notice (an **Insolvency Event Redemption Notice**) to the Issuer, requiring the Issuer to pay to the Bondholder, within 5 Business Days (the **Insolvency Event Redemption Date**), an amount which represents the principal amount of the Bonds.

An Insolvency Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal, and the Issuer shall redeem the Bonds the subject of an Insolvency Event Redemption Notice delivered as aforesaid by no later than the Insolvency Event Redemption Date.

6.7 Redemption following exercise of a put option

Upon the exercise of any option specified in Conditions 6.3, 6.4, 6.5 or 6.6, payment of the applicable redemption amount shall be conditional upon delivery of the Bondholder's Certificate (together with any necessary endorsements) to the Registrar on any Business Day together with the delivery of any other document(s) required by these Conditions, and will be made promptly following the later of the date set for redemption and the time of delivery of such Certificate. If the Issuer holds on the Put Date (as defined below) money sufficient to pay the applicable redemption monies of Bonds for which notices have been delivered in accordance with the provisions hereof upon exercise of such right, then, whether or not such Certificate is delivered to the Registrar, on and after such Put Date, (i) such Bond will cease to be outstanding; (ii) such Bond will be deemed paid; and (iii) all other rights of the Bondholder shall terminate (other than the right to receive the applicable redemption monies). '**Put Date**' shall mean the Relevant Event Put Date, the Put Option Date or the Delisting Put Date or the Insolvency Event Redemption Date, as applicable.

6.8 Cancellation

All Bonds which are redeemed or converted by the Issuer will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

6.9 Redemption notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with Condition 16, and specify the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares (as quoted on the ASX) as at the latest practicable date prior to the publication of the notice, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

7. Taxation

7.1 All payments of principal and interest made by the Issuer will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, imposts, assessments or governmental charges, deductions or withholdings, of whatever nature imposed, assessed, levied or collected by or on behalf of any Government Authority (**Taxes**) unless deduction or withholding such Taxes is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:

7.1.1 to a holder (or to a third party on behalf of a holder) who is subject to such Taxes in respect of such Bond by reason of his having some connection with Australia otherwise than merely by

holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate Government Authority which such holder is legally capable and competent of making but fails to do so; or

7.1.2 (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

7.2 For the purposes of Condition 7.1, 'relevant date' means the date on which such payment first becomes due.

7.3 References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefore pursuant to the Agreement.

8. Events of default

8.1 Holder(s) of Bonds may give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount plus accrued interest (if any) (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 4) if any of the following events has occurred:

8.1.1 a default is made by the Issuer in the payment of any principal due in respect of the Bonds within ten (10) Business Days after the same shall become due and payable in accordance with these Conditions;

8.1.2 a default is made by the Issuer in the payment of any interest due in respect of the Bonds within ten (10) Business Days after the same shall become due and payable in accordance with these Conditions;

8.1.3 failure by the Issuer to issue and deliver the Shares within ten (10) Business Days after such Shares are required to be issued and delivered following conversion of a Bond;

8.1.4 the Issuer does not perform or comply with one or more of its other obligations in the Bonds which default is incapable of remedy or if, in the opinion of the Bondholders capable of remedy, is not, in the opinion of the Bondholders, remedied within 30 days after written notice of such default shall have been given to the Issuer by the Bondholder;

8.1.5 any necessary approvals and consents (including any governmental, regulatory and/or corporate approvals and consents) for the issue redemption or conversion of the Bonds being revoked and/or withdrawn;

8.1.6 the Issuer or any Subsidiary is (or is, or would be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts when they fall due, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts when they fall due, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any material part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer or any of its Subsidiaries or if any such event occurs in relation to a Subsidiary, and such event adversely affects the ability of the Issuer to perform or observe its obligations under the Bonds or the Agreement;

8.1.7 a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Subsidiaries, which adversely affects the ability of the Issuer to perform or observe any of its obligations under the Bonds or the Agreement, and is not discharged or stayed within 30 days;

8.1.8 an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of its Subsidiaries, or the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, which cessation or threat is material to the Issuer and its Subsidiaries as a whole,

except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) not involving insolvency or (ii) which does not adversely affect the ability of the Issuer to perform or observe its obligations under the Bonds or the Agreement;

- 8.1.9 a mortgagee, chargee or other encumbrancer takes possession of, exercises rights under any security in relation to, or a receiver, receiver and manager, administrator, liquidator, provisional liquidator or officer of the Court is appointed in relation to, the whole or any substantial part of the property, assets or revenues of the Issuer or any of its Subsidiaries (as the case may be) and is not discharged within 30 days;
 - 8.1.10 it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Agreement; and
 - 8.1.11 all or a material part of the assets of the Issuer or any of its Principal Subsidiaries are seized, compulsory acquired, expropriated or nationalised;
 - 8.1.12 any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.
- 8.2 A Bondholder may exercise its Conversion Right by depositing a Conversion Notice with the Registrar during the period from and including the date of a default notice with respect to an event specified in Condition 8.1 (at which time the Issuer will notify the Bondholders of the number of Shares per Bond to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the 30th Business Day after such default notice. The Conversion Date shall be the Business Day immediately following the date of the Conversion Notice.

If any converting Bondholder deposits a Conversion Notice pursuant to this Condition 8 on the Business Day prior to, or during, a Closed Period, the Bondholder's Conversion Right shall continue until the Business Day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Bondholder's exercise of its Conversion Right pursuant to this Condition 8.

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 8, the Issuer will deliver Shares (which number will be disclosed to such Bondholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have one Business Day before it is required to register the converting Bondholder (or its designee) in its register of members as the owner of the number of Shares to be delivered pursuant to this Condition and an additional one Business Day from such registration date to make payment in accordance with the following paragraph.

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 8, the Issuer shall, at the request of the converting Bondholder, pay to such Bondholder an amount in Australian Dollars (**the Default Cure Amount**), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholders' Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Bondholder has received any payment under the Bonds pursuant to this Condition 8, the amount of such payment shall be deducted from the Default Cure Amount.

The '**Share Price**' means the Closing Price of the Shares as quoted by the ASX on the Conversion Date or, if no reported sales of Shares take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the ASX or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Bondholder at the expense of the Issuer for such purpose.

9. Consolidation, amalgamation or merger

- 9.1 The Issuer will not consolidate with, merge or amalgamate into or transfer all or substantially all of its assets to any person (the consummation of any such event, a '**Merger**'), unless:
 - 9.1.1 the entity formed by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental agreement, all obligations of the Issuer under the Agreement and the performance of every covenant and agreement applicable to it contained therein;

- 9.1.2 immediately after giving effect to any such Merger, no Event of Default shall have occurred or be continuing or would result therefrom; and
- 9.1.3 the entity formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any Tax payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal, premium and interest on the Bonds.
- 9.2 In the event that the entity formed or to be formed by the Merger is unwilling or unable to assume all obligations of the Issuer under the Agreement or the Terms and Conditions under this Schedule 1, the Bondholder and/or the Subscriber may claim from the Issuer liquidated damages amounting to 10% of the aggregate principal amount for each Subsequent Tranche remaining unsubscribed by the Subscriber under Clause 3.1.1. The Parties hereto agree that the liquidated damage amount claimable is to compensate the Subscriber and/or the Bondholder for losses suffered as a result of the termination or effective termination of the Agreement and is set at a value which cannot be reduced and which has been agreed by the Parties as representing a fair assessment of such losses.

10. **Prescription**

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the relevant date (as defined in Condition 7) in respect thereof.

11. **Enforcement**

At any time after the Bonds have become due and repayable after the declaration of an Event of Default, any of the Bondholders may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds held by such Bondholders and to enforce the provisions of the Agreement.

12. **Modification, Waiver and Substitution**

- 12.1 None of the following shall be carried out without the express consent of at least 75% of all Bondholders:
- 12.1.1 any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer whether or not such rights arise under these Conditions;
- 12.1.2 any exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other entity (other than as a result of the exercise of any Conversion Right);
- 12.1.3 any modification of these Conditions or the Bonds;
- 12.1.4 the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under these Conditions.

13. **Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Bondholders (whether or not addressed to the Bondholders) in accordance with or for the purposes of these Conditions or the Agreement may be relied upon by the Bondholders as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Bondholders and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

14. **Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Registrar may

reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. **Further issues**

Save as contemplated under the Agreement, the Issuer may not, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects and so that such further issue shall be consolidated and form a single series with the Bonds.

16. **Notices**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar. Such notices shall be deemed to have been given on the later of the date of such publications. Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed, as the case may be.

17. **Agents**

The name of the Registrar and its specified offices is set out below:

Specified Offices: Link Market Services Limited
Level 2
178 St Georges Terrace
Perth, Western Australia 6000

Facsimile No: +61 8 9211 6660

Telephone: +61 8 9211 6632

The Issuer reserves the right, at any time to vary or terminate the appointment of the Registrar and to appoint a replacement Registrar. The Issuer will at all times maintain a Registrar in Australia. Notice of any such termination or appointment, of any changes in the specified office of the Registrar and of any change in the identity of the Registrar will be given promptly by the Issuer to the Bondholders in accordance with Condition 16 and in any event not less than 45 days' notice will be given.

18. **Indemnification**

The Bondholders may rely on any certificate prepared by the directors of the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to the Conditions, whether or not addressed to the Bondholders and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to so do where the certificate or report is delivered pursuant to the obligation of the Issuer to procure such delivery under the Conditions any such certificate or report shall be conclusive and binding on the Issuer and the Bondholders.

19. **Governing law**

The Bonds are governed by, and shall be construed in accordance with, the laws of New South Wales, Australia. In relation to any claim, legal action or proceeding arising out of or in connection with the Bonds, each of the Bondholders and the Issuer hereby irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.