

Enerji Limited

ABN 62 009 423 189

(ASX: ERJ)

Notice of General Meeting

30 December 2013

Dear Shareholder

I am pleased to invite you, as a shareholder, to attend a General Meeting that will be held on Friday, 31 January 2014 at the offices of BDO, 38 Station Street, Subiaco, Western Australia, commencing at 10.30am (Perth time).

Enclosed is your Notice of General Meeting together with a Proxy Form.

The business of the General Meeting affects your shareholding and your vote is important. To vote in person, attend the General Meeting on the date and at the venue set out above. If you do not intend to attend the meeting, you should complete and sign the enclosed Proxy Form and return it by the time and in accordance with the instructions set out on the Proxy Form.

The business to be considered at the General Meeting is the consolidation of the Company's share capital and the placement of securities.

Share consolidation

If shareholders approve the share consolidation, it is the Company's intention to implement the consolidation with effect from 4 February or such other subsequent date that is notified to the ASX by the Company. An ASX announcement outlining the timeline for consolidation will be made following the meeting. Please read carefully the Explanatory Statement item 1 in the Notice of meeting, which outlines the effect of the consolidation on your shareholding.

I look forward to welcoming you at the meeting.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Colin Stonehouse', is written over a light blue circular stamp.

COLIN STONEHOUSE MANAGING DIRECTOR

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 on (+61 8) 9268 3800.

**NOTICE OF MEETING AND
INFORMATION FOR SHAREHOLDERS**

Notice is given that a General Meeting of Shareholders of Enerji Limited (the Company) will be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on 31 January 2014 at 10.30 am Perth time.

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.

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

AGENDA**1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL**

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

That, for the purposes of Section 254H of the Corporations Act, Listing Rule 2.1 Condition 2 and Section 113 of the Constitution and for all other purposes, approval is given for the consolidation of the Company's issued capital on the following basis:

- (a) every 10 Shares be consolidated into 1 Share;
- (b) every 10 Options (including any Conversion Options on issue) be consolidated into 1 Option and the exercise price of each Option to be amended in inverse proportion to this ratio in accordance with Listing Rule 7.22.1; and
- (c) in accordance with the Convertible Note Deed Poll the relevant Conversion Price as defined in the Convertible Note Deed Poll, will be increased in the same proportion as the issued capital of the Company is consolidated
- (d) with the consolidation taking effect on a date to be announced to the ASX in accordance with the requirements of Appendix 7A of the Listing Rules, and where this consolidation results in a fraction of a Share or Option being held by a Shareholder or Optionholder as applicable, the Directors be authorised to round that fraction up to the nearest whole Share or Option."

VOTING ENTITLEMENTS

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 4:00 pm (WST) on 29 January 2014.

EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

The Company proposes to consolidate its share capital through a conversion of every ten ordinary shares in the Company into one ordinary share in the Company.

Under Section 254H of the Corporations Act and Section 113 of the Constitution, the Company may, by a resolution passed at a general meeting of Shareholders, convert all or any of its Shares into a larger or smaller number of Shares.

Listing Rule 7.22.1 provides that in a consolidation of capital, the number of Options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

If the Consolidation is approved, it is anticipated that trading in shares on a deferred settlement basis will commence on 4 February 2014, with the consolidation taking effect from 17 February 2014 (or such subsequent date as notified by the Company to the ASX) in accordance with the timetable that will be announced to the ASX closer to that date.

1.1 Reason for the Consolidation

The Company has a very large number of shares on issue and the number of shares is disproportionate to its peer companies. The Consolidation of the Company's share capital is required to ensure that the Company's capital structure is appropriate for its market capitalization and so that it is able to be competitive in the capital markets with its peer companies.

1.2 Effect of Consolidation

As at the date of this Notice no other Shares, Options or convertible securities has been issued and none of the existing Options or other convertible securities has been converted into Shares. The Company's capital structure is, and will be (respectively), as follows:

	Number (at date of this Notice)	Number (on completion of Consolidation)
Ordinary shares	2,725,155,755	272,515,576
Options 31 December 2016 (ERJO)	64,737,499	6,473,750
Options 30 June 2015 (ERJOA)	1,331,475,456	133,147,546

If this Resolution 1 is passed the number of Shares and Options on issue will be reduced on a 1:10 basis and exercise price of all Options will be increased in inverse proportion to that ratio.

All of the existing Options which are on issue by the Company have been issued on terms which permit them to

be changed to the extent necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction.

1.2 Tax Implications

It is not considered that any taxation consequences will exist for Shareholders or Optionholders arising from the Consolidation, however, Shareholders and Optionholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Consolidation.

1.2 Other Information

Not all Shareholders and Optionholders will hold that number of Shares and Options which can be evenly divided by 10. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share or Option.

Having regard to the rules of the Company's incentive plans and the ASX Listing Rules, all share rights on issue at the date of the share consolidation will either be consolidated on the same basis as the Company's ordinary shares or the terms adjusted, so that the number of ordinary shares to be provided if the share rights vest will reflect the impact of share consolidation, with the necessary adjustments to be made to any applicable exercise price.

Pursuant to the General Meeting of shareholder on 13 November 2013 which included the shareholder approval for the issue of Convertible Notes, in the event of a reconstruction of the capital of the Company prior to the conversion of any Convertible Note by way of consolidation, subdivision, reduction, return, scheme of arrangement or otherwise (but other than by way of a bonus issue, rights issue or other security issue), a proportionate adjustment will be made to the number and issue price of Shares to which the Convertible Noteholder is entitled upon conversion of the Convertible Notes so that: (i) the value of each Convertible Note is not adversely affected by the reconstruction; (ii) the Convertible Noteholder is not conferred with any additional benefits which are not also conferred on the holders of Shares (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of holders of Shares approving the reconstruction of capital); and (iii) in all other respects the terms for the conversion of the Convertible Notes shall remain unchanged.

There are no participation rights or entitlements inherent in the Convertible Note and Convertible Noteholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Convertible Notes without exercising the Convertible Notes.

2. ENQUIRIES

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

3. GLOSSARY

Convertible Note means the convertible notes to be issued by the Company pursuant to the General Meeting of shareholder on 13 November 2013 with an aggregate face value not exceeding \$5,000,000.

Securities means Shares, Options or both, as required.

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

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 31 January 2013 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 – Consolidation of Capital	<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 to be counted in computing the required majority on a poll.

Signature of Member(s): _____

Date: _____

Individual or Member 1

Member 2

Member 3

**Sole Director/Company
Secretary**

Director

Director

Contact Name: _____

Contact Telephone (daytime): _____

ENERJI LTD
ABN 62 009 423 189

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to PO Box 1933, West Perth WA 6872; or
 - (a) or hand deliver to Ground Floor, 10 Ord Street WA 6005; or
 - (b) 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.