
ALGAE.TEC LIMITED

ACN 124 544 190

NOTICE OF EXTRAORDINARY GENERAL MEETING

TIME: 11.00am (WST)

DATE: Monday, 19 March 2018

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

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

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

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11.00am (WST) on Monday 19 March 2018 at: Bentleys (WA) Pty Ltd, London House, Level 3, 216 St Georges Terrace, Perth 6000

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00am (WST) on Saturday 17 March 2018.

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

(Return of Proxy Form): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

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

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

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

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

Proxy Forms received later than this time will be invalid.

ASX

ASX takes no responsibility for the contents of this notice.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 - APPROVAL OF CHANGE TO SCALE AND NATURE OF ACTIVITIES – ACQUISITION OF INTEREST IN AUBERNA SA

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 11.1.2 and for all other purposes, Shareholders approve:

- *the acquisition by the Company of a 25% equity interest in Auberna SA; and*
- *the resulting change in the nature and scale of the Company's activities as set out in the Explanatory Memorandum."*

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by:

- (a) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Ordinary securities, if the Resolution is passed; and
- (b) any associate of those persons.

However, the Company need not disregard a vote if:

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

2. RESOLUTION 2 – APPROVAL OF PAST 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 purposes of Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 62,263,422 Shares on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – APPROVAL OF PAST 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 purposes of Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 7,299,078 Shares and 68,312,500 options on the terms and conditions set out in the Explanatory Statement.”

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

4. RESOLUTION 4 – APPROVAL OF PAST 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 purposes of Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 125,000 convertible notes and 2,291,666 options on the terms and conditions set out in the Explanatory Statement.”

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

5. RESOLUTION 5 – APPROVAL OF PAST 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 purposes of Listing Rule 7.4 and for all other purposes, approval is given for the prior issue of 1,338,000 Shares on the terms and conditions set out in the Explanatory Statement.”

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

6. RESOLUTION 6 – APPROVAL OF FUTURE 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 purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue of Shares and MCL Options to MCL on the terms and conditions set out in the Explanatory Statement.”

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

Dated: 13 February 2018

By order of the Board

Peter Hatfull
Director/Company Secretary

EXPLANATORY STATEMENT

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

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

1. OVERVIEW OF CHANGE IN SCALE AND NATURE OF ACTIVITIES

Resolution 1 seeks Shareholder approval for the change to the nature and scale of the Company's activities that will occur as a result of the acquisition of a 25% equity interest in Auberna (**Acquisition**).

Further terms of the Acquisition are stated in Section 1.2 below.

1.1 Auberna and Acquisition

Auberna is a new Uruguayan company which has been incorporated to undertake the commercialisation of the business of Jardin De Invierno SA (**JDI**), the counterparty to the Collaboration Agreement entered into by Algae.Tec and announced to ASX on 2 May 2017 (**Collaboration Agreement**),

The establishment of Auberna represents the commencement of the commercialisation phase of the Collaboration Agreement, which has been achieved much earlier than anticipated.

Algae.Tec has, through its existing relationship with JDI been presented with an opportunity to acquire a 25% equity interest in Auberna (**Acquisition**).

1.1.1 About JDI

JDI, which trades as Winter Garden Biosciences, is an advanced developer of mass market non-synthetic cannabis products and is focussed on the discovery and development of cannabis derivatives, delivery systems and related intellectual property. JDI seeks to exploit this intellectual property through the expanding international marketplace for therapeutic medicinal cannabis products.

JDI's headquarters are based at a world-class production and research facility in Uruguay. The facility is the only private laboratory in Uruguay registered for full spectrum cannabis analysis and research. The laboratory infrastructure is suitable for the development of pharmacological and nutritional products. The facilities include:

- farm expandable to 1,000 acres with three growing seasons annually;
- a 5,400 square foot Greenhouse for seeding cultivation; and
- a world class medicinal chemistry laboratory

The facility also houses a state of the art cell tissue lab. These facilities together represent one of the only facilities that allows for the formulation and full spectrum cannabinoid research globally.

JDI has a competitive advantage over most of its competitors as it is located in the most developed regulatory framework in the world for the development of cannabis based therapeutic products. Uruguay has been at the forefront of the global race to develop cannabis based therapeutic products and was the first nation in the world to fully legalise the research and development, cultivation and extraction for sale and consumption non-synthetic cannabinoid products.

JDI is unique globally as it is currently:

- (a) licensed and permitted under Federal Uruguayan law to conduct research and development on the natural levels of tetrahydrocannabinol (**THC**) and cannabinoids (**CBD**);
- (b) can perform invivo, invitro, clinical and phase 3 clinical trials as well as patent the resulting products;
- (c) is permitted to register and patent its entire product line (including plant varieties, extraction methods and delivery systems) to create a fully licensable patent protected product line;
- (d) can scale up production of its extract, derivative products in its private laboratory, greenhouse and farm, including its seed process facility; and
- (e) has licences that allow for the import and export of cannabinoid products.

1.2 Summary of the Acquisition

On 22 November 2017, Algae.Tec entered into a Heads of Agreement with Auberna to acquire a direct 25% equity interest in Auberna.

1.2.1 Proposed terms of Acquisition

Under the proposed terms of the Acquisition:

- (a) Algae.Tec will pay an initial deposit of US\$250,000 to Auberna, which Auberna will use to complete the 10-acre cannabis crop previously announced by Algae.Tec. Algae.Tec will receive 75% of the profit from this first crop (and anticipates this revenue share to be between US\$4.5 million and US\$6 million);
- (b) Algae.Tec will pay, in total, an additional US\$1,000,000 (above the US\$1,500,000 expenditure under the Collaboration Agreement) to Auberna, which Auberna must apply in accordance with a development plan and budget to be jointly agreed;
- (c) Algae.Tec will enter into a shareholders' agreement with Auberna's other shareholders;
- (d) Algae.Tec will appoint at least one director to the board of Auberna; and
- (e) the terms of the existing Collaboration Agreement will be incorporated into the formal agreements with Auberna.

1.2.2 Conditions precedent

The proposed terms of the Acquisition include conditions precedent that:

- (a) Auberna receives federal licences in Uruguay to research, develop, grow and sell medicinal marijuana;
- (b) Algae.Tec completes and is satisfied, in its sole discretion, with its due diligence;

- (c) the parties execute formal agreements; and
- (d) the parties receive all required consents and approvals.

The proposed terms of the Acquisition do not provide AEB with any right or option to acquire further interests in Auberna.

1.3 Change of Scale and Nature of Activities

ASX has advised the Company that it considers that the Acquisition, when aggregated with the Collaboration Agreement, constitutes a significant change in the nature or scale of the Company's activities and that it has exercised its discretion under ASX Listing Rule 11.1.2 to require the Company to seek shareholder approval for the Acquisition.

Accordingly, the Acquisition requires shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not obtained.

ASX has confirmed that it does not propose to exercise its discretion under ASX Listing Rule 11.1.3 which would require the Company to re-comply with the ASX listing requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For the reasons set out below, the Directors believe that the Acquisition is in the best interests of the Company.

1.4 Company background

Algae.Tec is a technology and production company, focused on developing technology and implementing commercial facilities for the production of plant-based products for use in health food, aquaculture, animal food and renewable biofuel industries.

Algae.Tec began the development of plant-based process and product technology in 2008 and completed its initial IPO fund raising via listing on the Australian Stock Exchange in January 2011.

Algae.Tec's company vision & business strategy is to:

- create and implement long-term renewable, sustainable and profitable solutions for our customers;
- develop and commercialize leading-edge technology for the production of plants, including algae and medicinal cannabis, capture of solar energy and sequestration of carbon dioxide;
- target key markets for plant-based products, including renewable diesel, aviation biofuels, high protein algae biomass for animal feed supplements and aquaculture meals, and specialty based nutraceuticals;
- build commercial facilities for the production of products with strong economic viability, including AT production, joint ventures and technology licensing; and
- focus on quality products and services, establish strategic partnerships to accelerate commercialisation and create long-term shareholder value.

The Algae.Tec Product Development Facility (**PDF Center**) was established in 2011 at Algae.Tec's 100% subsidiary, Algae Energy, Inc., in Cumming, Georgia. The PDF Center is a 2-acre integrated facility, comprising quality control laboratories, test units, pilot plants, an algae production plant and equipment manufacturing operations. It serves as Algae.Tec's global platform for process and product technology development, design engineering, equipment manufacturing, and implementation/operation of Algae.Tec's commercial algae plants worldwide.

Algae.Tec has invested more than \$30 million in plant-based technology development with implementation and operation of multiple projects worldwide. Algae.Tec has carried out extensive laboratory, bench-scale, pilot plant tests and product trials to-date on hundreds of species. The technology has been successfully scaled up to full-scale pilot manufacturing plants located in Nowra, Australia (Manildra Group), Jamnagar, India (Reliance Industries), and Cumming, GA (PDF Center).

Algae.Tec's initial focus was to find a source of feedstock for the development of products that was truly sustainable and did not diminish the world's resources or compete with human foodstocks. Extensive research was done on a range of plants that had the ability to efficiently capture CO₂ whilst yielding high levels of oils and contained other required properties. This research covered plants such as palm oil and jatropha before the Company focused on a range of algae strains that demonstrated the exact properties required and that could be grown in a controlled environment.

Algae has been demonstrated to be nature's oldest and most efficient process for the capture of solar energy and atmospheric CO₂ and produces orders of magnitude more oils and hydrocarbons per land mass than any other plant. Various algae strains are a source of high nutritional value (Super Foods) including omega 3, protein, β -carotene, selenium, zinc, vitamins B-12, C and E.

Algae.Tec's early years were mainly spent developing technology for the efficient growth of algae that would capture significant levels of CO₂ and turn this into oil that could be used as biofuels in the renewable energy market.

It was apparent however, from the detailed research and studies done, that different strains of algae had the ability to be developed for a much wider range of products, and in 2015 the Company announced the extension of its research and development into products for the nutraceutical markets for the human health markets, the aquaculture market and animal feed market, whilst still continuing its development of sustainable biofuels.

1.5 AEB's decision to enter into the nutraceuticals market

Nutraceuticals are defined as primary nutrients for food products that supplement the human diet and are used to facilitate the prevention or treatment of diseases and disorders.

Nutraceutical products offer health benefits to address numerous types of lifestyle disorders, including cardiovascular diseases, diabetes, obesity, malnutrition, cancers, anti-inflammatory and anti-microbial activities among others.

The global nutraceuticals product market was worth \$185 billion in 2015 with growth rates sustaining more than 6% CAGR. The core factors which are promoting growth in the nutraceutical industry are increasing health consciousness, ageing population and rising personal disposable income.

The sources of nutraceutical products are derived primarily from plants, animals and micro-organisms (including algae) and are generally characterised by their nutritional contents of fatty acids, proteins, amino acids, vitamins and minerals. Formulations are most typically available for nutraceutical products in the form of powder, tablets, capsules, foods and drinks.

Naturally produced algae-based products provide an important source and supply for end-use nutraceutical products. The current global market for algae-based nutraceutical products exceeds 21,000 metric tonnes per annum (**mta**), representing approximately a \$1.3 billion per year market with annual growth rates ranging from 6% to more than 20% per year, dependent on algal species and end-use nutraceutical applications.

Algae.Tec assessed the unique opportunity to enter into the nutraceuticals market by producing and supplying high quality algae-based products, and in 2015 the Company upgraded its facilities at its PDF Center and started up production of a diverse portfolio of algae products for nutraceutical applications.

Algae.Tec has spent years researching the growing of plants in controlled environments. It has developed techniques for efficient lighting of these plants in an indoor controlled environment as opposed to using natural sunlight. It has also researched the efficient development of elements within the product that are recognised as being beneficial to health and the extraction of oil from the plants.

1.6 Opportunity to enter the medicinal cannabis and hemp market

1.6.1 Medicinal cannabis

A medicinal cannabis product refers to a product which includes cannabis, and its chemical components (cannabinoids). Cannabis is not a single chemical. It is a **plant** with many chemical components that vary in strength and medicinal efficacy depending on the plants genetic origin, how it is grown, how it is prepared and how it is consumed.

Almost all of the chemicals found in cannabis which have – or are believed to have – medicinal benefits are unique to the plant. These are called ‘cannabinoids’. Although scientists have identified more than a hundred unique cannabinoids so far, the most prevalent of these are Δ^9 -THC and CBD.

The human body contains the “endocannabinoid system”. This system is made up of natural cannabinoid receptors which exist throughout the human body and brain. These receptors respond to cannabinoids and have been shown to affect a large number of pathological conditions — cardiovascular, neurodegenerative, reproductive, gastrointestinal, liver, lung, skeletal, and even psychiatric and cancer diseases.

The medicinal uses of cannabis are now being globally recognised. The nutraceutical products being developed from cannabis are being legalised in a number of countries and Algae.Tec sees these products as a potential natural complement to Algae.Tec’s nutraceutical range.

1.6.2 Hemp

Industrial hemp has been scientifically proven to absorb more CO₂ per hectare than any forest or commercial crop and is therefore the ideal carbon sink. In addition, the CO₂ is permanently bonded within the fibre that is used for anything from textiles, to paper and as a building material. It is currently being used by BMW in Germany to replace plastics in car construction. It is therefore additional to what would otherwise be grown or sourced from oil. It can be constantly replanted and as such meets permanence criteria as defined by the Kyoto Protocol.

Industrial hemp differs from marijuana. Industrial hemp is the name of the soft fibre from the Cannabis Sativa plant. It is distinguished from the psychoactive varieties by having low (less than 0.05) levels of the chemical THC. It has been developed to grow long fibres and in dense plantations thereby increasing the biomass.

Hemp can be grown on a widespread scale throughout Australia, on nutrient poor soils and with very small amounts of water and no fertilisers. Hemp can be grown on existing agricultural land (unlike most forestry projects), and can be included as part of a farm's crop rotation with positive effects on overall yields of follow on crops. It can therefore comply with the Australian Government's plans to increase employment and improve the economic position of remote areas. This is especially relevant to the holders of Aboriginal and Torres Strait Islander land.

Hemp has been in cultivation for thousands of years, most notably for ropes for naval vessels and for paper. In the mid 1930's there was the invention of nylon and the spread of plastics, and a general trend away from all things natural. At the same time use of marijuana as a recreational drug increased and hemp was included in the ban on cultivation of any plant of the Cannabis family. This view spread globally with political pressure from the United States and since that time there has been a stigma attached to hemp cultivation.

Governments around the world have realised that this valuable crop is not a threat and have encouraged widespread planting of hemp as a means of absorbing CO2 and have issued carbon credits to farmers growing the crop.

Algae.Tec considers there is the potential for any research in respect of cannabis to have application to hemp production.

1.7 Potential Application of Algae.Tec's technology to Cannabis

Products that are derived from the Cannabis Sativa L plant are recognised as having specific medicinal properties to treat a range of human ailments.

It is generally recognised that the future of cannabis growing is going to be in indoor controlled environments for quality control, risk mitigation and cost control. These are all areas in which Algae.Tec has experience and that can be utilised in a strategic relationship with a cannabis partner.

Requirements	Algae	Cannabis
High Efficiency Light Systems	√	√
Optimal Nutrient Packages	√	√
Photosynthetic Growth Phases	√	√
Environmental Climate Control	√	√
Water Management Systems	√	√
Oil Extraction & Refinement	√	√
Sterile Production Environment	√	√
High Quality Products	√	√
Continuous Process Control	√	√

The process of controlled plant growth is part of Algae.Tec's specialty.

In particular, as part of its research into algae growth, Algae.Tec pioneered the "plant growing process" within a controlled environment largely from scratch and Algae.Tec has perfected the use of solar gain technology for use with LED lighting systems as a part of its processes. As part of this Algae.Tec developed its own solar collection system along with the LED light panels. This was necessary to enable efficient sustainable production of products and gives significant commercial advantages to any plant growth in controlled environments. It was originally developed by Algae.Tec as a direct result of Algae.Tec's research and development into growing algae for the development of bio-fuel. Algae.Tec's original aim in that field was to provide an artificial climatic growing process that was economically sustainable and viable.

1.7.1 Application of Algae.Tec's technology to JDI/Auberna

Algae.Tec's technology (as discussed in Section 1.7 above) has been shown to reduce required power costs by up to 60% and is of interest to JDI (and now Auberna), who wish to use the technology to reduce the significant power costs which are associated with cannabis production.

Algae.Tec views the potential to earn royalty income from the application of its technology to cannabis as a method of funding Algae.Tec's continuing activities into production of bio fuels and other plant-based production techniques and species.

1.8 Activities and results under Collaboration Agreement

So far under the Collaboration Agreement:

- (a) the parties have commenced propagating and planting a 10-acre cannabis crop; and
- (b) the parties have commenced propagation of Sativa strain cannabis seeds in a controlled laboratory environment.

Algae.Tec is entitled to a share of 75% of any revenue from product sales from products produced from the planted crop. On current pricing, Algae.Tec anticipates this revenue share to be between US\$4.5m and US\$6m.

1.9 Algae.Tec's current activities

Algae.Tec currently has mature, implemented strategies for a range of plant-based products, including renewable diesel, aviation biofuels, high protein algae biomass for animal feed supplements and aquaculture meals, and specialty based nutraceuticals.

1.9.1 Indian test plant and commercial plant

Algae.Tec has been in a strategic relationship with the Reliance Group of India (**Reliance**) for several years to develop its technology into a commercial plant for the capturing of CO₂ from Reliance's world class refinery and producing commercial grade renewable, sustainable biofuel. This relationship has been the subject of a number of announcements.

Algae.Tec currently has a team on site in India continuing the commissioning of the test plant built by Algae.Tec on Reliance's site. Once this test plant is completed it is expected that Reliance and Algae.Tec will continue to a full sized commercial plant, funded by Reliance, with Reliance contracting with Algae.Tec to build the plant, with an expected investment of over \$100million. This investment decision is expected within the next 12 months. This is a strong, strategic, continuing development relationship with Reliance and will underpin part of the expected growth of Algae.Tec over the next few years.

1.9.2 Proposed test plant in China

Algae.Tec has also previously announced that it has an investment and collaboration agreement from a Chinese company to introduce its technology for carbon capture and sustainable fuels into China. Discussions are currently being held to find the right industrial partner to provide a source of CO₂ and the site on which to build a test plant. Progress on this contract has been slowed down due to sharp fall in the world price of oil, but discussions are being held on timing for our development team to visit a number of proposed sites in China over the next few months.

1.9.3 Nutraceutical production plant in USA

In 2015 Algae.Tec announced its intention to convert its test facilities in Cumming GA into a PDF (Product Development Facility) plant for nutraceutical algae products. This plant was initially commissioned mid 2016 but was then upgraded using funds from Algae.Tec's major offtake partner, Gencor Pacific. This was fully announced to the market with the expected completion early 2017. This plant is now fully commissioned and will produce between 35 and 50 tonnes of nutraceutical algae per year, dependent upon the type of algae produced. Discussions are currently being held with Gencor to determine which high value strains of algae the market currently requires.

It is the Company's intent to significantly increase the size of this plant and develop increased product lines from its core activities. The funding to increase the size of this plant will be negotiated with the investment community over the next few months. Initial talks have already been held.

1.9.4 Potential algae plant in Australia

The Company is also in discussions with a number of parties in Australia to fund the building of a commercial scale algae plant in Australia. These negotiations are not yet at a stage where they can be announced to the market but it is hoped that this point can be reached within the next six months.

1.9.5 Cannabis activities

The Company has carried out the activities under the Collaboration Agreement discussed at section 1.8.

The Company entered into a Licensing Heads of Agreement with QBL and MCL in December 2017 to provide the Company with access to cannabis cultivars able to be used in respect of animal health applications.

The Company has applied for a Cultivation and Production Licence, which it anticipates will be granted during Q1C18. During the period prior to the licence being granted the Company will continue discussions with research and development organisations in both the public and private arenas and where appropriate enter into collaboration agreements.

The initial focus, with the cultivars supplied by MCL, will be on animal health such as arthritis and stress induced harmful adrenalin.

The Company will also research a combination of algae based nutraceuticals and medicinal cannabis for a myriad of animal and human gut and skin related health issues.

Upon shareholder approval and completion of the Agreement the Company will invest further funds in Auberna as required under the Agreement. These funds will be utilised to increase the research and development and crops in Uruguay under the management of Auberna.

1.10 Algae.Tec's future activities

The development of algae-based products will remain one of Algae.Tec's main undertakings for the foreseeable future (as part of Algae.Tec's overall undertaking of the development of plant-based products). Over the course of the next 18 months, Algae.Tec will continue with its strategic commercial relationships in India, China, USA and Australia, and the step into production and marketing of algae products. Algae.Tec's spending in these areas is dependent upon the progress of the individual projects and the various commercial negotiations (as discussed above) but should involve a minimum expenditure by Algae.Tec of at least \$10 million.

Algae.Tec presently intends to raise the amounts required to fund this by a variety of mechanisms that will include debt and equity, with the actual mechanisms used dependent upon the progress of the individual projects and negotiations.

If all projects proceed, Algae.Tec will be involved with algae projects involving aggregate expenditure of up to \$100 million (largely to be provided or sourced by Algae.Tec's various partners).

At the same time, Algae.Tec will seek to develop and commercialise Algae.Tec's proprietary growing technologies for the nutraceutical ingredients market and for therapeutic medicinal cannabis products.

The means by which Algae.Tec intends to do this is to fund and direct research and development into this by Auberna (as they succeed to the collaboration obligations of JDI). This is on the basis that Auberna has cannabis knowledge and expertise and is best equipped to carry out research and development, whereas Algae.Tec has knowledge and expertise in its proprietary growing technologies and is best equipped to direct research into the application of those technologies to the growing of cannabis.

Algae.Tec anticipates that the medical marijuana project will continue to grow (in terms of cost, staffing and potential revenue generation) as Algae.Tec continues to explore this area. As part of this, Algae.Tec intends to seek licences to manufacture cannabis in Australia.

1.11 Anticipated Staffing Requirements from involvement in cannabis production

Algae.Tec currently employs approximately 25 people, 23 of which remain full time on the algae core business, with the remaining 2 spending part of their time overseeing the cannabinoid project (and the remainder on the algae core business). Algae.Tec also anticipates that 2 new full-time employees will need to be sourced for cannabinoid projects in the near future.

1.12 Revenue from cannabis projects

Algae.Tec has not derived any revenue from cannabis products to date but will be entitled to do so under the Heads of Agreement (see Sections 1.2.1 and 1.8 for more information).

It is not presently possible for Algae.Tec to predict potential revenues from future cannabis crops or products, as it is not possible to predict what products may result from Algae.Tec's research, or how commercial they may be.

1.13 Reasons to pursue the Acquisition

Algae.Tec considers that the Acquisition will enable the expanded utilisation of technologies and expertise developed in plant growing and medicinal applications which significantly increases the market size which the Company can penetrate.

1.14 Financial effect of the Acquisition

Algae.Tec considers that the financial effect of the Acquisition on Algae.Tec and on the interests of security holders in Algae.Tec will be as follows:

Transaction-based comparison table

NB: This table has been created using UNAUDITED accounts as at 30 September 2017. Due to significant changes in equity and assets following the publication of the annual report and as result of a Rights Issue/Capital Raising it was felt that the comparison table utilising the last AUDITED accounts would be unrepresentative in measuring the effect of this transaction.

Particulars	Prior to Transaction - Position of Company as stated in latest UNaudited, consolidated financial statements	Effect of Transaction	Post Transaction Analysis - Pro forma	Percentage Change due to Transaction	Scale of Change
Total Consolidated Assets	7,994,216	-	7,994,216	0%	1.00
Contributed Equity	29,483,982	-	29,483,982	0%	1.00
Reserves	476,597	0	476,597	0%	1.00
Accumulated Losses	--26,535,569	0	-26,535,569	0%	1.00
Annual Revenue *1	2,787,904	0	2,787,904	0%	1.00
Annual Profit (before tax and extraordinary items) *1	-3,857,549	0	-3,857,549	0%	1.00
Total No. of shares	660,951,991	-	660,951,991	0%	1.00
Total No. of options	128,596,076	0	128,596,076	0%	1.00
Budgeted exploration expenditure (next 12 months)	N/A	N/A	N/A	N/A	N/A

*1 These values still reflect the published audit accounts of 30th June 2017

1.15 Funding

Algae.Tec presently intends to fund the Acquisition from Algae.Tec's share of the proceeds of the cannabis crop discussed at 1.8 (and the table at 1.14 has been prepared on this basis).

1.16 Timetable

Algae.Tec intends that the Acquisition will be implemented in accordance with the following timetable:

Completion of Due Diligence	February 28, 2018
Formal Documentation	March 15, 2018
Initial Program Agreed	March 30, 2018

1.17 Directors' recommendation and voting intention

All of the Directors are of the opinion that the Acquisition and the change to the scale and nature of the Company's activities are in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

The Directors' recommendations are based on the reasons outlined above.

Each of the Directors intends to vote all of their Shares in favour of this Resolution.

2. RESOLUTION 2 – APPROVAL OF PAST ISSUE OF SECURITIES

2.1 General

The Company previously issued the following shares and options in connection with the Placement.

Type of securities and basis of issue	Number of securities issued
Ordinary shares issued under listing rule 7.1A	62,263,422
Ordinary shares issued under listing rule 7.1	7,299,078 (made up of 236,578 placement shares and 7,062,500 shares issued in payment of raising fees)
Options issued under listing rule 7.1	68,312,500 (made up of 62,500,000 attaching placement options and 5,812,500 options issued in payment of raising fees)
Total	137,875,020

The Company now seeks the subsequent approval of the holders of Ordinary Securities to those issues.

Resolution 2 seeks approval in respect of the shares issued under listing rule 7.1A.

Resolution 3 seeks approval in respect of the shares and options issued under listing rule 7.1.

2.2 Listing Rule 7.4

Under Listing Rule 7.1, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without Shareholder approval.

Under Listing Rule 7.1A, the Company is able to seek the approval of the holders of its ordinary securities to have the additional capacity to issue up to a further 10% of its issued equity securities. The Company obtained this approval at its AGM on 30 November 2017.

Under Listing Rule 7.4, the Company can seek the subsequent approval of an issue of securities. If granted, the approval has the effect that the past issue of securities is treated as having been made with approval for the purpose of Listing Rule 7.1.

The effect of the approval under Listing Rule 7.4 of the prior issue of the Shares in connection with the Placement under this Resolution will be that those securities will not be counted as reducing the number of securities which the Company can issue in the future without Shareholder approval under the additional 10% placement limit approved under Listing Rule 7.1A (i.e. the 10% limit is "renewed" to the extent of the approval).

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) the number of securities issued is as set out in the table above.
- (b) 62,263,422 Shares were issued under the Company's Listing Rule 7.1A approval at \$0.04 per Share.
- (c) the Shares issued were fully paid ordinary shares which rank equally with all other existing Shares from their date of issue.
- (d) the Placement Shares were issued to persons determined in conjunction with the lead manager as being sophisticated and professional investors interested in acquiring equity securities in the Company.
- (e) the funds raised by the Placement have been used and are intended to be used as follows:
 - (i) Algae Energy (Atlanta) – Product Development Costs: \$2.006m
 - (ii) Medicinal Cannabis Licence Australia – Associated Costs: \$0.165m;
 - (iii) Algae Energy (Atlanta) – Debt Reduction: \$0.125m.

2.3 Voting Exclusion

A voting exclusion statement is included in this Notice.

3. RESOLUTION 3 – APPROVAL OF PAST ISSUE OF SECURITIES

3.1 General

The Company previously issued the shares and options in connection with the Placement that are set out in the table at section 2.1.

Under this resolution The Company seeks the subsequent approval of the holders of Ordinary Securities to the shares and options issued under listing rule 7.1.

3.2 Listing Rule 7.4

The operation of Listing Rules 7.1, 7.1A and 7.4 is discussed at section 2.2.

The effect of the approval under Listing Rule 7.4 of the prior issue of the Shares and options under this Resolution will be that those securities will not be counted as reducing the number of securities which the Company can issue in the future without Shareholder approval under the 15% placement limit imposed by Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) the number of securities issued is as set out in the table at section 2.2.
- (b) 62,263,422 Shares were issued under Listing Rule 7.1 at \$0.04 per Share.
- (c) 7,062,500 Shares were issued under Listing Rule 7.1 in payment of raising fees (and no monetary consideration was received for them). The deemed issue price of those Shares is \$0.04 per Share.
- (d) 62,500,000 options were issued under Listing Rule 7.1 as free attaching options (and no monetary consideration was received for them). The deemed issue price of those options is nil.
- (e) 5,812,500 options were issued under Listing Rule 7.1 in payment of raising fees (and no monetary consideration was received for them). The deemed issue price of those options is nil.
- (f) the Shares issued were fully paid ordinary shares which rank equally with all other existing Shares from their date of issue.
- (g) the options issued were options to acquire fully paid ordinary shares in the Company, each with an exercise price of \$0.05, expiring on or before 28 July 2020.
- (h) the Placement Shares and free attaching options were issued to persons determined in conjunction with the lead manager as being sophisticated and professional investors interested in acquiring equity securities in the Company.
- (i) the Shares and options issued in payment of raising fees were issued to:
 - (i) Lead Managers Empire Capital Partners Pty Ltd
 - (ii) Filmrim Pty Ltd.
- (j) the funds raised by the Placement have been used and are intended to be used as follows:
 - (i) Algae Energy (Atlanta) – Product Development Costs: \$2.006m
 - (ii) Medicinal Cannabis Licence Australia – Associated Costs: \$0.165m;
 - (iii) Algae Energy (Atlanta) – Debt Reduction: \$0.125m.

3.3 Voting Exclusion

A voting exclusion statement is included in this Notice.

4. RESOLUTION 4 – APPROVAL OF PAST ISSUE OF SECURITIES

4.1 General

The Company previously issued 250,000 convertible notes and to L1 Capital Global Opportunities Master Fund (**Investor**) on 25 July 2017 and 2,291,666 options to the Investor on 21 August 2017.

The Company subsequently redeemed 125,000 of the convertible notes.

The Company now seeks the subsequent approval of the holders of Ordinary Securities to the unredeemed convertible notes and the options.

4.2 Listing Rule 7.4

The operation of Listing Rules 7.1 and 7.4 is discussed at section 2.2.

The effect of the approval under Listing Rule 7.4 of the prior issue of the Shares and options under this Resolution will be that those securities will not be counted as reducing the number of securities which the Company can issue in the future without Shareholder approval under the 15% placement limit imposed by Listing Rule 7.1.

The 125,000 convertible notes counted as 4,583,333 ordinary securities for the purpose of Listing Rule 7.1, so the effect is the approval is that the Company capacity to issue shares in the future without shareholder approval will be increased by 4,583,333 ordinary securities.

The Company is not seeking separate approval of the Shares issued on conversion of the convertible securities, as those shares were issued under exception 4 to Listing Rule 7.2.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) The number of securities issued is 125,000 convertible notes and 2,291,666 options.
- (b) The convertible notes were issued at \$1 per convertible note.
- (c) The 2,291,666 options were issued in consideration of the Investor agreeing to acquire the convertible notes (and no monetary consideration was received for them). The deemed issue price of the options is nil.
- (d) The convertible notes:
 - (i) had a maturity date of 26 July 2018;
 - (ii) had a face value of A\$1.10 per convertible note;
 - (iii) were able to be redeemed by the Company at any time for 105% of the amount outstanding in respect of the repurchased notes;
 - (iv) were convertible at the lesser of:
 - (A) 85% of the average of the three daily VWAPS during the 3 Trading Days prior to the conversion notice date; and
 - (B) A\$0.03

- (e) The options were options to acquire fully paid ordinary shares in the Company, each with an exercise price of \$0.05, expiring on or before 28 July 2020.
- (f) The convertible notes and options were issued to L1 Capital Global Opportunities Master Fund.
- (g) The funds raised were used for the Company's working capital.

4.3 Voting Exclusion

A voting exclusion statement is included in this Notice.

5. RESOLUTION 5 – APPROVAL OF PAST ISSUE OF SECURITIES

5.1 General

The Company previously issued 1,338,000 Shares to Empire Capital Partners on 15 May 2017.

The Company now seeks the subsequent approval of the holders of Ordinary Securities to that issue.

5.2 Listing Rule 7.4

The operation of Listing Rules 7.1 and 7.4 is discussed at section 2.2.

The effect of the approval under Listing Rule 7.4 of the prior issue of the Shares and options under this Resolution will be that those securities will not be counted as reducing the number of securities which the Company can issue in the future without Shareholder approval under the 15% placement limit imposed by Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) The number of securities issued is 1,338,000 Shares.
- (b) The Shares were issued in payment of fees to Empire Capital Partners (and no monetary consideration was received for them). The deemed issue price is \$0.05 per Share.
- (c) the Shares issued were fully paid ordinary shares which rank equally with all other existing Shares from their date of issue.
- (d) The Shares were issued to Empire Capital Partners Pty Ltd.
- (e) No funds were raised by the issue of the Shares.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice.

6. RESOLUTION 6 – APPROVAL OF FUTURE ISSUE OF SECURITIES

6.1 General

The Company has entered into a Licensing Heads of Agreement with MCL and QBL as previously announced by the Company on 22 December 2017.

Under the terms of the Licensing Heads of Agreement, subject to all required approvals, the Company is required to issue to MCL:

- (a) 50,000,000 Shares by way of non-refundable deposit;
- (b) further Shares so that upon issue MCL will, when combined with the Shares in Section 5.1(a), hold 15% of the issued shares in the Company at the time of issue, together with 1 non-transferable option for every 5 shares issued (including the deposit shares), each with an exercise price of \$0.075 and expiring on 31 December 2020 (**MCL Options**);
- (c) on the date that the Company extracts oil from MCL cultivars, further Shares so that upon issue MCL will, when combined with the Shares in Sections 5.1(a) and 5.1(b), hold 19.9% of the issued shares in the Company, together with 1 further MCL Option for every 5 shares issued.

The Company is now seeking approval for the issue of the Shares and MCL Options under paragraphs (a) and (b) above.

The Company is not presently seeking approval for the issue of the Shares and MCL Options under paragraph (c) above, as the Company anticipates that obligation to issue these securities will occur more than 3 months after the date of the meeting.

6.2 Listing Rule 7.1

Under Listing Rule 7.1, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without Shareholder approval. The effect of the approval under Listing Rule 7.1 of the proposed issue of the new Shares under this Resolution will be that those securities will not be counted as reducing the number of securities which the Company can issue in the future without Shareholder approval under the 15% placement limit imposed by Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for this purpose:

- (a) The securities for which the Company is seeking the approval are:
 - (i) 50,000,000 Shares;
 - (ii) a further number of Shares so that following issue, MCL will hold 15% of the issued Shares in the Company; and
 - (iii) 1 MCL Option for each 5 Shares issued to MCL under (i) and (ii) above.
- (b) the Shares and MCL Options will be issued on 30 March 2018;
- (c) the Shares and MCL Options will be issued as consideration under the Licensing Heads of Agreement and no monetary consideration will be received for them;
- (d) the Shares and MCL Options will be issued to MCL;

- (e) the Shares to be issued pursuant to this Resolution will be fully paid ordinary shares which rank equally with all other existing Shares from their date of issue; and
- (f) the MCL Options will be options to acquire Shares with an exercise price of \$0.075 and expiring on 31 December 2020.

6.3 Voting Exclusion

A voting exclusion statement is included in this Notice.

Glossary

\$ means Australian dollars.

Acquisition has the meaning given in Section 1.1.

Algae.Tec or **Company** means Algae.Tec Limited (ACN 124 544 190).

Auberna means Auberna SA.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Collaboration Agreement has the meaning given in Section 1.1.

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.

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

JDI means Jardin De Invierno SA.

MCL means Medical Cannabis Limited ACN 604 732 612.

MCL Options has the meaning given in Section 6.1.

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

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

PDF Center means the Algae.Tec Product Development Facility

Placement means the A\$2,500,000 placement by the Company at \$0.04 per Share with an attaching one for one listed option, as announced by the Company on 25 January 2018.

Proxy Form means the proxy form accompanying the Notice.

QBL means Queensland Brauxite Limited ACN 124 873 507.

Reliance means the Reliance Group of India.

Resolution means the resolution set out in the Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a registered holder of a Share.

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



ALGAE.TEC Ltd

ABN 16 124 544 190

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

AEB

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 11:00am (WST) Saturday, 17 March 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Algae.Tec Limited hereby appoint

☐

the Chairman
of the Meeting

OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, 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, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Algae.Tec Limited to be held at Bentleys (WA) Pty Ltd, London House, Level 3, 216 St Georges Terrace, Perth, Western Australia on Monday, 19 March 2018 at 11:00am (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business



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

		For	Against	Abstain
Resolution 1	Approval of change to scale and nature of activities – acquisition of interest in Auberna SA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of past issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of past issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of past issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of past issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of future issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

A E B

2 3 5 6 9 0 A

Computershare +