

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Protean Energy Limited

ABN

81 119 267 391

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | <ol style="list-style-type: none">1. Ordinary Shares2. Ordinary Shares3. Options4. Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 2,300,0002. 2,500,0003. 38,000,0004. 47,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ol style="list-style-type: none">1. Ordinary Shares2. Ordinary Shares3. Options exercisable at 3.7¢ expiring 30 June 20214. Options exercisable at 3.7¢ expiring 30 June 2021 |

+ See chapter 19 for defined terms.

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4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<ol style="list-style-type: none"> Yes Yes Ordinary shares issued upon the exercise of options will rank equally with the existing fully paid ordinary shares on issue. Ordinary shares issued upon the exercise of options will rank equally with the existing fully paid ordinary shares on issue.
5	Issue price or consideration	<ol style="list-style-type: none"> N/A N/A Nil Nil
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> Shares issued in lieu of fees Conversion of employee performance rights following milestone satisfaction Issue of Director incentive options approved by shareholders on 8 May 2018 Issue of Adviser incentive options approved by shareholders on 8 May 2018
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	9 November 2017
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	<ol style="list-style-type: none"> 2,300,000
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	3. 38,000,000 4. 47,000,000 Date of meeting: 8 May 2018	
6f	Number of securities issued under an exception in rule 7.2	2. 2,500,000	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	5 June 2018	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	+Class
		302,749,841	Ordinary shares
		Number	+Class

+ See chapter 19 for defined terms.

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	5,223,637	Options exercisable at \$1.125 on or before 31/12/2018
		294,581	Options exercisable at \$1.125 on or before 30/11/2018
		589,164	Options exercisable at \$1.50 on or before 30/11/2018
		883,750	Options exercisable at \$1.875 on or before 30/11/2018
		1,178,331	Options exercisable at \$2.25 on or before 30/11/2018
		33,333	Options exercisable at \$2.43 on or before 30/11/2018
		85,000,000	Options exercisable at \$0.037 on or before 30/06/2021
		3,999,996	Class A Performance Shares Subject to vesting conditions
		716,000	Class B Performance Rights Subject to vesting conditions
		550,000	Class C Performance Rights Subject to vesting conditions
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	316,666	Class D Performance Rights subject to vesting conditions
		2,500,000	Class E Performance Rights Subject to vesting conditions
		N/A	

⁺ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the ⁺ securities will be offered | |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | |
| 15 | ⁺ Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

⁺ See chapter 19 for defined terms.

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20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	35,681,836
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	160,137,035 98,630,970 -
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	294,449,841
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>

+ See chapter 19 for defined terms.

Multiply “A” by 0.15	44,167,476
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	2,300,000
“C”	2,300,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	44,167,476
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	2,300,000
Total [“A” x 0.15] – “C”	<p>41,867,476</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	294,449,841
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	29,444,984
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	-
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	29,444,984
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	29,444,984 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

Confirmation under section 708(5)(e) of the Corporations Act (Act)

The Company hereby notifies ASX under section 708A(5)(e) of the Act in compliance with the requirements of section 708A(6) of the Act. The Company also advises that as at the date of this notice:

1. The securities were issued without disclosure to investors under Part 6D.2 of the Act;
2. the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
3. the Company has complied with section 674 of the Act; and
4. As at the date of this notice, there is no information:
 - a. That has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
 - b. That investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. The rights and liabilities attaching to the shares.

+ See chapter 19 for defined terms.