
MARENICA ENERGY LIMITED**ACN 001 666 600****NOTICE OF ANNUAL GENERAL MEETING**

TIME: 11.00am (WST)**DATE:** Monday, 3 November 2014**PLACE:** Second Floor, 6 Kings Park Road, West Perth, WA 6005, Australia

This Notice of Annual General 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 Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6555 1816.

MARENICA ENERGY LIMITED
ACN 001 666 600
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Marenica Energy Limited ("Marenica" or "the Company") will be held as follows:

TIME: 11.00am

DATE: Monday, 3 November 2014

LOCATION: Second Floor, 6 Kings Park Road, West Perth, WA 6005, Australia

**This Notice of Annual General 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 without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact
the Company Secretary on +61 8 6555 1816.**

Words and phrases used in the Resolutions are defined in Section 14 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Statement.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 including the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding** resolution:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement for Resolution 1

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) or (b) above; or
 - (d) the person is the chair of the Annual General Meeting voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.
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Resolution 2: Re-election of Director – David Sanders

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

"That Mr David Sanders a Director of the Company who retires by rotation in accordance with clause 7.3(a) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3: Election of Director – Lou Guo Qing

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

"That, for the purposes of clause 7.2(c) of the Constitution and for all other purposes, Mr Lou Guo Qing be appointed as a Director of the Company with immediate effect."

SPECIAL BUSINESS

Resolution 4: Ratification of Share Placement

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

"That pursuant to ASX Listing Rule 7.4, the issue on 16 July 2014 of 36,062,500 Shares at an issue price of \$0.0016 per Share and 1,875,000 Shares at an issue price of \$0.004 per Share on the terms and conditions set out in the Explanatory Statement be ratified."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the 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 Annual General 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.

Resolution 5: Ratification of Performance Rights

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

“That pursuant to ASX Listing Rule 7.4, the issue on 16 July 2014 of 67,500,000 Performance Rights to an Associate of Murray Hill, Chief Executive Officer, on the terms and conditions set out in the Explanatory Statement be ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the 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 Annual General 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.

Resolution 6: Ratification of Share Placement

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

“That pursuant to ASX Listing Rule 7.4, the issue on 29 July 2014 of 82,295,387 Shares at an issue price of \$0.0016 per Share and 2,487,000 Shares at an issue price of \$0.00174 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the 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 Annual General 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.

Resolution 7: Ratification of Share Placement

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

“That pursuant to ASX Listing Rule 7.4, the issue on 14 August 2014 of 5,459,770 Shares at an issue price of \$0.00174 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the 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 Annual General 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.

Resolution 8: Approval for Issue of Shares to John Sestan (or nominee)

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

“That, pursuant to ASX Listing Rule 7.1, approval be given to issue 30,000,000 Shares to John Sestan (or nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by John Sestan and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if (a) it is cast by the 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 Annual General 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.

Resolution 9: Approval for Grant of Options to Bo (Simon) Yang (or nominee)

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

“That, pursuant to ASX Listing Rule 7.1, approval is given for the Company to issue up to 7,601,351 Options to Bo (Simon) Yang or his nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Bo (Simon) Yang and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if (a) it is cast by the 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 Annual General 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.

Resolution 10: Approval of Grant of Options to Robert Pearce (or nominee)

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 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue up to 43,981,081 Options to Robert Pearce or his nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Mr Pearce and any associate of Mr Pearce. 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 a direction on the proxy form to vote as the proxy decides.

Resolution 11: Approval of Grant of Options to Alan Douglas Buerger (or nominee)

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 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue up to 32,856,757 Options to Alan Douglas Buerger or his nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Mr Buerger and any associate of Mr Buerger. 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 a direction on the proxy form to vote as the proxy decides.

Resolution 12: Approval of Grant of Options to Gavin Becker (or nominee)

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 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue up to 32,856,757 Options to Gavin Becker or his nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Mr Becker and any associate of Mr Becker. 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 a direction on the proxy form to vote as the proxy decides.

Resolution 13: Approval of Grant of Options to David Sanders (or nominee)

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 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue up to 32,856,757 Options to David Sanders or his nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Mr Sanders and any associate of Mr Sanders. 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 a direction on the proxy form to vote as the proxy decides.

Resolution 14: Approval of Grant of Options to Nelson Chen (or nominee)

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 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue up to 22,804,054 Options to Nelson Chen or his nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Mr Chen and any associate of Mr Chen. 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 a direction on the proxy form to vote as the proxy decides.

Resolution 15: Consolidation of Capital

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

“That pursuant to section 254H of the Corporations Act, the issued capital of the Company be consolidated on the basis that every one hundred (100) Shares be consolidated into one (1) Share with such consolidation to take effect on 10 November 2014 and where this consolidation results in a fraction of a Share, the Company be authorised to round that fraction up to the nearest whole Share.”

Questions and Comments

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the management of the Company.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Annual General Meeting for further explanation of the Resolutions.

PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

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

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- delivering it to the registered office of the Company at Bennett + Co, Ground Floor, BGC Centre, 28 The Esplanade, Perth Western Australia 6000, Australia;
- posting it to the Company to Marenica Energy Limited, c/- PO Box 5745, St Georges Terrace, Perth, WA 6831, Australia; or
- faxing it to the Company on facsimile number +61 8 6316 2211; or

- emailing it to the Company at info@marenicaenergy.com.au.

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

CORPORATE REPRESENTATIVES

A body corporate that is a shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 5pm (WST) on 1 November 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated this 1 October 2014

By order of the Board

A handwritten signature in black ink, appearing to read 'S. Hunter'.

Susan Hunter
Company Secretary

MARENICA ENERGY LIMITED

ACN 001 666 600

EXPLANATORY STATEMENT TO SHAREHOLDERS

1. ACTION TO BE TAKEN BY SHAREHOLDERS

This Explanatory Statement sets out information about the Resolutions to be considered by the Shareholders at the Annual General Meeting. Defined terms used in this Explanatory Statement are set out in Section 14. Accompanying this Explanatory Statement is the Notice of Annual General Meeting convening the Annual General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the Annual General Meeting. If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form and return it not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

2. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2014 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2014 Annual Report, a copy of which is available on the Company's website at www.marenicaenergy.com.au.

Whilst no Resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

A representative from the Company's auditors will be invited to the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

3. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

If at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2015 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company ("Spill Resolution"). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting ("Spill Meeting") within 90 days of the Company's 2015 annual general meeting. All of the Directors who were in office when the Company's 2015 Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Company's Shareholders have approved the Remuneration Report at each previous annual general meeting.

A Spill Resolution will not be required at this Annual General Meeting as the votes against the Remuneration Report at the Company's 2013 annual general meeting were less than 25%.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

4. RESOLUTION 2: RE-ELECTION OF DIRECTOR – DAVID SANDERS

It is a requirement under clause 7.3(a) of the Company's Constitution that no Director may hold office without re-election past the third AGM following the Director's appointment or 3 years, whichever is longer. Accordingly, Mr Sanders retires from office, and being eligible, offers himself for re-election as a Director of the Company. Mr Sanders was last re-elected a Non-executive Director of the Company on 29 November 2011.

Mr Sanders is a lawyer with over 15 years of experience in corporate and resources law. He advises numerous ASX listed companies, including companies in the resources sector, on capital raising, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance and corporate governance. He holds Bachelor of Law and Bachelor of Commerce degrees from the University of Western Australia and a Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia.

The Board unanimously supports the re-election of Mr Sanders.

5. RESOLUTION 3: ELECTION OF DIRECTOR – LOU GUO QING

As announced to ASX on 2 May 2014, Mr Bo (Simon) Yang, a Board representative from the Company's major Shareholder Hanlong Resources Limited ("Hanlong"), resigned as a Non-executive Director of the Company and was to be replaced by another Hanlong representative on the Board. Clause 7.2(c) of the Constitution allows the Company in general meeting by ordinary resolution to appoint any person as a Director. Resolution 3 seeks shareholder approval to appoint Mr Lou as a Non-executive Director of the Company as a Board representative from Hanlong.

Mr Lou is the Managing Director of Hanlong Group. He was formerly the president of China Construction Bank, Panzhihua Municipality branch in Sichuan province and has over 26 years of experience in credit management and financial investment. Mr Lou holds a Bachelor of Economics degree from Wuhan University and a Postgraduate Diploma in business administration from Sichuan University.

The Board unanimously supports the election of Mr Lou.

6. RESOLUTION 4 – RATIFICATION OF SHARE PLACEMENT

On 16 July 2014, the Company issued a total of 37,937,500 Shares in the capital of the Company. 22,000,000 Shares were issued at a deemed issue price of \$0.0016 per Share to the underwriters of the Company's Share Purchase Plan announced to ASX on 10 June 2014 as detailed in the Offer Document released to ASX on 12 June 2014, 14,062,500 Shares were issued at \$0.0016 per Share as a placement of Shares as announced to ASX on 16 July 2014 and 1,875,000 Shares were issued at a deemed issue price of \$0.004 per Share in consideration for work undertaken by a consultant of the Company.

The Company issued these Shares under its available placement capacity pursuant to Listing Rule 7.1.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 37,937,500 Shares issued on 16 July 2014 pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 4:

Number of Shares Issued: 37,937,500 Shares.

Issue Price: 36,062,500 Shares were issued at \$0.0016 per Share and 1,875,000 Shares were issued at \$0.004 per Share.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to the underwriters of the Company's Share Purchase Plan announced to ASX on 10 June 2014 as detailed in the Offer Document released to ASX on 12 June 2014, new and existing Shareholders and a consultant of the Company. The allottees were not Related Parties of the Company.

Use of Funds: The funds raised from the placement of 14,062,500 Shares at \$0.0016 per Share will be used for working capital purposes whilst Marenica embarks on its strategy to commercialise **U-pgrade™**. No funds were raised through the issue of 22,000,000 Shares to the underwriters of the Company's Share Purchase Plan as the Shares were issued in consideration for underwriting the Share Purchase Plan. No funds were raised through the issue of 1,875,000 Shares to a consultant of the Company as the Shares were issued in consideration for work undertaken for the Company.

Date of Issue: 16 July 2014.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

7. RESOLUTION 5 – RATIFICATION OF PERFORMANCE RIGHTS

On 16 July 2014, the Company issued 67,500,000 Performance Rights to an Associate of Murray Hill, Chief Executive Officer of the Company.

The purpose of issuing the Performance Rights to Mr Hill was to give him an incentive to provide dedicated and ongoing commitment to the Company as well as forming part of the remuneration of Mr Hill. The Board believes that medium-term incentives form a key part of remuneration for executives and that Performance Rights are the most appropriate way to add incentive to executives' remuneration packages, without additional cash outlay by the Company. The Performance Rights provide a means by which the Company can supplement the existing cash remuneration with a non-cash benefit to its Chief Executive Officer thereby preserving the Company's cash resources for application in other areas. In the Company's current stage of development it is considered appropriate that the Company provide Performance Rights as a cost effective and efficient way of remunerating its Chief Executive Officer.

The Company issued these Performance Rights under its available placement capacity pursuant to Listing Rule 7.1.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 67,500,000 Performance Rights issued on 16 July 2014 pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This issue of Performance Rights was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 5:

Number of Performance Rights Issued: 67,500,000 Performance Rights.

Issue Price: The Performance Rights were issued for no monetary consideration.

Terms: The Performance Rights are subject to certain performance hurdles related to successful commercialisation of **U-pgrade™**. On vesting Marenica shall issue fully paid ordinary shares in the Company within 14 days of the achieving the required performance hurdle. Any unvested Performance Rights will automatically vest on sale of the **U-pgrade™** technology or change of control of Marenica. In the event of Mr Hill ceasing to be an employee of Marenica or its subsidiary any unvested Performance Rights will lapse unless the Marenica Board otherwise determines, at its discretion, that all or any of the unvested Performance Rights shall vest. Any Performance Rights that have not vested within seven years from the date of issue will lapse.

Allottees: An Associate of Mr Murray Hill, the Company's Chief Executive Officer. The allottee was not Related Party of the Company.

Use of Funds: The Performance Rights were issued for no monetary consideration and consequently no funds were raised by the issue.

Date of Issue: 16 July 2014.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

8. RESOLUTION 6 – RATIFICATION OF SHARE PLACEMENT

On 29 July 2014, the Company issued a total of 84,782,387 Shares to raise \$136,000 (before costs). The Company issued 82,295,387 Shares under its available placement capacity pursuant to Listing Rule 7.1 and 2,487,000 Shares under its available placement capacity pursuant to Listing Rule 7.1A.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue on 29 July 2014 of 82,295,387 Shares at an issue price of \$0.0016 per Share and 2,487,000 Shares at an issue price of \$0.00174 per Share pursuant to Listing Rule 7.1 and 7.1A.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period. Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after the Annual General Meeting in addition to the Company's 15% placement capacity under Listing Rule 7.1. On 21 November 2013 the Company received shareholder approval by special resolution to have the ability to issue equity securities under the additional 10% placement capacity.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 or 7.1A is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 or 7.1A; and
- Shareholders subsequently approve it.

The placement of 82,295,387 Shares was within the Company's 15% limit and the placement 2,487,000 Shares was within the Company's additional 10% placement capacity and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 6:

Number of Shares Issued: 84,782,387 Shares. 82,295,387 Shares were issued under the Company's available placement capacity pursuant to Listing Rule 7.1 and 2,487,000 Shares were issued under the Company's available placement capacity pursuant to Listing Rule 7.1A.

Issue Price: 82,295,387 Shares issued under the Company's available placement capacity pursuant to Listing Rule 7.1 were issued at an issue price of \$0.0016 per Share and 2,487,000 Shares issued under the Company's available placement capacity pursuant to Listing Rule 7.1A were issued at an issue price of \$0.00174 per Share. The issue price of \$0.00174 per Share was greater than 75% of the VWAP of Shares calculated over the 15 Trading Days immediately before the date on which the price at which the 2,487,000 Shares were issued was agreed as required under Listing Rule 7.1A.3. 75% of the 15 Trading Day VWAP was \$0.001738.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to new and existing Shareholders. The allottees were not Related Parties of the Company.

Use of Funds: The funds raised will be used for working capital purposes whilst Marenica embarks on its strategy to commercialise *U-pgrade*[™].

Date of Issue: 29 July 2014.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

9. RESOLUTION 7 – RATIFICATION OF SHARE PLACEMENT

On 14 August 2014, the Company issued 5,459,770 Shares to raise \$9,500 (before costs) under its available placement capacity pursuant to Listing Rule 7.1A.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue on 14 August 2014 of 5,459,770 Shares at an issue price of \$0.00174 per Share.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after the Annual General Meeting in addition to the Company's 15% placement capacity under Listing Rule 7.1. On 21 November 2013 the Company received shareholder approval by special resolution to have the ability to issue equity securities under the additional 10% placement capacity.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 or 7.1A is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 or 7.1A; and
- Shareholders subsequently approve it.

The placement of 5,459,770 Shares was within the Company's additional 10% placement capacity and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 7:

Number of Shares Issued: 5,459,770 Shares.

Issue Price: \$0.00174 per Share. The issue price of \$0.00174 per Share was greater than 75% of the VWAP of Shares calculated over the 15 Trading Days immediately before the date on which the price at which the 5,459,770 Shares were issued was agreed as required under Listing Rule 7.1A.3. 75% of the 15 Trading Day VWAP was \$0.00172.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to new Shareholders. The allottees were not Related Parties of the Company.

Use of Funds: The funds raised will be used for working capital purposes whilst Marenica embarks on its strategy to commercialise *U-pgrade*[™].

Date of Issue: 14 August 2014.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

10. RESOLUTION 8: APPROVAL FOR ISSUE OF SHARES TO JOHN SESTAN (OR NOMINEE)

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 to issue 30,000,000 Shares to a consultant of the Company Mr John Sestan (or nominee) in consideration for assistance being provided to the Company as it embarks on its new strategy to commercialise its proven **U-pgrade™** process. Mr Sestan is assisting the Company in raising funds through the Company's wholly owned subsidiary, Uranium Beneficiation Ltd ("UB") and commercialisation of the **U-pgrade™** process.

The issue of the Shares to Mr Sestan (or Nominee) is subject to certain performance hurdles related to successful fundraising in UB and commercialisation of **U-pgrade™** being met and will form part of the remuneration of Mr Sestan. The Shares provide a means by which the Company can supplement the existing cash compensation of Mr Sestan through a non-cash benefit thereby preserving the Company's cash resources for application in other areas.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

In accordance with Listing Rule 7.3 the following information is provided in relation to Resolution 8:

Maximum Number of Shares to be Issued: 30,000,000 Shares.

Issue Price: The Shares will be issued for no monetary consideration.

Allottee: The Shares will be issued to John Sestan (or nominee). John Sestan is not a Related Party of the Company.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Intended Use of Funds: The Shares are being issued for no monetary consideration and consequently no funds will be raised by the issue.

Date of Issue: The issue will occur no later than 3 months after approval of the Resolution or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

11. RESOLUTION 9: APPROVAL FOR GRANT OF OPTIONS TO BO (SIMON) YANG (OR NOMINEE)

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 to issue up to 7,601,351 Options to former Non-executive Director Mr Bo (Simon) Yang to replace the obligation of the Company to pay outstanding Directors' fees of \$11,250 up to the date of Mr Yang's resignation of 2 May 2014 with an obligation for the Company to fund the exercise price of Options in the future should Mr Yang choose to exercise the Options. The issue of Options provides a means by which the Company can satisfy the outstanding fees owed to Mr Yang thereby preserving the Company's cash resources for application in other areas.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as the Options), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

In accordance with Listing Rule 7.3 the following information is provided in relation to Resolution 9:

Maximum Number of Options to be Issued: Up to 7,601,351 Options.

Issue Price: The Options will be issued for no monetary consideration.

Allottee: The Options will be issued to Bo (Simon) Yang (or nominee). Bo (Simon) Yang will not be a Related Party of the Company at the date of approval for grant of the Options.

Terms: Each Option will be granted for no monetary consideration and will be exercisable at 1.48 times the average market price for Shares on the five trading days immediately prior to the issue of the Options at any time within 4 years after the issue date. The Company will announce the exercise price of the Options to ASX once it has been calculated. The Options will vest immediately. The Options will be unlisted and transferable only with the consent of the Company. The full terms of the Options are set out in Schedule 1. If the consolidation of capital the subject of Resolution 15 proceeds, the number of Options and exercise price will be varied in accordance with the terms of the Options.

Intended Use of Funds: The Options are being issued for no monetary consideration and consequently no funds will be raised by the issue.

Date of Issue: The issue will occur no later than 3 months after approval of the Resolution or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

12. RESOLUTIONS 10 TO 14: APPROVAL OF GRANT OF OPTIONS TO ROBERT PEARCE, ALAN BUERGER, GAVIN BECKER, DAVID SANDERS AND NELSON CHEN

Background

Resolutions 10 to 14 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of a total of up to 165,355,405 Options to Directors (or their nominees).

The purpose of the proposed grant of the Options is to replace the obligation of the Company to pay outstanding Directors' fees to 31 October 2014 owed to the Directors with an obligation for the Company to fund the exercise price of Options in the future should the directors choose to exercise the Options. The issue of Options provides a means by which the Company can satisfy the outstanding Directors' fees owed to the Directors to 31 October 2014 in the future thereby preserving the Company's cash resources for application in other areas.

Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the Directors are Related Parties of the Company.

If Shareholder approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant:

- (a) It is proposed that up to a maximum of 165,355,405 Options will be offered to the Directors (or their nominees) as follows:

Name of Director	Maximum Number of Options to be Issued ¹
Robert Pearce	Up to 43,981,081
Alan Buerger	Up to 32,856,757
Gavin Becker	Up to 32,856,757
David Sanders	Up to 32,856,757
Nelson Chen	Up to 22,804,054

¹ The number of Options included in the table is the *maximum* number proposed to be issued based on an exercise price of \$0.00148 being 1.48 times \$0.001, being the minimum average

market price possible for the Shares which are traded on ASX. The *actual* number of Options that will be issued to each Director if the relevant Resolutions are passed will be that number of Options which will lead to the exercise price of those Options being equal to the amount of Directors fees outstanding as at 31 October 2014. The actual exercise price will be 1.48 times the average market price for Shares on the five trading days immediately prior to the issue date of the Options. Therefore, if the actual exercise price of the options is greater than \$0.00148, the number of Options to be issued to each Director will be less than the maximum number of Options proposed to be issued in the above table.

- (b) Each Option will be granted for no monetary consideration and will be exercisable at 1.48 times the average market price for Shares on the five trading days immediately prior to the issue of the Options at any time within 4 years after the issue date. The Company will announce the exercise price of the Options to ASX once it has been calculated.
- (c) If the consolidation of capital the subject of Resolution 15 proceeds the number of Options and exercise price will be varied in accordance with the terms of the Options.
- (d) The Options will vest immediately.
- (e) The Options will be unlisted and transferable only with the consent of the Company.
- (f) The full terms of the Options are set out in Schedule 1.
- (g) The Company will issue the Options no later than one month after the date of the Annual General Meeting.
- (h) Each of the Directors has an interest in Resolutions 10 to 14 and therefore believe it inappropriate to make a recommendation.
- (i) The dilution effect if Resolutions 10 to 14 are approved and all Options are exercised and no additional Shares are issued is as follows:

Current Number of Shares on Issue	1,379,732,243
Number of Options to be offered	Up to 165,355,405 ¹
Dilution Effect if all Options exercised	11.98%

¹ The number of Options included in the table above is the *maximum* number of Options proposed to be issued to the Directors based on an exercise price of \$0.00148 being 1.48 times \$0.001, being the minimum average market price. The *actual* number of Options that will be issued to each Director if the relevant Resolutions are passed will be that number of Options which will lead to the exercise price of those Options being equal to the amount of Directors fees outstanding as at 31 October 2014. The actual exercise price will be 1.48 times the average market price for Shares on the five trading days immediately prior to the issue date of the Options.

- (j) The current relevant interests in security holdings of the Directors are as follows:

Director	Fully Paid Ordinary Shares
R. Pearce	19,939,584
A. Buerger	11,733,334
G. Becker	13,375,000
D. Sanders	11,291,667
N. Chen	1,972,000

- (k) A voting exclusion statement is included in the Notice.
- (l) No funds will be raised by the grant of the Options or the exercise of the Options.
- (m) The current remuneration of each of the Directors is as follows:

- Mr Pearce receives Director's fees of \$60,000 per annum including superannuation.
- Messrs Buerger, Becker, Sanders and Chen each receive Director's fees of \$45,000 per annum including superannuation.

The accrued and unpaid Directors' fees (including superannuation) that will be owing to each of the Directors as at 31 October 2014 is as follows:

Name of Director	Fees Owing
Robert Pearce	\$65,092
Alan Buerger	\$48,628
Gavin Becker	\$48,628
David Sanders	\$48,628
Nelson Chen	\$33,750

The number of Options that will be issued to each Director if the relevant Resolutions are passed will be that number of Options which will lead to the exercise price of those Options being equal to the amount of Directors fees outstanding as at 31 October 2014.

- (n) On the basis of the assumptions below the Company has received a valuation from Stantons International who have determined the technical value of one Option approximates \$0.001934 as at 17 September 2014. Assuming the maximum number of Options proposed to be issued to each Director based on an exercise price of \$0.00148 being 1.48 times \$0.001, being the minimum average market price this valuation imputes a total value of up to approximately \$319,797.35 (respectively up to \$85,059.41 for Mr Pearce, up to \$63,544.97 for each of Messrs Buerger, Becker and Sanders and up to \$44,103.04 for Mr Chen) for the proposed Options. The actual number of Options that will be issued to each Director if the relevant Resolutions are passed will be that number of Options which will lead to the exercise price of those Options being equal to the amount of Directors fees outstanding as at 31 October 2014. The actual exercise price will be 1.48 times the average market price for Shares on the five trading days immediately prior to the issue date of the Options.

The value may go up or down as it will depend in part on the future price of a Share.

Black & Scholes methodology has been used, together with the following assumptions:

- interest rate set at 3.12% which is the five year Australia Government bond rate;
- the date of valuation for the purposes of setting the current market value of a Share and the exercise price of an Option is 17 September 2014;
- a Share price of \$0.003 being the closing price on ASX on 15 September 2014;
- an exercise price of \$0.0043 being 1.48 times the average market price of Marenica Shares traded on the ASX during the five trading days up to 16 September 2014; and
- volatility of 100% which is based on an option volatility calculator, the Company's share price over the last 12 months and the general trend in shares of companies in similar businesses trading a ASX over that last 6 to 12 months.

- (o) There is no cash cost to the Company in issuing the Options or in funding the exercise of the Options. The value of the Options at the time of their issue are, however, recorded as an expense in the Company's accounts. If the Options are exercised and the Shares are trading at that time above the exercise price there may be a perceived cost to the Company as the Company may have been able to issue the Shares at a higher price.
- (p) Historical Share price information for the last three months prior to the date of lodgement of this Explanatory Memorandum with ASIC is as follows:

	Price	Date
Highest	\$0.003	24 and 25 June 2014 3, 21, 24 and 18 July 2014 9 and 15 Sept 2014
Lowest	\$0.002	8 and 24 Sept 2014 25, 21, 20, 11 and 4 Aug 2014 3, 4, 9, 17, 25, 26 and 28 July 2014 20, 23, 25, 26, 27 and 30 June 2014
Last	\$0.002	24 September 2014

Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to consider Resolutions 10 to 14.

13. RESOLUTION 15: CONSOLIDATION OF CAPITAL

Resolution 15 seeks Shareholder approval to consolidate the number of Securities the Company has on issue on a one (1) for one hundred (100) basis ("Consolidation").

Under the terms of issue of the other Securities in the Company in the event the Consolidation proceeds these other Securities will also be consolidated on the same basis.

If Resolution 15 is passed assuming no new Securities are issued before the Consolidation takes effect:

- (a) Shares on issue will be reduced from 1,379,732,243 to 13,797,322 (subject to rounding);
- (b) Options on issue exercisable at \$0.027 each on or before 30 April 2015 will be reduced from 18,000,000 to 180,000 (subject to rounding) and the exercise price will be increased to \$2.70;
- (c) Performance Rights on issue will be reduced from 67,500,000 to 675,000 (subject to rounding); and
- (d) convertible notes on issue convertible at \$0.02626 per share on or before 14 November 2015 will be reduced from 1,650,671 to 16,507 (subject to rounding) and the conversion price will be increased to \$2.626.

Section 254H of the Corporations Act provides that a company may, by resolution in a general meeting, convert all or any of its shares into a larger or smaller number.

Not all Security holders will hold that number of Securities which can be evenly divided by 100. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities. It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

If Resolution 15 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date	Business Day
Company announces Consolidation and dispatches Notice of Annual General Meeting.	1 October 2014	
Company tells ASX that Shareholders have approved the Consolidation.	3 November 2014	0
Last day for pre-Consolidation trading.	4 November 2014	1
Post-Consolidation trading starts on a deferred settlement basis.	5 November 2014	2
Last day for Company to register transfers on a pre-Consolidation basis.	7 November 2014	4
Consolidation takes effect.	10 November 2014	5
First day for Company to send notice to each holder of the change in their details of holdings.	10 November 2014	5
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	10 November 2014	5
Dispatch date. Deferred settlement market ends.	14 November 2014	9
Last day for Securities to be entered into holders' Security holdings.	14 November 2014	9
Last day for the Company to send notice to each holder of the change in their details of holdings.	14 November 2014	9

14. DEFINITIONS

In this Explanatory Statement:

\$ means Australian dollars.

Annual General Meeting means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Annual General Meeting.

Associate has the meaning set out in sections 11 to 17 of the Corporations Act.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

Board means the Board of Directors of the Company.

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 or **Marenica** means Marenica Energy Limited, ACN 001 666 600.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Annual General 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 Rules means the listing rules of the ASX.

Notice of Annual General Meeting means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

Option means an option to subscribe for a Share on the terms set out in Schedule 1.

Performance Right means a right to acquire one Share.

Proxy Form means the form of proxy accompanying this Notice of Annual General Meeting.

Related Party means a party so defined by section 228 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2014.

Resolution means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

Section means a section of the Notice of Annual General Meeting.

Securities means Shares, options, Performance Rights and convertible notes.

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

Shareholder means a person entered in the Company's register as a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means the volume weighted average price.

WST means Western Standard Time.

SCHEDULE 1

Option Terms

- (a) Each Option gives the holder (**Optionholder**) the right to subscribe for one (1) Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with these terms and conditions.
- (b) The Options will vest immediately on issue.
- (c) The Options will expire at 5:00pm (WST) on the date which is 4 years from their issue date (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Option will be 1.48 times the average market price for shares on the five trading days immediately prior to the issue of the Options (**Exercise Price**).
- (e) The Options may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.
- (f) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:
 - (1) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (2) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of ordinary shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) The Options will not be transferable without the consent of the Company.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and the Optionholder 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 the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

MARENICA ENERGY LIMITED
ACN 001 666 600
PROXY FORM

Name: _____

Address: _____

SRN / HIN: _____

Appointment of a proxy

I/We being a member(s) of Marenica Energy Limited hereby appoint:

 (Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Marenica Energy Limited to be held at Second Floor, 6 Kings Park Road, West Perth, WA 6005 at 11.00am (WST) on Monday, 3 November 2014 and at any adjournment of that meeting.

IMPORTANT - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default and you do not mark any of the boxes below you are expressly authorising and directing the Chairman of the Meeting to exercise your proxy in accordance with the Chairman's voting intentions as set out below even though the Chairman may have a personal interest in the Resolution.

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions.

Votes on items of business

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - David Sanders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Lou Guo Qing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for Grant of Options – B. Yang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval for Grant of Options – R. Pearce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval for Grant of Options – D. Buerger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval for Grant of Options – G. Becker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval for Grant of Options – D. Sanders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval for Grant of Options – N. Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

Appointment of a second proxy

If two proxies are being appointed, the proportion of voting rights this proxy represents is %.

Authorised signature(s) This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

INDIVIDUAL/SECURITY HOLDER 1

Individual/Sole Director and
Sole Company Secretary

SECURITY HOLDER 2

Director

SECURITY HOLDER 3

Director/Company Secretary

Contact Email address

Contact Telephone Number

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Voting By Proxy - How to complete the Proxy Form

Your Name, Address and Shareholder Details

Please complete your name and address as it appears on the share register of Marenica Energy Limited. If you are returning the Proxy Form by email your SRN or HIN must also be included.

Appointment of a Proxy

Please write the name of that person you wish to appoint as proxy in the space indicated. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy and vote on your behalf. A proxy need not be a shareholder of Marenica Energy Limited.

Votes on Items of Business

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

Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must state the percentage of your voting rights on each of the first Proxy Form and the second Proxy Form and return both forms together.

Authorised Signature/s

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

- **Joint Holding** in the case of joint holders the Proxy Form must be signed by all holders.
- **Power of Attorney** if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach the Power of Attorney or a copy to this Proxy Form when you return it.
- **Companies** a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also the sole Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting and a Proxy Form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission.

Lodgement of Proxy Form

This Proxy Form and any Power of Attorney or other authority under which it is signed (or a copy or facsimile which appears on its face to be an authentic copy of the proxy, power or authority) must be received no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by:

- **delivering it to the registered office of the Company at Bennett + Co, Ground Floor, BGC Centre, 28 The Esplanade, Perth WA 6000 Australia; or**
- **posting it to Marenica Energy Limited, c/- PO Box 5745, St Georges Terrace, Perth, WA 6831, Australia; or**
- **faxing it to the Company on facsimile number +61 8 6316 2211; or**
- **emailing it to the Company at info@marenicaenergy.com.au.**