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

TIME: 11.30am (WST)**DATE:** Tuesday, 22 November 2016**PLACE:** The Len Warren Conference Room
AMRC (Australian Minerals Research Centre) Building
7 Conlon Street
Waterford WA 6152

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: 11.30am

DATE: Tuesday, 22 November 2016

**LOCATION: The Len Warren Conference Room
AMRC (Australian Minerals Research Centre) Building
7 Conlon Street, Waterford, Western 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 10 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 2016 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, 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 2016."

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.

Resolution 2: Re-election of Director – Alan Douglas Buerger

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

"That Mr Alan Douglas Buerger 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: Re-election of Director – John Sestan

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

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

SPECIAL BUSINESS

Resolution 4: Ratification of Share Issue

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

"That pursuant to ASX Listing Rule 7.4, the issue on 26 April 2016 of 146,985 Shares at an issue price of \$0.124 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 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 Share Issue

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

“That pursuant to ASX Listing Rule 7.4, the issue on 26 April 2016 of 23,364 Shares at an issue price of \$0.107 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 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 Issue

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 26 April 2016 of 1,788,786 Shares at an issue price of \$0.107 per Share and 400,064 Shares at an issue price of \$0.124 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: Approval of 10% Placement Facility

To consider and, if thought fit, to pass, the following resolution as a special resolution:

“That, pursuant to ASX Listing Rule 7.1A, approval be given to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and 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 a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of Shares if this 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.

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 the AMRC (Australian Minerals Research Centre) Building, 7 Conlon Street, Waterford in Western Australia;
- posting it to the Company to Marenica Energy Limited, AMRC Building, 7 Conlon Street, Waterford, WA 6152, 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 11.30am (WST) on 20 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated this 20 October 2016

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 10. 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 2016 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 2016 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 2016.

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 2017 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 2016 annual general meeting. All of the Directors who were in office when the Company's 2016 Directors' Report was approved, other than the Managing Director of the Company, if any, 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 2015 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 – ALAN DOUGLAS BUERGER

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 annual general meeting following the Director's appointment or 3 years, whichever is longer. Accordingly, Mr Alan Douglas (Doug) Buerger retires from office, and being eligible, offers himself for re-election as a Director of the Company. Mr Buerger was last re-elected a Director of the Company on 21 November 2013. Mr Buerger's qualifications and background information are included below.

Alan Douglas (Doug) Buerger B.Sc., M.Phil. (London), FAusIMM, MAICD

Mr. Buerger has over 40 years' experience in the minerals resources industry. He has extensive industry experience in project management, general management and executive management roles. He was the Managing Director and CEO of Bendigo Mining Limited from 1994 until his retirement in 2007. He holds a BSc and an M.Phil. degree. He is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Company Directors.

Mr Buerger is the current Independent Non-Executive Chairman of the Company.

During the last three years, Mr. Buerger has been a director of the following listed company:

- Moly Mines Limited – appointed 17 January 2014, retired 1 July 2014.

The Board supports the re-election of Mr Buerger.

5. RESOLUTION 3: RE-ELECTION OF DIRECTOR – JOHN SESTAN

Clause 7.2(b) of the Constitution allows the Directors to appoint any person as a Director. Marenica's Chief Commercial Officer, Mr John Sestan, was appointed to the Board on 6 October 2016 as an Executive Director. Under Clause 7.3(c) of the Constitution, a Director appointed under 7.2(b) must retire at the next annual general meeting, and is eligible for re-election at that meeting. Accordingly, Resolution 3 seeks shareholder approval to appoint Mr Sestan as an Executive Director of the Company. Mr Sestan's qualifications and background information are included below.

John Sestan B.Eng (Hon); MBA; MAICD

Mr Sestan has been working with Marenica in a commercial consulting role since April 2014. During this time, Mr Sestan has led the Company's commercial activities including recent fund raising activities and in dealing with resource owners interested in Marenica's **U-pgrade™** technology.

In a professional career spanning over 25 years, Mr Sestan was involved in a variety of commercial and finance roles in the resources industry. For over 10 years Mr Sestan was an employee of Rio Tinto during which time he built a successful international career in business development, project finance, mergers and acquisitions and operations management. More recently he has consulted to a number of major uranium companies including Rio Tinto and Areva, where he participated in several merger and acquisition transactions during the 2006-08 Uranium boom while later, in an environment of receding prices, his attention turned to growing and improving uranium mining businesses organically. In 2015 he was engaged by BP Australia within its transformation projects, where he managed and led a ground breaking A\$125 million non-recourse financing for a new non-operating joint venture established by BP Australia.

Between 2000-2006, Mr Sestan owned a number of software development businesses where, as Managing Director, he successfully grew the enterprises based on the protection and commercialisation of business IP.

The Board supports the re-election of Mr Sestan.

6. RESOLUTION 4: RATIFICATION OF SHARE ISSUE

On 26 April 2016, the Company issued 146,985 Shares to Mr John Sestan at an issue price of \$0.124 per Share in lieu of payment of consulting fees for the month of February 2016.

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 146,985 Shares issued at \$0.124 per Share on 26 April 2016 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 accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 4:

- (a) Number of Shares Issued: 146,985 Shares.
- (b) Issue Price: \$0.124 per Share.
- (c) Terms: The Shares rank equally in all respects with the existing Shares on issue.
- (d) Allottee: 146,985 Shares were issued to Mr John Sestan (or nominee). The allottee was not a Related Party of the Company.
- (e) Use of Funds: The Shares were issued in lieu of consulting fees owed to Mr Sestan and consequently, no funds were raised from the issue. This issue of Shares thereby preserved the Company's cash resources for application in other areas.
- (f) Date of Issue: 26 April 2016.
- (g) Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

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

7. RESOLUTION 5: RATIFICATION OF SHARE ISSUE

On 26 April 2016, the Company issued 23,364 Shares at an issue price \$0.107 per Share to a stock broker in lieu of payment of an investor introduction fee.

The Company issued these Shares 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 23,364 Shares issued at \$0.107 per Share on 26 April 2016 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 accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 4:

- (a) Number of Shares Issued: 23,364 Shares.
- (b) Issue Price: \$0.107 per Share.
- (c) Terms: The Shares rank equally in all respects with the existing Shares on issue.
- (d) Allottee: 23,364 Shares were issued to Mr Martin Gallagher. The allottee was not a Related Party of the Company.
- (e) Use of Funds: The Shares were issued in lieu of an investor introduction fee owed to a stock broker and consequently, no funds were raised from the issue. This issue of Shares thereby preserved the Company's cash resources for application in other areas.
- (f) Date of Issue: 26 April 2016.
- (g) Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

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

8. RESOLUTION 6: RATIFICATION OF SHARE ISSUE

On 26 April 2016, Marenica issued 2,188,850 Shares under the Company's available placement capacity under Listing Rule 7.1A. 1,788,786 Shares were issued at an issue price of \$0.107 per Share and 400,064 Shares were issued at an issue price of \$0.124 per Share to raise \$241,008.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue on 26 April 2016 of 1,788,786 Shares at an issue price of \$0.107 per Share and 400,064 Shares at an issue price of \$0.124 per Share pursuant to Listing Rule 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 7.1A 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 30 November 2015 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 7.1A is treated as having been made with Shareholder approval if each of the following applies:

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

The placement of 2,188,850 Shares was within the Company's 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: 2,188,850 Shares.

Issue Price: 1,788,786 Shares were issued at an issue price of \$0.107 per Share and 400,064 Shares were issued at an issue price of \$0.124 per Share. The issue prices were greater than 75% of the VWAP of Shares calculated over the 15 Trading Days in which trades in that class were recorded immediately before the date on which the price at which the Shares were issued was agreed as required under Listing Rule 7.1A.3. 75% of the 15 Trading Day VWAP was \$0.091.

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

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

Use of Funds: The funds raised were used to fund development activities including completing bench scale testwork on third party ore and negotiating long term commercialisation agreements with resource owners and for general working capital.

Date of Issue: 26 April 2016.

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: APPROVAL OF 10% PLACEMENT CAPACITY

ASX 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 ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the number of Shares on issue as at 3 October 2016 and the closing price of the Company's Shares on the ASX on 3 October 2016 of \$0.14 per Share, the Company's market capitalisation is approximately \$3.7 million. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A2 (set out below).

The Company intends to use the funds raised under the 10% Placement Facility towards further development and commercialisation of the Company's *U-pgrade™* process and/or for general working capital. In addition, the Company may use the cash consideration for the acquisition of new assets and investments.

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

9.1 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Security

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Annual General Meeting, the Company has one class of Equity Security, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;

(c) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval;

(d) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (set out above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) ("10% Placement Period").

9.2 Listing Rule 7.1A

The effect of this Resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

9.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset;
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice assuming that Resolutions 4, 5 and 6 are passed. The formula in Listing Rule 7.1A(2) is outlined above.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.07 50% decrease in Issue Price	\$0.14 Issue Price	\$0.21 50% increase in Issue Price
Current Variable A 24,315,413 Shares	10% Voting Dilution	2,431,541	2,431,541	2,431,541
	Funds Raised	\$170,207.87	\$340,415.74	\$510,623.61
50% increase in current Variable A 36,473,119 Shares	10% Voting Dilution	3,647,311	3,647,311	3,647,311
	Funds Raised	\$255,311.77	\$510,623.54	\$765,935.31
100% increase in current Variable A 48,630,826 Shares	10% Voting Dilution	4,863,082	4,863,082	4,863,082
	Funds Raised	\$340,415.74	\$680,831.48	\$1,021,247.22

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Performance Rights are exercised into Shares before the date of the issue of Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The issue price is \$0.14, being the closing price of the Shares on the ASX on 3 October 2016 (the last sale price before the date of lodgement of this Notice of Annual General Meeting and Explanatory Statement with ASX on 3 October 2016).

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under this Resolution for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) Cash consideration to use the funds raised under the 10% Placement Facility towards further development and commercialisation of the Company's **U-pgrade™** process and/or for general working capital. In addition, the Company may use the cash consideration for the acquisition of new assets and investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or Associates of a Related Party of the Company.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its last annual general meeting held on 30 November 2015. The total number of Equity Securities issued by the Company in the 12 months preceding the date of this Annual General Meeting is 10,310,192. The percentage those Equity Securities represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 60.5%. The table at Annexure A details all issues of Equity Securities by the Company during the 12 months preceding the date of this Notice as required by Listing Rule 7.3A.
- (g) A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class or existing security holder to participate in an issue of Equity Securities pursuant to the Resolution. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

10. 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.

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 2016.

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.

ANNEXURE A

ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
1 December 2015	1,548,456 unlisted options.	Unlisted Options exercisable at \$0.1806 each on or before 1 December 2019. For full terms and conditions, refer to the Notice of Annual General Meeting released to ASX on 29 October 2015.	Issued to Messrs. Buerger, Becker, Sanders, Chen and Lou (or respective nominees) as approved by shareholders on 30 November 2015.	N/A – issued to replace the obligation of the Company to pay outstanding Directors' fees owed to the Directors of the Company with an obligation for the Company to fund the exercise price of the options in the future should the recipients choose to exercise them. The options are not quoted on a trading platform.	N/A – the issue of options did not raise any cash. The options were issued to replace the obligation of the Company to pay outstanding Directors' fees owed to the Directors of the Company. No funds were raised from the issue.	N/A	N/A	N/A	N/A
1 December 2015	196,495 Shares.	Fully paid ordinary shares.	CEO (now Managing Director) Murray Hill (or nominee).	Market price - \$0.125. 19,363 Shares at \$0.245 per Share. Premium to market price - 96%. 30,469 Shares at \$0.1557 per Share. Premium to market price – 24%. 36,048 Shares at \$0.1316 per Share. Premium to market price - 5%. 28,998 Shares at \$0.1636 per Share. Premium to	N/A – the Shares were issued in lieu of cash payment a portion of Mr Hill's salary. No funds were raised from the issue.	N/A	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
				market price - 31%. 28,665 Shares at \$0.1655 per Share. Premium to market price - 32%. 52,952 Shares at \$0.1207 per Share. Discount to market price - 3%.					
26 April 2016	4,728,976 Shares.	Fully paid ordinary shares.	Issued to existing shareholders under the share purchase plan (SPP) that closed on 15 April 2016.	Issue price - \$0.107 Market price - \$0.15. Discount to market price - 29%.	\$506,000	All funds were used to complete bench scale testwork on third party ores, strengthening patent protection of <i>U-pgrade™</i> , payment of costs related to the negotiations of commercialisation agreements with resource owners including payment of legal and consulting fees.	N/A	N/A	N/A
26 April 2016	1,788,786 Shares.	Fully paid ordinary shares.	Issued to existing and new shareholders in a placement as announced to ASX on 22 April 2016.	Issue price - \$0.107 Market price - \$0.15. Discount to market price - 29%.	\$191,400	All funds were used to complete bench scale testwork on third party ores, strengthening patent protection of <i>U-pgrade™</i> , payment of costs related to the negotiations of commercialisation agreements with	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
						resource owners including payment of legal and consulting fees.			
26 April 2016	400,064 Shares.	Fully paid ordinary shares.	Issued to MingSun Technology Co in a placement as announced to ASX on 27 April 2016.	Issue price - \$0.124 Market price - \$0.15. Discount to market price - 17%.	\$49,608	All funds were used to complete bench scale testwork on third party ores, strengthening patent protection of <i>U-pgrade</i> TM , payment of costs related to the negotiations of commercialisation agreements with resource owners including payment of legal and consulting fees.	N/A	N/A	N/A
26 April 2016	300,000 Shares.	Fully paid ordinary shares.	Issued to Nelson Chen following shareholder approval received at the General Meeting of Shareholders held on 5 April 2016.	N/A - issued for nil consideration in recognition of extra services provided by Mr Chen in addition to his services as a non-executive director in relation to facilitating business dealings for the Company in China thereby preserving the Company's cash resources for application in other areas.	Issued for no monetary consideration.	N/A - no cash raised.	N/A	N/A	N/A
26 April 2016	373,832 Shares.	Fully paid ordinary shares.	Issued to the underwriters of the SPP in lieu of payment of	Deemed Issue price - \$0.107 Market price - \$0.15.	N/A – the Shares were issued to the underwriters of the SPP in lieu of	N/A - no cash raised.	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
			underwriting fees following shareholder approval received at the General Meeting of Shareholders held on 5 April 2016.	Discount to market price - 29%.	payment of underwriting fees. No funds were raised from the issue.				
26 April 2016	124,240 Shares.	Fully paid ordinary shares.	100,876 Shares were issued to a consultant in lieu of payment of fees and 23,364 shares were issued to a stock broker in lieu of payment of an introduction fee.	Deemed Issue price - \$0.107 Market price - \$0.15. Discount to market price - 29%.	N/A - the Shares were issued in lieu of payment of consulting fees and an introduction fee. No funds were raised from the issue.	N/A - no cash raised.	N/A	N/A	N/A
26 April 2016	849,343 Shares.	Fully paid ordinary shares.	Issued to CEO (now Managing Director) Mr Hill (or nominee) and CCO Mr Sestan (or nominee).	Market price - \$0.15. 106,699 Shares at \$0.134 per Share. Discount to market price - 11%. 172,470 Shares at \$0.122 per Share. Discount to market price - 19%. 242,823 Shares at \$0.124 per Share. Discount to market price - 17%. 54,624 Shares at \$0.117 per Share. Discount to market price - 22%. 272,727 Shares at \$0.121 per Share. Discount to market price - 19%.	N/A – the Shares were issued in lieu of cash payment of a portion of Mr Hill's salary and Mr Sestan's consulting fees. No funds were raised from the issue.	N/A - no cash raised.	N/A	N/A	N/A

NOTES -

¹ Market price is the closing price on the trading platform, excluding special crossings, overnight sales and ETO exercises.

² Number of Equity Securities issued multiplied by the issue price less costs of the 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 The Len Warren Conference Room, AMRC (Australian Minerals Research Centre) Building, 7 Conlon Street, Waterford WA at 11.30am (WST) on Tuesday, 22 November 2016 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.

I/We acknowledge that Resolution 1 relates to the remuneration of Key Management Personnel, and that the Chairman intends to vote any undirected proxies in favour of Resolution 1. I/We expressly authorise the Chairman to exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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 – Alan Douglas Buerger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – John Sestan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of 10% Placement Facility	<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, address and your SRN or HIN as it appears on the share register of Marenica Energy Limited.

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 AMRC (Australian Minerals Research Centre) Building, 7 Conlon Street, Waterford in Western Australia;
- posting it to the Company to Marenica Energy Limited, AMRC Building, 7 Conlon Street, Waterford, WA 6152, 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.