



**MARENICA
ENERGY** LIMITED

Marenica Energy Limited
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12 June 2014

Dear Shareholder

Share Purchase Plan

On 10 June 2014, Marenica Energy Limited (“the Company”) announced the Company will be undertaking a Share Purchase Plan.

Enclosed with this letter are the following documents in relation to the Share Purchase Plan:

1. Share Purchase Plan Offer Booklet.
2. Personalised Application Form.
3. A copy of the Company’s ASX announcement made on 4 June 2014 announcing the Company’s new strategy aimed at focusing its efforts on commercialising the **U-pgrade™** process.

Full details of the Share Purchase Plan and the timetable is set out in the Share Purchase Plan Offer Booklet.

If you have any queries in relation to the Share Purchase Plan please do not hesitate to contact Murray Hill, CEO, or Susan Hunter, Company Secretary, by telephone on +61 8 6555 1816 or by email at info@marenicaenergy.com.au.

Yours faithfully

Robert Pearce
Chairman



ACN 001 666 600

SHARE PURCHASE PLAN

Eligible Shareholders may subscribe for parcels of New Shares from \$500 up to a maximum value of \$15,000 at an issue price per New Share representing a discount of 20% to the average closing price of Shares traded on ASX in the 5 Trading Days prior to the Issue Date capped at a maximum issue price of \$0.0026 per New Share.

The Offer closes at 5.00pm (WST) on 3 July 2014.

This is an important document that requires your attention.

This document is not a prospectus or other disclosure document under the Corporations Act. The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision on whether or not to accept the Offer, you should consult your financial or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS



12 June 2014

Dear Shareholder,

On behalf of the Directors of Marenica Energy Limited (“**Marenica**” or “**Company**”), I am pleased to offer you the opportunity to increase your investment in the Company through a Share Purchase Plan (“**Plan**”) and be part of the exciting new direction for the Company.

The Plan is an offer to Shareholders who are registered as holders of Shares at 5.00pm (WST) on the Record Date of 6 June 2014 and whose registered address is in Australia or New Zealand (“**Eligible Shareholders**”). Eligible Shareholders may apply for between \$500 and \$15,000 worth of new fully paid ordinary shares (“**New Shares**”) in the Company at an attractive price and free of brokerage and other related transaction costs (“**Offer**”). There is no minimum shareholding requirement to qualify for participation which gives small shareholders the opportunity to top up their holdings. The issue price per New Share will represent a discount of 20% to the average closing price of the Company’s Shares on ASX in the 5 Trading Days prior to the Issue Date capped at a maximum issue price of \$0.0026 per New Share.

Marenica is embarking on a new strategy aimed at focusing its efforts on commercialising its proven **U-pgrade™** process. The new strategy is a direct response to the dramatic deterioration in Uranium price expectations in the short to medium term and involves the transfer of the proprietary **U-pgrade™** beneficiation technology to a wholly owned subsidiary, Uranium Beneficiation Pty Ltd (“**UB**”) providing an opportunity for new investors to participate in the funding and commercialisation of **U-pgrade™** alongside existing Marenica shareholders. The Company has received a very positive response from a range of finance sources for UB to date. In summary the plan is for UB to construct and operate a pilot plant on three higher grade ore sources other than Marenica ore. Marenica has commitment from three resource companies in relation to providing their ore for processing in the pilot plant. Marenica’s Technical Steering Committee continues to prepare for construction and operation of the pilot plant so that it is ready to move quickly once UB financing is in place.

This capital raising plans to raise funds in Marenica for working capital purposes whilst UB seeks to raise capital for its own operations and is strongly supported by the Marenica Directors and management. All four Australian based directors have committed to take up the full entitlement of \$15,000 each and the Chief Executive Officer has underwritten the Plan to a value of \$300,000.

It is important that you read the details of the Plan in the pages that follow and consider seeking independent financial advice if you have any queries.

Applications must be received by no later than 5.00pm (WST) on 3 July 2014.

I commend the Plan to you as an opportunity to continue to be a part of the Company’s exciting future.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Robert Pearce'.

Robert Pearce
Chairman

THE OFFER AT A GLANCE

Key Dates*

6 June 2014	Record Date The date on which Marenica determined Shareholders eligible to participate in the Plan, being Shareholders registered on that date with an address in Australia or New Zealand.
12 June 2014	Opening Date The date the Plan opens.
3 July 2014	Closing Date The date on which the Plan closes. Applications and payments (including BPAY®) must be received by 5.00pm (WST).
9 July 2014	Issue Date The date New Shares are issued.
9 July 2014	Despatch Date The date on which holding statements are sent to Shareholders who subscribed for New Shares under the Plan.
10 July 2014	Share Trading Date The date on which it is expected that the New Shares will commence trading on the ASX.

***The timetable is indicative only and Marenica may, at its discretion, vary any of the above dates except for the Opening Date and the Record Date.**

Offer Details

Issue Price	The issue price will be a discount of 20% to the average closing price of Shares on ASX in the 5 Trading Days prior to the Issue Date capped at a maximum issue price of \$0.0026.
Minimum Application Amount	The minimum application amount is \$500.
Maximum Application Amount	The maximum application amount is \$15,000.
Permitted Application Amounts	Each Eligible Shareholder is entitled to purchase a parcel of New Shares valued at any of \$500, \$750, \$1,000, \$1,250, \$1,500, \$2,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000.

QUESTIONS AND ANSWERS

1. **What is the Plan?**

The Plan is an opportunity for Eligible Shareholders to purchase up to \$15,000 worth of New Shares each in the Company without brokerage and commission costs.

All New Shares issued to Shareholders under the Plan will rank equally with existing Shares and will carry the same voting rights and other entitlements.

2. **Who is eligible to participate in the Plan?**

Shareholders who are registered as holders of Shares at 5.00pm (WST) on the Record Date of 6 June 2014 and whose registered address is in Australia or New Zealand are eligible to participate in the Plan. Custodians or nominees who hold Shares on behalf of one or more beneficiaries are also eligible to participate in the Plan in respect of each beneficiary subject to compliance with ASIC Class Order CO 09/425.

3. **What is the issue price of the New Shares?**

The issue price will be at a discount of 20% to the average closing price of Shares on ASX in the 5 Trading Days prior to the Issue Date capped at a maximum issue price of \$0.0026. The maximum issue price of \$0.0026 represents a discount of 20% to the average closing price of Shares on ASX in the 5 Trading Days prior to the date of announcement of the Plan.

You should note that the market price of the Company's Shares may rise or fall between the date of this Offer and the date the New Shares are issued under the Plan however the issue price per New Share will be at a discount of 20% to the average closing price of Shares on ASX in the 5 Trading Days prior to the Issue Date, capped at a maximum issue price of \$0.0026.

4. **How many New Shares can I apply for under the Plan?**

Regardless of the number of Shares you currently own, you are entitled to apply for a parcel of New Shares in the Company valued at any of \$500, \$750, \$1,000, \$1,250, \$1,500, \$2,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000.

Fractional entitlements will be rounded up to the nearest whole New Share.

The Directors will consider placing additional Shares at the same issue price of the Plan to any Eligible Shareholders who wish to invest more than \$15,000 to the extent permitted by the Corporations Act and the ASX Listing Rules or to Non-Qualifying Foreign Shareholders to the extent permitted by the laws of their country. These Shares would be issued outside the Plan under the Company's available ASX Listing Rule placement capacity. Shareholders are encouraged to contact the Company should they wish to participate in such a placement. Please refer to point 8 below for contact details.

5. **How do I apply for New Shares under the Plan?**

If you wish to participate in the Plan, please follow the instructions set out on the enclosed personalised Application Form and send this form together with your cheque or money order made payable to "Marenica Energy Limited" by mail to:

Marenica Energy Limited
c/- Advanced Share Registry Services Pty Ltd
GPO Box 1156
Nedlands WA 6909

or hand deliver to:
Advanced Share Registry Services Pty Ltd
110 Stirling Highway
Nedlands WA 6009

Alternatively you can make a BPAY® payment as shown on the Application Form. If you make a BPAY® payment, you do not need to return the Application Form. Please note that New Zealand Shareholders are not able to make a BPAY® payment.

If you wish to participate you should ensure that your Application Form (where applicable) and payment is received by no later than 5.00pm (WST) on 3 July 2014.

Please allow adequate time for mail deliveries.

You will not be able to withdraw or revoke your application once you have sent us the completed Application Form and payment.

6. How long is the Plan offer open for?

The Plan opens on 12 June 2014 and is expected to close on 3 July 2014. The Directors reserve the right to vary the Closing Date.

If you wish to participate you should ensure that your **Application Form (where applicable) and payment is received by no later than 5.00pm (WST) on 3 July 2014.**

7. Do I have to participate in the Plan?

Participation in the Plan is optional. However, the Offer under the Plan is non-renounceable (i.e. you may not transfer your right to acquire New Shares to anyone else).

If you are an Eligible Shareholder and do not wish to subscribe for New Shares under the Plan, you are not obliged to do anything. You will not receive any benefits or New Shares.

Before you apply for New Shares we recommend you seek independent financial advice from your professional advisor or stockbroker.

8. Further assistance

If you have any questions in relation to the Plan please contact your professional advisor or stockbroker.

If you require information on how to complete the Application Form please contact the Company's share registry on (08) 9389 8033 or if you wish to participate in the placement please contact the Company's Chief Executive Officer or Company Secretary on (08) 6555 1816.



1. SHARE PURCHASE PLAN

The Plan entitles Eligible Shareholders, irrespective of the size of their existing shareholding, to purchase up to \$15,000 worth of New Shares free of brokerage and commission. The issue price represents a 20% discount to the average closing price of Shares on ASX in the 5 days Trading Days prior to the Issue Date capped at a maximum issue price of \$0.0026.

The average closing price of the Shares traded on the ASX during the 5 Trading Days immediately prior to the announcement date of the Plan ("**Announcement Date**") was \$0.0032 and the last closing price of the Shares immediately prior to the Announcement Date was \$0.004. The maximum issue price of New Shares under the Plan of \$0.0026 represents a discount of 20% to the average closing price of Shares on ASX in the 5 Trading Days prior to the Announcement Date.

2. SHAREHOLDERS ELIGIBLE TO PARTICIPATE IN THE PLAN

The right to participate in the Offer under the Plan is optional and is available exclusively to Shareholders who are registered as holders of Shares at 5pm (WST) on the Record Date 6 June 2014 and whose registered address is in Australia or New Zealand.

The Company has determined that it is not practicable for Shareholders in other jurisdictions to be offered the opportunity to participate in the Plan.

3. INFORMATION IN RELATION TO MARENICA

Marenica's New Corporate Strategy

In an ASX release of 4 June 2014 entitled "Marenica New Corporate Strategy and Capital Raising" the Company outlined its new corporate strategy to fund and commercialise its **U-pgrade™** process. The key points are:

- Marenica is embarking on a new strategy aimed at focusing its efforts on commercialising its proven **U-pgrade™** process. The new strategy is a direct response to the dramatic deterioration in Uranium price expectations in the short to medium term.
- **U-pgrade™** process will provide Marenica with the leverage to earn commercial interests in new and existing mines that urgently require the efficiency improvements offered by this new process.
- The Marenica Board has approved the transfer of its proprietary **U-pgrade™** beneficiation technology to a wholly owned subsidiary, Uranium Beneficiation Pty Ltd ("**UB**").
- UB provides an exciting opportunity for new investors to participate in the funding and commercialisation of **U-pgrade™** alongside existing Marenica shareholders.
- Financing from new investors in UB to construct a pilot plant and assess three separate ore sources is progressing positively.

Funding for Marenica

The Plan has been strongly supported by the Marenica Directors and Management. The Directors have agreed to defer payment of all fees since January 2014 and all four Australian based directors have committed to take up their full entitlement of \$15,000. The Chief Executive Officer has underwritten the Plan to a value of \$300,000 (inclusive of the Directors' entitlements). The Company is also expecting a \$350,000 to \$400,000 return from the Australian Government in September 2014

for the Research and Development tax refund (“**R & D Return**”). The funds raised under the Plan and the R & D return will provide working capital for Marenica (as a holding company), whilst the new corporate strategy and appropriate funding for UB as a stand-alone company is put in place.

The Directors maintain their confidence in the long term Uranium demand scenario put forward by the various industry groups, with growth expected to be driven by the unstoppable need for power by the developing economies with a growing focus now on dependable and low carbon emission energy provided by nuclear power. Uranium prices in excess of \$75/lb are needed to provide the incentive for the market to be able to deliver the significant new production required to feed the growing global fleet of nuclear power stations. The Directors believe that the utilisation of **U-pgrade™** can deliver significant operating cost reductions that will be attractive at Uranium prices well below these incentive prices.

Rather than being hampered by the current low prices in the Uranium market, Marenica’s new strategy responds to this near term negative price outlook. The Directors believe that the strategy can be successful across all price ranges, especially at or below the current incentive prices for many of our target commercialisation partners. The value of **U-pgrade™** comes from an operating and capital cost reduction which is compelling for producers across a wide range of Uranium prices.

Underwriting of Plan

The funds from this Plan are critical to the Company and surety of funds leading up to the R & D Return is paramount to the success of the new strategy. As an endorsement of the new strategy to commercialise **U-pgrade™** and the **U-pgrade™** technology the Chief Executive Officer, Murray Hill has underwritten the Plan to an amount of \$300,000 (inclusive of the Directors’ entitlements). The Company’s Strategic Adviser, Mr John Sestan, has agreed to sub-underwrite Mr Hill’s commitment to a value of \$48,000. The underwriting fee which is payable entirely in Shares to maximise the cash available to the Company will be scaled based on the issue price of the New Shares:

New Share issue price	Underwriting Fee (Shares)
Greater than \$0.002	15,000,000
Less than or equal to \$0.002 and greater than \$0.001	22,000,000
Less than or equal to \$0.001	45,000,000

The underwriting fee Shares are to be issued on completion of the issue of New Shares.

Progress to date

The Directors are pleased to advise that a very positive start has been made with the corporate restructure and capital raising in UB. Progress to date can be summarised as follows:

1. Marenica is engaged with a number of resource owners with deposits suitable for the **U-pgrade™** process.
2. Marenica has received a commitment from three resource companies in relation to providing their ore for processing in the pilot plant.
3. Marenica has received a positive response from a range of potential investors in UB.
4. Marenica’s Technical Steering Committee continues to prepare for construction and operation of the pilot plant so that it is ready to move quickly once UB financing is in place. The plan is to locate the pilot plant at CSIRO’s facilities in Perth.

4. SUBSCRIPTION AND APPLICATION PROCEDURE

If you would like to participate in the Offer, you can either:

- a) make a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding.
 - If you have multiple holdings you will have multiple BPAY® Reference Numbers. To ensure you receive your New Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any New Shares that you may wish to apply for in respect of that holding.
 - If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded.
 - If you hold Shares in more than one capacity (for example you are both a joint holder and a sole holder or a sole holder and a beneficiary under a nominee holding), the maximum amount you can apply for under the Plan in all capacities is \$15,000.
 - If you make your payment using BPAY® you do not need to return your Application Form.
 - New Zealand holders will not be able to make a payment using BPAY®.
 - Payments made by BPAY® received after 5pm (WST) on **3 July 2014** may not be accepted.
 - Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment.
 - You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.
- b) complete the enclosed Application Form and send it together with your payment by cheque made payable to “Marenica Energy Limited” and drawn in Australian currency for the correct amount, to Marenica’s share registry, Advanced Share Registry Services Pty Ltd at Advanced Share Registry Services Pty Ltd, GPO Box 1156, Nedlands WA 6909, to be received no later than **5pm (WST) on the Closing Date of 3 July 2014.**

Late applications may not be accepted.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders are entitled to apply for a parcel of New Shares in the Company valued at any of \$500, \$750, \$1,000, \$1,250, \$1,500, \$2,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000. Fractional entitlements will be rounded up to the nearest whole New Share. Once an application for New Shares under the Offer has been made it cannot be revoked. If the exact amount of money is not tendered with your application, Marenica reserves the right to either:

- a) return your Application Form and/or payment and not allot any New Shares to you; or
- b) allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

If you apply for less than \$500 worth of New Shares, the Company will not allot any New Shares to you and will refund your application monies to you.

5. CUSTODIANS AND NOMINEES

Eligible Shareholders who hold Shares as a custodian or a nominee (“**Custodian**”) for one or more persons on the Record Date (“**Beneficiary**”) may apply for up to a maximum amount of \$15,000 worth of New Shares in respect of each Beneficiary, subject to providing a custodian certificate to the Company, as described in the Terms and Conditions.

6. DIRECTORS AND EMPLOYEES

Directors and employees of Marenica who hold Shares may be Eligible Shareholders. The Australian based Directors intend to participate in the Plan and the Chief Executive Officer and Strategic Advisor have undertaken to underwrite and sub-underwrite the Plan respectively to a value of \$300,000 (inclusive of the Directors’ entitlement).

7. SCALE BACK AND OVERSUBSCRIPTION

The Directors reserve the right to scale back, on an equitable basis, any application for New Shares under the Offer if the number of New Shares applied for exceeds the maximum number of New Shares the Company can issue without shareholder approval. Scale-back for New Shares held by Custodians will be applied at the level of the underlying Beneficiary.

The maximum number of Shares the Company is currently able to issue without shareholder approval excluding the Shares to be issued for the underwriting fee is 543,588,295.

If the Company rejects or scales-back an application for New Shares, the Company will promptly return to the Shareholder the relevant application monies, without interest.

8. FOREIGN OFFER RESTRICTIONS

This offer document may not be released or distributed in any country other than Australia and New Zealand. This offer document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any country other than Australia and New Zealand. In particular, any securities described in this Plan have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

9. NEW ZEALAND SHAREHOLDERS

The New Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). Members of the public in New Zealand who were not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

10. FURTHER INFORMATION

Should you wish to discuss any information contained in this letter, do not hesitate to contact:

- (i) the Company's share registry, Advanced Share Registry Services Pty Ltd, between 8.30am and 5.00pm (WST), Monday to Friday on (08) 9389 8033 during the Offer period; or
- (ii) Marenica's Chief Executive Officer, Mr Murray Hill or Company Secretary, Ms Susan Hunter on (08) 6555 1816 or via email at info@marenicaenergy.com.au.

SHARE PURCHASE PLAN TERMS AND CONDITIONS

1. PURPOSE

The purpose of the Plan is to offer Shareholders of Marenica the opportunity to acquire additional fully paid ordinary shares in the capital of the Company up to a maximum of \$15,000 (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at an issue price of a 20% discount to the average closing price of Shares on ASX for the 5 days Trading Days prior to the Issue Date capped at a maximum issue price of \$0.0026 per New Share.

2. SHAREHOLDERS ELIGIBLE TO PARTICIPATE

Holders of Shares that are registered as at 5.00pm WST on the Record Date, 6 June 2014, with an address in Australia or New Zealand are Eligible Shareholders and may participate in the Plan.

Due to foreign securities laws, the Company has determined that it is not practical for Shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions.

Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to apply for New Shares under the Plan to another person).

The maximum amount which any Shareholder may subscribe for under a share purchase plan in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the maximum number of New Shares to be offered under the Plan and the period the Offer is available to Eligible Shareholders.

3. CUSTODIANS, TRUSTEES AND NOMINEES

If you are an Eligible Shareholder and hold Shares as a Custodian (as defined in ASIC Class Order CO 09/425) you may apply for up to the maximum amount of \$15,000 worth of new Shares for each beneficiary for whom you act as Custodian provided you annex to your Application Form a certificate to Marenica ("**Custodian Certificate**") with the following information:

- that you held Shares on behalf of one or more other persons (each a **Participating Beneficiary**) at 5.00pm (WST) on 6 June 2014 who have subsequently instructed you to apply for New Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of New Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- that the application price for New Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as Custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each Participating Beneficiary; and
- where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more interposed Custodians, the name and address of each interposed Custodian.

For the purposes of ASIC Class Order CO 09/425 you are a 'custodian' if you are a registered holder that:

- holds an Australian Financial Services Licence ("**AFSL**") that allows you to perform custodian

or depository services or operate IDPS accounts;

- is exempt under:
 - (a) paragraph 7.6.01(1)(k) of the Corporations Regulations;
 - (b) paragraph 7.6.01(1)(na) of the Corporations Regulations;
 - (c) ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184;
 - (d) ASIC Class Orders 03/1099, 03/1100, 03/1101, 03/1102, 04/829 or 04/1313;
 - (e) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (d) above; or
 - (f) paragraph 911A(2)(h) of the Corporations Act;

from holding an AFSL;

- is a trustee of a self-managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate in the Plan on behalf of Beneficiaries in the manner described above. In this case the maximum you may subscribe for is \$15,000.

Custodians should request a Custodian Certificate when making an application on behalf of Beneficiaries. To request a Custodian Certificate you should contact Advanced Share Registry Services Pty Ltd between 8.30am and 5.00pm (WST), Monday to Friday on (08) 9389 8033 during the Offer period.

4. PRICE OF MARENICA SHARES

The price of New Shares to be issued under the Plan will be at a 20% discount to the average closing price of Shares on ASX in the 5 Trading Days prior to the

Issue Date capped at a maximum price of \$0.0026 per New Share.

5. QUOTATION OF NEW SHARES

Subject to ASX granting the New Shares official quotation, it is expected that the New Shares will be quoted on the ASX by 10 July 2014. If you trade any New Shares before you receive your Share statement, then you do so at your own risk.

6. ISSUE OF NEW SHARES

New Shares to be issued under the Plan will be issued no later than 10 business days after the Closing Date.

New Shares issued under the Plan will rank equally in all respects with all other Shares from the date of issue. Shareholding statements or CHESS notification will be issued in respect of all New Shares issued under the Plan. The Company will, promptly after the issue of New Shares under the Plan, make application for those New Shares to be quoted on ASX.

7. MODIFICATION AND TERMINATION OF THE PLAN

Marenica may modify or terminate the Plan at any time. Marenica will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Marenica may issue to any person fewer New Shares than the person applied for under the Plan if the issue of the New Shares applied for would contravene any applicable law or the ASX Listing Rules.

8. OVERSUBSCRIPTION AND SCALE-BACK

Marenica reserves absolute discretion regarding the final amount raised under the Plan as long as the total number of New Shares to be issued under the Plan is not greater than the maximum number of New Shares the Company can issue without shareholder approval. In the event of an oversubscription by the Closing Date the Company will scale-back applications on an equitable basis. If the Company scales-back an application, the Company will promptly return to the Shareholder the relevant excess application monies, without interest.

9. COSTS OF PARTICIPATION

No brokerage, commission, duty or other transaction costs will be payable by an Eligible Shareholder in respect of a subscription for, and issue of, New Shares under the Plan.

10. TAXATION AND FINANCIAL IMPLICATIONS

Eligible Shareholders may be subject to taxation upon the sale of the New Shares purchased under the Plan.

Eligible Shareholders should consult with their taxation or investment advisers to clarify the financial and taxation implications for them of applying for New Shares under the Plan.

11. REPRESENTATIONS

Returning a completed Application Form or paying the issue price for New Shares by BPAY®, will be taken to constitute a representation by the Applicant that:

- (a) they are an Eligible Shareholder, have read and understood these Terms and Conditions and subscribe for New Shares in accordance with these Terms and Conditions;
- (b) they authorise Marenica to correct minor errors in the Application Form if required, and to complete the Application Form by inserting any minor missing details;
- (c) the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the US, or in any other jurisdiction outside Australia or New Zealand, and may not be offered, sold, transferred or otherwise disposed of except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (d) they are eligible under all applicable securities laws to receive an offer under the Plan;
- (e) they are not in the United States, are not US Persons and are not acting for the account or benefit of US Persons;
- (f) they have not and will not send the offer document or the Application Form to any

person in the United States or that is, or is acting for the account or benefit of, a US Person; and

- (g) if in the future they decide to sell or otherwise transfer their New Shares, they will only do so in regular way transactions on ASX where neither they nor any person acting on their behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is in the United States or is a US Person.

12. DISPUTE RESOLUTION

Marenica may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or New Shares. The decision of Marenica in this respect will be conclusive and binding on all Shareholders and other persons to whom that determination relates.

Marenica reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of Marenica under these Terms and Conditions may be exercised by the Directors or any delegate of the Directors.

13. QUESTIONS AND CONTACT DETAILS

If you have any questions please contact Marenica's Chief Executive Officer, Mr Murray Hill or Company Secretary, Ms Susan Hunter on (08) 6555 1816 or via email at info@marenicaenergy.com.au.

GLOSSARY

Announcement Date means the date of announcement of the Plan to ASX, being 10 June 2014.

Application Form means the application form accompanying this offer document.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the listing rules of the ASX.

Closing Date means 3 July 2014 or such later date as may be determined by the Directors.

Company or **Marenica** means Marenica Energy Limited (ACN 001 666 600).

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Eligible Shareholder means a Shareholder as at the Record Date other than a Non-Qualifying Foreign Shareholder.

Issue Date means the date of issue of New Shares to Eligible Shareholders who subscribe for New Shares under the Plan, being 9 July 2014 or such other date as may be determined by the Directors.

New Share means a Share to be issued under the Plan.

Non-Qualifying Foreign Shareholder means a Shareholder whose registered address is not situated in Australia or New Zealand.

Offer means the offer of New Shares pursuant to the Plan.

Opening Date means 12 June 2014.

Plan means the offer of New Shares to Eligible Shareholders at an issue price representing a 20% discount to the average closing price of Shares on ASX in the 5 Trading Days prior to the Issue Date capped at a maximum issue price of \$0.0026 per New Share, with each Eligible Shareholder entitled to apply for a parcel of New Shares valued at up to \$15,000 in accordance with the Terms and Conditions.

Record Date means 6 June 2014.

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

Shareholder means the holder of a Share.

Terms and Conditions means the terms and conditions set out at pages 10 to 12 of this offer document.

Trading Day means a day on which sales of Shares were recorded on ASX.

US Person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933 as amended.

WST means Australian Western Standard Time.



SHARE PURCHASE PLAN (“PLAN”) APPLICATION FORM

How do I apply for New Shares under the Plan?

- Carefully read the Share Purchase Plan Offer Booklet accompanying this form and the Important Information and further instructions on the reverse of this form.
- Decide on the value of New Shares you wish to apply for.
- Pay for the New Shares in accordance with the instructions outlined in the Share Purchase Plan Offer Booklet and the Important Information and further instructions on the reverse of this form.
 - Option 1: Paying by BPAY®; or
 - Option 2: Paying by Cheque.
- Payments must be made in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Application Form, however, by making a BPAY® payment you will be taken to have made the certification set out in the Important Information notice on the reverse of this form.

Payment must be received by the Registry by BPAY® by 5.00pm (WST) on 3 July 2014. By paying by BPAY®, you will be deemed to have applied for the value of New Shares the subject of your Application Payment. If you make a payment by BPAY® and Marenica Energy Limited (MEY) receives an amount which is not equal to either A\$500, A\$750, A\$1,000, A\$1,250, A\$1,500, A\$2,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000 MEY may round down the dollar amount of New Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$500.



Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
 More info: www.bpay.com.au

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THIS IS A PERSONALISED APPLICATION FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE

A I/we wish to purchase a parcel of New Shares to the dollar amount of (tick one box only):

- | | | | | | | | |
|------------------------------------|-----------|------------------------------------|-----------|------------------------------------|-----------|-----------------------------------|-----------|
| <input type="checkbox"/> A\$500 | OR | <input type="checkbox"/> A\$750 | OR | <input type="checkbox"/> A\$1,000 | OR | <input type="checkbox"/> A\$1,250 | OR |
| <input type="checkbox"/> A\$2,000 | OR | <input type="checkbox"/> A\$2,500 | OR | <input type="checkbox"/> A\$5,000 | OR | <input type="checkbox"/> A\$7,500 | OR |
| <input type="checkbox"/> A\$10,000 | OR | <input type="checkbox"/> A\$12,500 | OR | <input type="checkbox"/> A\$15,000 | | | |

B Make your cheque payable to “Marenica Energy Limited” and crossed “Not Negotiable”

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C Telephone Number – Business Hours

Telephone Number – After Hours

 ()

Contact Name

 ()

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase New Shares under the Plan, there is no need to take action.
3. Please ensure you have read and understood the Plan's Terms and Conditions contained in the attached Share Purchase Plan Offer Booklet accompanying this form and this Important Information, before you make the payment by BPAY® or you submit your Application Form with your payment.
4. This Plan is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Custodian Certificate that must be provided before your application for New Shares on behalf of Eligible Beneficiaries is accepted. The Custodian Certificate can be obtained by contacting the Share Registry on (08) 9389 8033. Applications received by custodians that are not accompanied by the Custodian Certificate will be treated the same as applications from all other shareholders.
6. For applicants that are not required to complete the Custodian Certificate, by submitting the Application Form with a cheque or making payment by BPAY®, **you certify** that the aggregate of the payment made by you for:
 - the New Shares; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the Plan or any other similar arrangement in the 12 months prior to the date of submission of the Application Form or payment by BPAY®,does not exceed A\$15,000.
7. MEY reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the New Shares for which they have applied as MEY may scale back applications in accordance with the Share Purchase Plan Offer Booklet.

How to Lodge your Application Form and Application Payment

A reply paid envelope is enclosed for you to return your Application Form and Application Payment. No postage stamp is required if it is posted in Australia. Shareholders in New Zealand will need to affix the appropriate postage to the reply paid envelope.

The Application Form and the payment for New Shares must be received by the Registry no later than the Closing Date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Marenica Energy Limited
C/- Advanced Share Registry Ltd
PO BOX 1156
Nedlands WA 6909

or

Hand Delivery

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

Make sure you send your Application Form and Application Payment allowing enough time for mail delivery, so Advanced Share Registry Services Limited receives them no later than 5.00pm (WST) on 3 July 2014. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. MEY reserves the right not to process any Application Forms and Application Payments received after the Closing Date.



4th June 2014

New Corporate Strategy and Capital Raising

Key Points:

- Marenica is embarking on an exciting new strategy aimed at commercialising its proven *U-pgrade™* process. The new strategy is a direct and positive response to the dramatic deterioration in uranium price expectations for the short to medium term.
- *U-pgrade™* process is expected to provide Marenica with the leverage to earn commercial interests in new and existing mines that urgently require the efficiency improvements offered by this new process.
- The Marenica Board has approved the transfer of its proprietary *U-pgrade™* beneficiation technology to a wholly owned subsidiary, Uranium Beneficiation Pty Ltd (“UB”).
- UB provides an exciting opportunity for new investors to participate in the funding and commercialisation of *U-pgrade™* alongside existing Marenica shareholders.
- Financing from new investors in UB to construct a pilot plant and assess three separate ore sources is progressing positively.
- Marenica to undertake a Share Purchase Plan this month to raise funds for working capital purposes.
- The Capital Raising is to be supported by the Directors and underwritten by Management.

International uranium company Marenica Energy Limited (ASX: MEY – “Marenica” or “the Company”) is pleased to provide an update of its corporate strategy developed for the commercialisation of its proprietary *U-pgrade™* process.

U-pgrade™ Benefits

Marenica’s *U-pgrade™* process is a major breakthrough for processing surficial uranium deposits. Whilst the current low uranium price is a major problem for much of the uranium industry at present, with many of the world’s uranium producers reporting a loss at these prices, the low prices expected in the short to medium term provide an opportunity for Marenica to commercialise the *U-pgrade™* process. Internal cost estimates have indicated a potential reduction in process operating costs using *U-pgrade™* of between 50% and 70% and a reduction in capital costs of between 30% and 50% compared to conventional heap leach technology on this style of deposit. Marenica has identified a substantial number of resource companies that are waiting for the

uranium price to increase to >\$75/lb before developing their projects. However, with the application of the **U-pgrade™** process the required uranium price to develop these styles of resources can be greatly reduced. Marenica believes that the application of **U-pgrade™** will revolutionise processing of surficial uranium by providing a means for these projects to be developed at significantly lower costs and well below current project development trigger prices. In addition, existing producing mines or near term producers will be able to substantially increase their margins as a result of implementing the **U-pgrade™** process.

The potential application of **U-pgrade™** to these sub-economic and low grade resources is the primary target for commercialisation of **U-pgrade™**.

The U-pgrade™ Process

Substantial **U-pgrade™** testwork has been completed to date using samples from a number of surficial deposits. Conclusions from these tests are that the process concentrates the uranium into a very low mass for leaching (<2% of the mined mass), which in turn increases the grade of leach feed by 30-50 times.

Plan to Commercialise

The Directors of Marenica have approved the following plan to commercialise **U-pgrade™** for the benefit of the shareholders of Marenica:

- Transferring the intellectual property of **U-pgrade™** to the wholly owned subsidiary Uranium Beneficiation Pty Ltd (“UB”)
- Obtaining the support of at least three resource companies to provide representative samples from their deposits for processing in the Pilot Plant (this has already occurred)
- Raising capital in UB to progress the commercialisation strategy
- Constructing a pilot plant for **U-pgrade™** subject to raising sufficient capital in UB
- Completing the pilot plant trials by processing at least three ore types
- Entering into negotiations with various resource owners to apply **U-pgrade™** in their operations

A Share Purchase Plan (“Plan”) in Marenica is required to provide working capital while the capital raising for UB is undertaken to establish the subsidiary as a self-contained company with the single focus of commercialising **U-pgrade™**.

Progress to date

The Directors are pleased to advise that a very positive start has been made and the Company is well down the path of the corporate restructure and capital raising in UB. Progress to date can be summarised as follows;

1. Marenica is engaged with a number of resource owners with deposits/resources suitable for the **U-pgrade™** process. The Company has entered into Memoranda of Understanding with three resource companies in relation to providing their ore for processing in the pilot plant.
2. Marenica has received a very positive response from a range of finance sources for UB.

3. Marenica's Technical Steering Committee continues to prepare for construction and operation of the pilot plant so that it is ready to move quickly once UB financing is in place. The plan is to locate the pilot plant at CSIRO's facilities in Perth.

The funding of UB is expected to be completed in the second half of 2014.

Capital Raising

The Company is pleased to offer existing shareholders the opportunity to increase their investment in Marenica to assist in funding the new strategy of the Company by applying for new shares through the Plan. The Company will make a further announcement regarding the details of the offer in the coming days.

The Company is seeking to raise funds under the Plan to provide the working capital for Marenica (as a holding company), whilst

- the new corporate strategy and appropriate funding is finalised in UB;
- the design and construction of the pilot plant is completed by UB;
- the results of the operation of the pilot plant are made available; and
- negotiation of at least one commercialisation agreement with an appropriate significant resource owner in the uranium industry is finalised.

Marenica Directors

The Directors of Marenica have not been paid full fees since mid-2013. As a sign of the Directors' confidence in Marenica's new direction, all Australian based Directors will be taking up their maximum entitlement of shares in the Plan.

Strategic Advisor

The Directors have approved the appointment of a strategic advisor to assist management through this important transition and in the fund raising process. Salamander Business Services (SBS) and its key principal, John Sestan has extensive resources experience with a focus on servicing the uranium extraction industry. They are pleased and encouraged by the substantial contribution made by Mr Sestan to date. His remuneration is largely performance based and is linked to Marenica's *U-pgrade™* process being successfully commercialised.

Share Purchase Plan Underwriting

The Directors and Management have a strong belief in the effectiveness of this new strategy in providing value for Marenica shareholders. This is supported by the Australian Directors who are taking up their full entitlement in the Plan. Furthermore the Directors are pleased that the Chief Executive Officer and Strategic Advisor have committed to underwrite the Plan up to a value of \$300,000. This raising, together with the forecast Research and Development tax refund due in September 2014, is expected to provide the working capital required by Marenica to implement this new strategy.

Company Updates – Significant events

Major Shareholder

The Sichuan Hanlong Group (“Hanlong”) is currently Marenica’s largest shareholder with 36.9% of the total equity. Hanlong has also previously financed the Company in the form of a convertible note (“Note”) which has a balance outstanding of \$1,650,671. Hanlong executives have advised Marenica that Hanlong is not in a position at this point in time to support any fund raising by Marenica at any level.

However, Hanlong has agreed to delay the next interest payment (\$132,054) due on the Note by twelve months from 14 November 2014 until 14 November 2015, when the face value plus accrued interest for 2 years of the Note will be repayable. The Directors understand the difficult situation that Hanlong is currently faced with and appreciate Hanlong’s ongoing support by delaying the interest payment due later this year.

The Marenica deposit

Marenica has applied to the Minister of Mines in Namibia for a Mineral Deposit Retention Licence to replace the current Exclusive Prospecting Licence, which if approved would effectively allow Marenica a period of 5 years grace with respect to exploration expenditure obligations (noting that all Marenica’s environmental responsibilities are in order).

The Directors are confident that Marenica will receive a positive response from the Minister in this regard. Using **U-pgrade™** with the Marenica deposit remains an ongoing option available to the Company once prices become more attractive.

During this hiatus in the project in Namibia, it has unfortunately been necessary to retrench the site staff, and over the coming months the Swakopmund office will be closed and relocated to Windhoek. Samples and appropriate records will be securely stored and unwanted capital equipment sold.

Uranium Outlook

The Directors maintain their confidence in the long term uranium demand scenario put forward by most uranium market research groups, with growth expected to be driven by the unstoppable need for power by the developing economies with a growing focus being on the dependable and low carbon emission energy provided by nuclear power. Uranium prices in excess of \$75/lb are needed to provide the incentive for the market to be able to deliver the significant new production required to feed the growing global fleet of nuclear power stations. The Directors believe that the utilisation of **U-pgrade™** can deliver significant operating cost reductions that will be attractive to many surficial uranium projects at uranium prices well below these incentive prices.

Rather than being hampered by the current low prices in the uranium market, our new strategy responds to this near term negative price outlook. We believe that the strategy can be successful across all price ranges, especially at or below the current incentive prices for many of our target commercialisation partners. The value of **U-pgrade™** comes from an operating and capital cost reduction which is compelling for producers across a wide range of uranium prices.

For further information contact Murray Hill (CEO) on 08 6555 1816.