
MARENICA ENERGY LTD

ACN 001 666 600

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00 (WST)

DATE: 5 November 2018

PLACE: The Len Warren Conference Room
AMRC (Australian Minerals Research Centre) Building
7 Conlon Street
Waterford WA 6152

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11.00am (WST) on 3 November 2018.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES UNDER LISTING RULE 7.1

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,609,674 Shares on the terms and conditions set out in the Explanatory Statement.”

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

2. RESOLUTION 2 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,170,326 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS TO PLACEMENT PARTICIPANTS

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,890,000 Placement Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL TO ISSUE OPTIONS TO BROKER

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL TO ISSUE INTEREST SHARES TO HANLONG

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will equal \$118,848.34 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – PLACEMENT OF SHARES TO HANLONG ON CONVERSION OF CONVERTIBLE NOTES

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,845,985 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 28 September 2018

By order of the Board



**Shane McBride
Company Secretary**

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6555 1816.

EXPLANATORY STATEMENT

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

1. BACKGROUND

1.1 Background to Capital Raising

On 19 September 2018, the Company announced a capital raising for the issue to sophisticated and professional investors of a total of 11,780,000 Shares (**Placement Shares**) and 5,890,000 free attaching Options (**Placement Options**) to raise a total of \$1,178,000 comprising two tranches:

- (a) 8,609,674 Shares at an issue price of \$0.10 per Share (together with one free attaching Option for every two (2) Shares subscribed for exercisable at \$0.17 on or before two years from the date of grant) to raise a total of \$860,967.40 (before costs) (**Tranche 1**); and
- (b) 3,170,326 Shares at an issue price of \$0.10 per Share (together with one free attaching Option for every two (2) Shares subscribed for exercisable at \$0.17 on or before two years from the date of grant) to raise an additional amount of \$317,032.60 (before costs) (**Tranche 2**),

(together, the **Placement**).

Funds raised from the Placement will be applied to fund development activities and working capital, including:

- (a) continuing to engage with a range of resource owners to assemble a portfolio of projects to utilise and increase the reach of the *U-pgrade*TM beneficiation process; and
- (b) acquire mining assets which the Company expects to develop in its own right.

The Shares the subject of Tranche 1 were issued out of the Company's Listing Rule 7.1, 15% placement capacity. Resolution 1 seeks ratification of the Tranche 1 Shares.

Resolution 2 seeks Shareholder approval for the issue of the Tranche 2 Shares as the Company does not have sufficient placement capacity to issue these without prior Shareholder approval.

Resolution 3 seeks Shareholder approval for the issue of the Placement Options. The Company will issue the Placement Options under a prospectus following receipt of Shareholder approval.

The Company has engaged Patersons Securities Limited (**Patersons** or **Lead Manager**) to act as Lead Manager to the Placement. Pursuant to the terms of engagement, the Company has agreed to issue 2,000,000 Options to the Lead Manager (or its nominee) for services provided in relation to the Placement (**Broker Options**). Resolution 4 seeks Shareholder approval for the issue of the Broker Options to Patersons (or its nominee).

1.2 Background to Hanlong Resolutions

The Company and Hanlong Energy Limited (**Hanlong**) are parties to a funding deed (as varied) (**Funding Deed**). On 25 September 2018, the Company and Hanlong agreed to further vary the Funding Deed such that outstanding interest due on 14 November 2018 will be settled in part via the issue of Shares (**Interest Placement**), being the subject of Resolution 5.

As part of the Funding Deed (as varied), the Company issued 1,651 convertible notes to Hanlong with a total value of \$1,650,671 (**Convertible Notes**) in consideration for Hanlong providing a principal amount of \$1,650,671 to the Company for working capital.

The Convertible Notes are convertible into Shares at a conversion price of \$0.58 (**Conversion Price**) on or before 14 November 2018 (**Maturity Date**). The parties have agreed to convert the Convertible Notes into Shares before the Maturity Date in satisfaction of the principal amount outstanding under the Convertible Notes. Refer to the Company's notice of meeting released to the ASX on 4 March 2016 (at resolution 1) and the Company's annual general report for the financial year ended 30 June 2018 (at page 39) released to the ASX on 25 September 2018 for further detail in relation to the key terms and conditions of the Convertible Notes.

Pursuant to Resolution 6, the Company is seeking Shareholder approval to issue Shares to Hanlong in full satisfaction and discharge of the principal amount outstanding to Hanlong pursuant to the Convertible Notes.

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES UNDER LISTING RULE 7.1

2.1 General

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares the subject of Tranche 1 (**Ratification**).

2.2 ASX Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 8,609,674 Shares were issued;
- (b) the issue price was \$0.10 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are being used to fund development activities and working capital as further described in Section 1.1 above.

3. RESOLUTION 2 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

3.1 General

Resolution 2 seeks Shareholder approval for the issue of the Shares the subject of Tranche 2 of the Placement.

A summary of ASX Listing Rule 7.1 is set out in Section 2.2 above.

The effect of Resolution 2 will be to allow the Company to issue the Shares pursuant to Tranche 2 of the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Shares to be issued is 3,170,326;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be \$0.10 per Share;
- (d) the Shares will be issued to professional and sophisticated investors. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from this issue are being used to fund development activities and working capital as further described in Section 1.1 above.

4. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS TO PLACEMENT PARTICIPANTS

4.1 General

Resolution 3 seeks Shareholder approval for the issue of the Placement Options.

A summary of ASX Listing Rule 7.1 is set out in Section 2.2 above.

The effect of Resolution 3 will be to allow the Company to issue the Placement Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Options to be issued is 5,890,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur progressively;

- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement on a 1 for 2 basis;
- (d) the Options will be issued to the subscribers in the Placement, none of whom are related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Placement Options as the Options are being issued free attaching to the Shares pursuant to the Placement.

5. RESOLUTION 4 – APPROVAL TO ISSUE OPTIONS TO BROKER

5.1 General

As set out in Section 1.1 above, Resolution 4 seeks Shareholder approval for the issue of 2,000,000 Broker Options to Patersons (or its nominee) for services provided by Patersons to the Company in relation to the Placement.

A summary of ASX Listing Rule 7.1 is set out in section 2.2 above.

The effect of Resolution 4 will be to allow the Company to issue the Broker Options to Patersons (or its nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Broker Options to be issued is 2,000,000;
- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Broker Options will occur on the same date;
- (c) the Broker Options will be issued at an issue price of \$0.0001 per Broker Option;
- (d) the Broker Options will be issued to Patersons Securities Limited (or its nominee), who is not a related party of the Company;
- (e) the Broker Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) funds raised from the issue will be used for general working capital.

6. RESOLUTION 5 – PLACEMENT OF SHARES TO HANLONG IN LIEU OF OUTSTANDING INTEREST

6.1 General

As set out in Section 1.2 above, the Company and Hanlong Energy Limited (**Hanlong**) are parties to the Funding Deed (as varied). The Company and Hanlong have agreed to further vary the terms of the Funding Deed such that part of the outstanding interest due on 14 November 2018 (being, \$118,848.34 will be settled via an issue of Shares (**Interest Placement**)).

The issue price of the Shares is, subject to a minimum price of \$0.10 per Share, the volume weighted average price of Shares calculated over the previous 20 trading days prior to the date of this Meeting (being, 5 November 2018) (**Issue Price**).

Resolution 5 seeks Shareholder approval for the issue of that number of Shares which when multiplied by the Issue Price, will equal the outstanding interest amount of \$118,848.34 (**Outstanding Interest**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue the Shares to Hanlong pursuant to the Funding Deed during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Set out below are worked examples of the number of Shares that may be issued to Hanlong based on issue prices of \$0.10 (being, the fixed minimum price) and \$0.12.

Assumed Issue Price	Interest	Number of Shares – Resolution 5	Dilution effect on existing Shareholders ¹	Total Number of Shares (Resolutions 5 & 6) ²	Dilution effect on existing Shareholders ²
\$0.10	\$118,848.34	1,188,484	1.80%	4,034,469	6.11%
\$0.12	\$118,848.34	990,421	1.50%	3,836,406	5.81%

Note:

1. Assumes that no other Shares are issued, or Options exercised and is based on a capital structure of 66,007,498 Shares (being, the number of Shares on issue as at 28 September 2018) (on an undiluted basis).
2. Assumes that no other Shares are issued or Options exercised (other than the Shares to be issued pursuant to this Resolution 5 and 2,845,985 Shares proposed to be issued to Hanlong under Resolution 6 on conversion of the convertible notes) and is based on a capital structure of 66,007,498 Shares (on an undiluted basis).

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Shares to be issued is that number of Shares when multiplied by the Issue Price, will equal \$118,848.34;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price of Shares is, subject to a minimum price of \$0.10 per Share, the volume weighted average price of Shares calculated over the previous 20 trading days prior to date of the Meeting;
- (d) the Shares will be issued to Hanlong, who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Shares are being issued in lieu of part of the outstanding interest due under the Funding Deed.

7. RESOLUTION 6 – PLACEMENT OF SHARES TO HANLONG ON CONVERSION OF CONVERTIBLE NOTES

7.1 General

As set out in Section 1.2 above, the Company has issued 1,651 convertible notes to Hanlong with a total value of \$1,650,671 (**Convertible Notes**).

The Convertible Notes are convertible into Shares at a conversion price of \$0.58 (**Conversion Price**) on or before 14 November 2018 (**Maturity Date**).

Pursuant to the terms of the Funding Deed (as varied), the Company is entitled to convert all (but not some) of the Convertible Notes by delivering a conversion notice to Hanlong on or before the Maturity Date, in which case the Convertible Notes will be converted into Shares in full satisfaction and discharge of the principal amount outstanding to Hanlong pursuant to the Convertible Notes.

Resolution 6 seeks Shareholder approval for the issue of 2,845,985 Shares to Hanlong on conversion of the Convertible Notes.

A summary of ASX Listing Rule 7.1 is set out in Section 6.1 above.

The effect of Resolution 6 will be to allow the Company to issue the Shares pursuant to the Convertible Notes during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the maximum number of Shares to be issued is 2,845,985;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration however, the deemed issue price will be \$0.58 per Share;
- (d) the Shares will be issued to Hanlong, who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares as the Shares are being issued on conversion of the Convertible Notes in full satisfaction and discharge of the principal amount outstanding to Hanlong pursuant to the Convertible Notes.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Marenica Energy Ltd (ACN 001 666 600).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.17 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on that day which is two years from the date of grant of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable on the last day of March, June, September or December on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after receipt of the Notice of Exercise, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

PROXY FORM

**MARENICA ENERGY LTD
ACN 001 666 600**

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

Or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11:00 (WST), on 5 November 2018 at The Len Warren Conference Room, AMRC (Australian Minerals Research Centre) Building, 7 Conlon Street, Waterford WA 6152, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of prior issue of Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Placement Options to Placement Participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue Options to Broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue Interest Shares to Hanlong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Shares to Hanlong on Conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:**

YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Marenica Energy Ltd, AMRC Building, 7 Conlon Street, Waterford WA 6152; or
 - (b) facsimile to the Company on facsimile number +61 8 9334 8001; or
 - (c) email to the Company at info@marenicaenergy.com.au,

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

Proxy Forms received later than this time will be invalid.