
MARENICA ENERGY LTD

ACN 001 666 600

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00 (WST)
DATE: 28 November 2019
PLACE: The Meeting Room
CWA House
1176 Hay Street
West Perth WA 6005

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 4.00pm (WST) on 26 November 2019.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

1. 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 purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either 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 (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – NELSON CHEN

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

“That, for the purpose of clause 7.3(d) of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Nelson Chen, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – ISSUE OF RELATED PARTY OPTIONS TO ANDREW BANTOCK

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Andrew Bantock (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Andrew Bantock (or his nominee) or any of their associates (**Resolution 3 Excluded Party**). 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, provided the Chair is not a Resolution 3 Excluded Party, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – ISSUE OF RELATED PARTY OPTIONS TO NELSON CHEN

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Nelson Chen (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Nelson Chen (or his nominee) or any of their associates (**Resolution 4 Excluded Party**). 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, provided the Chair is not a Resolution 4 Excluded Party, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – ISSUE OF RELATED PARTY OPTIONS TO MURRAY HILL

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,600,000 Options to Murray Hill (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Murray Hill (or his nominee) or any of their associates (**Resolution 5 Excluded Party**). 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, provided the Chair is not a Resolution 5 Excluded Party, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO SHANE MCBRIDE

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 2,000,000 Options to Shane McBride (or his nominee) 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.

7. RESOLUTION 7 –APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise 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.

8. RESOLUTION 8 –AMENDMENT TO CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act, and for all other purposes, the Constitution of the Company be amended in the manner set out in the Explanatory Statement.”

Dated: 10 October 2019

By order of the Board

A handwritten signature in black ink, appearing to read 'Shane McBride', written in a cursive style.

**Shane McBride
Company Secretary**

Voting Instructions

(i) Voting in person

To vote in person, attend the Meeting at the time, date and place set out on the first page of the Notice.

(ii) Proxies

Voting by proxy

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed). –

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:
 - (A) the proxy is not recorded as attending the meeting; or
 - (B) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.marenicaenergy.com.au.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

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 a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – NELSON CHEN

2.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. If no Director is otherwise required under the Constitution to retire at an Annual General Meeting (for example because a Director has held office without re-election past the third AGM following a Directors appointment or 3 years, whichever is the longer) and no person nominates as a director, then the Director (other than the Managing Director) who has held their office as a Director for the longest period of time since their last election to that office must retire.

Under ASX Listing Rule 15.5, a company must hold an election of directors at each annual general meeting.

Nelson Chen, who was last elected as a director on 22 November 2017, has held the office of Director for the longest period since each of the Director's (other than the Managing Director) last election to that office. Accordingly, Nelson Chen retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Mr. Chen is a Director of Hanlong Mining Investment Pty Ltd and a Chartered Accountant in Australia. He holds postgraduate degrees in finance and accounting. Prior to joining Hanlong, Mr. Chen spent over 11 years with PricewaterhouseCoopers, Sydney office in their audit and M&A advisory practice. Mr. Chen has served on the board of Australia China Business Council, NSW for over six years. Mr Chen is also currently a director of Moly Mines Limited.

2.3 Independence

If elected the board does not consider Nelson Chen will be an independent director.

2.4 Board recommendation

The Directors (other than Mr Chen) support the re-election of Nelson Chen and recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTIONS 3 TO 5 – ISSUE OF OPTIONS TO RELATED PARTIES

3.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 5,600,000 Options (**Related Party Options**) to Messrs Andrew Bantock, Nelson Chen and Murray Hill (or their nominees) who are related parties of the

Company by virtue of being Directors (together, the **Related Parties**) on the terms and conditions set out below.

3.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As all of the Directors are participating in the issue of the Related Party Options the subject of Resolutions 3 to 5, the Directors do not give a view as to whether the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.

3.3 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Messrs Bantock, Chen and Hill and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is 5,600,000, in the proportions as set out below:
 - (i) 1,000,000 Related Party Options to be granted to Mr Andrew Bantock (or his nominee);
 - (ii) 1,000,000 Related Party Options to be granted to Mr Nelson Chen (or his nominee);
 - (iii) 3,600,000 Related Party Options to be granted to Mr Murray Hill (or his nominee).

- (c) the Related Party Options will be granted to the Related Parties no later than 1 month 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 the Related Party Options will issued on the same date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the minimum exercise price of the Related Party Options will be \$0.17 per Option or 1.43 times the VWAP of Shares calculated over the last 5 days on which sales in Shares were recorded on the ASX before the day on which the issue of Options was made, whichever price per share is higher;
- (f) the Related Party Options will not be quoted;
- (g) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (h) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (i) the relevant interests of the Related Parties in securities of the Company are set out below:

| Related Party | Shares | Options | Performance Rights |
|----------------|------------------------|------------------------|----------------------|
| Andrew Bantock | 200,000 ¹ | 1,100,000 ² | Nil |
| Nelson Chen | 1,331,707 ³ | 1,292,857 ⁴ | Nil |
| Murray Hill | 2,542,858 ⁵ | 3,600,000 ⁶ | 202,500 ⁷ |

Notes:

- ¹ Held by Define Consulting Pty Ltd ATF the Define Superannuation Fund, an entity of which Andrew Bantock is a beneficiary.
- ² Being, 100,000 Options exercisable at \$0.17 each on or before 25 May 2020 acquired as free attaching options acquired on 1 for 2 basis in a placement completed in September 2018 and 1,000,000 Options exercisable at \$0.17 each on or before 13 December 2020.
- ³ Comprising, 1,331,707 Shares held by BNP Paribas Nominees Pty Ltd, an entity of which Nelson Chen is a beneficiary.
- ⁴ Comprising, 150,000 Options held by Nelson Chen, which are exercisable at \$0.17 each on or before 25 May 2020 and 142,857 Options held by Nelson Chen, which are exercisable at \$0.21 each, on or before 30 November 2021 each granted in lieu of salary sacrificed remuneration and 1,000,000 Options exercisable at \$0.17 each on or before 13 December 2020.
- ⁵ Consisting of 1,842,858 Shares held by Carol Ann Hill, spouse of Murray Hill and 700,000 Shares held by Murray Philip Hill & Carol Ann Hill ATF Carmu Super Fund A/C, an entity of which Murray Hill is trustee and beneficiary.
- ⁶ 3,600,000 Options exercisable at \$0.17 each on or before 13 December 2020. Held by Carol Ann Hill the spouse of Murray Hill.
- ⁷ These Performance Rights will vest upon successful completion of the initial pilot plant programme proving *U-pgrade*TM works on samples tested. Refer to the Company's annual report for the financial year ended 30 June 2019 for further detail in relation to the Performance Rights. Held by Carol Ann Hill the spouse of Murray Hill.

- (j) the remuneration and emoluments (including superannuation) from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments (including superannuation) for the current financial year are set out below:

| Related Party | Current Financial Year (2020) | Previous Financial Year (2019) |
|----------------------|--------------------------------------|---------------------------------------|
| Andrew Bantock | \$60,000 | \$83,709 |
| Nelson Chen | \$45,000 | \$66,646 |
| Murray Hill | \$284,700 | \$368,409 |

- (k) if the Related Party Options granted to the Related Parties are exercised, a total of 5,600,000 Shares would be issued. This will increase the number of Shares on issue from 89,224,710 to 94,824,710 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 5.90%, comprising 1.05% by Andrew Bantock, 1.05% by Nelson Chen and 3.80% by Murray Hill.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|--------------|-----------------|
| Highest | 12.5 cents | 9 April 2019 |
| Lowest | 7.2 cents | 18 January 2019 |
| Last | 10 cents | 8 October 2019 |

- (m) the Board acknowledges the issue of Related Party Options to the Related Parties is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of Related Party Options to the Related Parties reasonable in the circumstances for the reason set out in paragraph (o);
- (n) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide non-cash, medium to long-term performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (o) Mr Andrew Bantock declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 3 be passed. However, in respect of Resolutions 4 and 5, Mr Bantock

recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) Directors have considered the amount of directors fees that it has available to pay its directors and the Company's medium and long term objectives. Following such consideration, the Directors consider a portion of the directors total remuneration should be in the form of Related Party Options. In order to reinforce the longer term incentive of the Related Party Options, they will only vest on 13 December 2020;
 - (ii) As the Company's ability to pay cash remuneration and directors fees is limited by its cash resources, the grant of Related Party Options supplements the cash component and enables the Company to retain high quality and well-credential directors essential to the ongoing and longer term strategic development of the Company;
 - (iii) the grant of Related Party Options to the Related Parties will further align the medium to long-term interests of the Related Parties with those of Shareholders;
 - (iv) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (p) Mr Nelson Chen declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 4 be passed. However, in respect of Resolutions 3 and 5, Mr Chen recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (q) Mr Murray Hill declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Related Party Options in the Company should Resolution 5 be passed. However, in respect of Resolutions 3 and 4, Mr Hill recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (r) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 to 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

4. RESOLUTION 6 – ISSUE OF OPTIONS TO SHANE MCBRIDE

4.1 General

Resolution 6 seeks Shareholder approval for the issue 2,000,000 Options to Mr McBride (or his nominee) to provide a performance linked incentive component in the remuneration package for Mr McBride in his role as Chief Financial Officer and Company Secretary. The terms of the Options are set out in Schedule 1.

Resolution 6 seeks Shareholder approval for the issue of 2,000,000 Options to Shane McBride (or his nominee) as part of his remuneration package as Company Secretary.

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 6 will be to allow the Company to issue the Options to Mr McBride (or his nominee) 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.

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 this Resolution 6:

- (a) the maximum number of Options to be issued is 2,000,000;
- (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 on the same date;
- (c) the Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (d) the Options will be issued to Mr McBride, who is not a related party 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 Options to Mr McBride as the Options are being issued to provide a performance linked incentive component in the remuneration package for Mr McBride.

5. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$8,922,471 (based on the number of Shares on issue and the closing price of Shares on the ASX on 9 October 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: MEY), five (5) classes of unquoted Options on issue and one (1) class of unquoted performance rights.

The Company has also agreed to issue 16,012,417 unquoted Options to investors who subscribed for shares in the Company's July 2019 placement and 3,202,483 unquoted Options to Patersons Securities Limited (or its nominee) in each case subject to Shareholder approval which is being sought at a general meeting of the Company proposed to be held in November 2019. Further details are contained in the Company's announcement dated 26 July 2019.

Additionally, the Company has agreed to issue 27,500,000 converting preference shares to Optimal Mining Limited as part consideration for the acquisition of a group of Australian companies holding mining tenements in Australia prospective for uranium. These converting preference shares will convert to Shares on a 1-for 1 basis upon being distributed in-specie to shareholders of Optimal Mining Limited. The issue of these converting preference shares is subject to a number of conditions including various approvals of Shareholders necessary to proceed with the transaction with Optimal Mining Limited which will be sought at a general meeting of the Company which is being sought at a general meeting of the Company proposed to be held in November 2019. Further details are contained in the Company's announcement dated 4 July 2019.

If Shareholders approve Resolution 7, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded 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 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 9 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic

dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| | Dilution | | | |
|--|-------------------------------------|---------------------------------------|-----------------------|---------------------------------------|
| | Issue Price (per Share) | \$0.05 50% decrease in Issue Price | \$0.10 Issue Price | \$0.15 50% increase in Issue Price |
| 116,724,710 (Current Variable A) | Shares issued - 10% voting dilution | 11,672,471 Shares | 11,672,471 Shares | 11,672,471 Shares |
| | Funds raised | \$583,624 | \$1,167,247 | \$1,750,871 |
| 175,087,065 (50% increase in Variable A) | Shares issued - 10% voting dilution | 17,508,707 Shares | 17,508,707 Shares | 17,508,707 Shares |
| | Funds raised | \$875,435 | \$1,750,871 | \$2,626,306 |
| 233,449,420 (100% increase in Variable A) | Shares issued - 10% voting dilution | 23,344,942 Shares | 23,344,942 Shares | 23,344,942 Shares |
| | Funds raised | \$1,167,247 | \$2,334,494 | \$3,501,741 |

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer or upon the exercise of Options or exercise of Performance Rights) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

- There will be 116,724,710 Shares on issue for the purposes of Current Variable A comprising:
 - 89,224,710 existing Shares as at the date of this Notice of Meeting;
 - 27,500,000 Shares as a result of conversion of converting preference shares proposed to be issued to Optimal Mining Limited and distributed in specie to shareholder of Optimal Mining Limited, subject to various conditions including Shareholder approval of the Optimal transaction. Further details are contained in the Company's announcement dated 4 July 2019.
- The issue price set out above is the closing price of the Shares on the ASX on 9 October 2019.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 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%.

8. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use the funds to continue to explore its Namibian uranium tenement portfolio, advance the Australian uranium projects, being the Angela, Thatcher Soak, Minerva and Oobagooma project areas and joint venture holdings in the Bigriyi, Malawiri, Walbiri and Areva joint ventures, which are currently subject to completion of their acquisition from Optimal Mining Limited (such completion is subject to a number of conditions including the approval of Shareholders at a general meeting of the Company proposed to be held in November 2019) and continue to assess the application of **U-pgrade™** to its own projects and those of third parties; and/or for general exploration and development activities, working capital and may use the funds for the acquisition of new assets and investments; or
- (ii) as 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 ASX Listing Rule 7.1A.3.

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

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company has previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2018.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2018 (and as at the date of this Notice), the Company issued a total of 16,012,417 Shares which represents approximately 17.95% of the total diluted number of Equity Securities on issue in the Company on 30 November 2018, which was 73,212,293. Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 3.

The Company has also agreed to issue 16,012,417 unquoted Options to investors who subscribed for shares in the Company's July 2019 placement and 3,202,483 unquoted Options to Patersons Securities Limited (or its nominee) in each case subject to Shareholder approval which is being sought at a general meeting of the Company which is being sought at a general meeting of the Company proposed to be held in November 2019. Further details are contained in the Company's announcement dated 26 July 2019.

Additionally, the Company has agreed to issue 27,500,000 converting preference shares to Optimal Mining Limited as part consideration for the acquisition of a group of Australian companies holding mining tenements in Australia prospective for uranium. These converting preference shares will convert to Shares on a 1-for 1 basis upon being distributed in-specie to shareholders of Optimal Mining Limited. The issue of these converting preference shares is subject to a number of conditions including various approvals of Shareholders necessary to proceed with the transaction with Optimal Mining Limited which will be sought at a general meeting of the Company which is being sought at a general meeting of the Company proposed to be held in November 2019. Further details are contained in the Company's announcement dated 4 July 2019.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, there is no outstanding invitation to any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

6. RESOLUTION 8 – AMENDMENT TO CONSTITUTION

6.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 seeks the approval of Shareholders to amend the Constitution. Resolution 8 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).

The Company is seeking an amendment to the Constitution as a result of ASX's proposed introduction of a number of changes to the escrow regime in the ASX Listing Rules effective 1 December 2019 to make aspects of the listing process and ongoing compliance with the ASX Listing Rules more efficient for issuers and for ASX.

Amongst these changes, ASX is proposing to introduce a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under the proposed amended rule 2.9 of the Constitution (see below), holders of Restricted Securities will be taken to have agreed in writing that Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the ASX Listing Rules or ASX.

6.2 Specific amendments to the Company's Constitution

The proposed amendments to Rule 2.9 of the Constitution are as follows (amendments are shown as ~~deleted~~ or underlined):

2.9 Restricted Securities

- (a) *The Company must comply with the Listing Rules in respect of Restricted Securities.*
- (b) *Notwithstanding the generality of Rule 2.9(a):*
 - (i) *a holder of Restricted Securities must not~~cannot be disposed of, or agree or offer to dispose of, the securities~~ during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
 - (ii) *the Company will~~must~~ refuse to acknowledge any~~an~~ assignment or disposal (including, without limitation, to registering any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; ~~and~~*

- (iii) if a holder of Restricted Securities during a breach of a restriction deed or a provision of this Constitution restricting a disposal of those securities of the Listing Rules relating to Restricted Securities or a breach of any escrow agreement, the holder will of the Restricted Securities is not be entitled to any dividend or, distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues the Restricted Securities;
- (iv) if Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the entity's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities; and
- (v) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.

A copy of the proposed amended Constitution is available for review by Shareholders at the office of the Company. A copy of the proposed amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.

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

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 Limited (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.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying 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.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

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

Restricted Securities has the meaning set out in the ASX Listing Rules.

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.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Subject to satisfaction of the Vesting Condition, each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j) and a minimum exercise price of \$0.17 per Option, the amount payable upon exercise of each Option will be 1.43 times the VWAP of Shares calculated over the last 5 days on which sales in Shares were recorded on the ASX before the day on which the issue of Options was made, whichever price per share is higher (**Exercise Price**).

(c) **Expiry Date**

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

(d) **Vesting Condition**

The Options will vest on 13 December 2020, provided that the person to whom or at whose direction the Options will be issued, being either of Messrs Andrew Bantock, Murray Hill, Nelson Chen or Shane McBride (**Recipient**), are either a director, employee, or consultant to the Company on 13 December 2020 (**Vesting Condition**). If the Vesting Condition is not met in respect of a Recipient, then the Options issued to or as directed by that Recipient may not be exercised and will automatically lapse. Regardless of the foregoing, if a Change of Control Event occurs prior to 13 December 2020 and at time of the Change of Control Event the Recipient is wither a director, employee or consultant of the Company, the Vesting Condition will be considered satisfied and the Options will vest immediately. For the purposes of this paragraph (d), a **Change of Control Event** means:

- (i) in respect of a takeover offer under Chapter 6 of the Corporations Act involving an acquisition of all of the issued share capital of the Company, the date upon which a person's voting power (as defined in section 610 of the Corporations Act) in the Company increases above 50% pursuant to acceptances lodged under the takeover offer;
- (ii) in respect of a scheme of arrangement pursuant to Part 5.1 of the Corporations Act involving an acquisition of all of the issued share capital of the Company, the date the Company despatches a scheme booklet to its members in respect of the scheme of arrangement; or
- (iii) the date on which a person's voting power (as defined in section 610 of the Corporations Act) in the Company increases above 50%.

(e) **Exercise Period**

The Options are exercisable at any time during the period commencing on satisfaction of the Vesting Condition and ending on (but including) the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

Subject to satisfaction of the Vesting Condition, 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.

(g) **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**).

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

Within 15 Business Days after the Exercise Date, 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)(e) 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 paragraph (h)(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.

(i) **Shares issued on exercise**

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

(j) **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.

(k) **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.

(l) **Change in exercise price**

Subject to paragraph (j), 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.

(m) **Transferability**

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

SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Directors pursuant to Resolutions 5 to 7 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

| | |
|--|----------------|
| Assumptions: | |
| | |
| Valuation date | 9 October 2019 |
| Market price of Shares | 10 cents |
| Exercise price | 17 cents |
| Expiry date (length of time from issue) | 4 years |
| Risk free interest rate | 0.74% |
| Volatility (discount) | 130% |
| | |
| Indicative value per Related Party Option | 7.54 cents |
| | |
| Total Value of Related Party Options | \$422,240 |
| | |
| - Andrew Bantock | \$75,400 |
| - Nelson Chen | \$75,400 |
| - Murray Hill | \$271,440 |
| | |

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 30 NOVEMBER 2018

| Date | Quantity | Class | Recipients | Issue price and discount to Market Price (if applicable) ¹ | Form of consideration |
|--|------------|---|---|---|---|
| Issue – 13 December 2018 Appendix 3B – 13 December 2018 | 5,890,000 | Unlisted options, exercisable at \$0.17 each on or before 13 December 2020. | Sophisticated and institutional investors | Not Applicable | Consideration: Nil. Free-attaching to Shares issued under a Placement. Current value ³ \$232,243 |
| Issue – 13 December 2018 Appendix 3B – 13 December 2018 | 2,000,000 | Unlisted options, exercisable at \$0.17 each on or before 13 December 2020. | Sophisticated and institutional investors | Not Applicable | Consideration: Issued in consideration for services provided in relation to the Placement. Current value ³ \$78,860 |
| Issue – 13 December 2018 Appendix 3B – 13 December 2018 | 7,600,000 | Unquoted options each exercisable at \$0.17 on or before 13 December 2020 | Directors and officers of the company | Not Applicable | The Options are to provide a performance linked incentive component in the remuneration package for officers of the Company to reward their performance. The issue of these Options was approved by shareholders at the 2018 Annual General Meeting held on 30 November 2018 Current value ³ \$299,668 |
| Issue – 31 July 2019 Appendix 3B – 31 July 2019 | 10,981,843 | Shares ² | Sophisticated and institutional investors | Issue Price: \$0.10 per Share Discount to Market Price: 7.1% | Amount Raised: \$1,098,184.20 Amount Spent: \$148,184.20 Amount remaining: \$950,000.00 Use of funds: to fund exploration activities and working capital. ⁴ |
| Issue – 31 July 2019 Appendix 3B – 31 July 2019 | 5,030,574 | Shares ² | Sophisticated and institutional investors | Issue Price: \$0.10 per Share Discount to Market Price: 7.1% | Amount Raised: \$503,057.40 Amount Spent: Nil Amount remaining: 503,052.40 Use of funds: to fund exploration activities and working capital. ⁴ |

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

2. Fully paid ordinary shares in the capital of the Company, ASX Code: MEY (terms are set out in the Constitution).
3. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).
4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

PROXY FORM

MARENICA ENERGY LTD
ACN 001 666 600

ANNUAL 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 The Meeting Room, CWA House, 1176 Hay Street, West Perth WA 6005, on 28 November 2019 at 11:00 (WST), and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 3 to 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 to 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

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 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director – Nelson Chen | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Issue of Related Party Options to Andrew Bantock | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Issue of Related Party Options to Nelson Chen | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of Related Party Options to Murray Hill | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Issue of Options to Shane McBride | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Approval of Additional 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Amendment of Constitution | <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 Limited, Ground Floor, 1139 Hay Street, West Perth 6005; or
 - (b) facsimile to the Company on facsimile number +61 8 9262 3723; 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.