

Notice of Annual General Meeting and Explanatory Memorandum

UIL Energy Ltd ACN 153 352 160

Date of Meeting: Wednesday 29 November 2017

Time of Meeting: 9.00 am (Brisbane time)

Place of Meeting: HopgoodGanim
Level 7, 1 Eagle Street, Brisbane, Queensland

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** will be held at the offices of HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, Queensland, on 29 November 2017 at 9:00 am (Brisbane time).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting. Terms used in this Notice of Meeting are defined in Section 12 of the accompanying Explanatory Memorandum.

Agenda

ORDINARY BUSINESS

Financial Statements

To receive and consider the financial statements of the Company and its controlled entities for the period ended 30 June 2017 and the related Directors' Report, Directors' Declaration, the Remuneration Report and Auditor's Report.

1. Resolution 1 - Adoption of the Remuneration Report

To consider and, if thought fit, pass the following Resolution, as an advisory Resolution, without amendment:

"That for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report for the year ended 30 June 2017 (as set out in the Directors' Report) is adopted."

The Company's Annual Report 2017, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting restriction pursuant to Section 250R(4) of the Corporations Act

A vote on this Resolution 1 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 (KMP) details of whose remuneration are included in the Remuneration Report; and
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
 - (2) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:

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- (A) does not specify the way the proxy is to vote on the Resolution; and
- (B) expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intentions of the Chairman

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

2. Resolution 2 - Re-election of Mr Stephen Bizzell as a Director

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That Mr Stephen Bizzell, who retires by rotation in accordance with Rule 20.2 of the Company’s Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

3. Resolution 3 – Approval of Employee Share Option Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That, the UIL Energy Employee Share Option Plan (**ESOP**), which is summarised in the **attached** Explanatory memorandum, be approved for the purpose of Exception 9(b) of Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, and that the Company be authorised to issue securities under the ESOP within three (3) years from the date of this resolution be an exception to ASX Listing Rule 7.1 and 7.1A of the ASX Listing Rules.”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 3 by:

- (a) any Director who is entitled to participate in the ESOP; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 3 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 3 must not be cast by:

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(a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or

(b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 3 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 3, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

4. Resolution 4 - Issue of Options to Mr Stephen Bizzell

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That in accordance with Section 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 750,000 Options to Mr Stephen Bizzell, being a non-executive Director of the Company, or his nominee and otherwise on the terms set out in the Explanatory Memorandum".

Voting Exclusion Statement Resolutions

For the purposes of Listing Rule 10.11, the Company will disregard any votes cast on:

Resolution by:

- (a) Mr Stephen Bizzell; and
- (b) any associate of Mr Bizzell.

However, the Company need not disregard a vote if, in relation to Resolution 4:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Exclusion Statement – Part 2E of the Corporations Act

For the purposes of Part 2E of the Corporations Act, a vote on Resolution 4 must not be cast by or on behalf of:

- (a) Mr Bizzell; and
- (b) any associate of Mr Bizzell.

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However, this does not prevent the casting of a vote on Resolution 4 if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) directly above.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 4 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 4, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

5. Resolution 5 - Issue of Options to Mr Keith Skipper

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That in accordance with Section 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 750,000 Options to Mr Keith Skipper, being a non-executive Director of the Company, or his nominee and otherwise on the terms set out in the Explanatory Memorandum".

Voting Exclusion Statement Resolutions

For the purposes of Listing Rule 10.11, the Company will disregard any votes cast on:

Resolution by:

- (a) Mr Keith Skipper; and
- (b) any associate of Mr Skipper.

However, the Company need not disregard a vote if, in relation to Resolution 5:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Exclusion Statement – Part 2E of the Corporations Act

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For the purposes of Part 2E of the Corporations Act, a vote on Resolution 5 must not be cast by or on behalf of:

- (a) Mr Skipper; and
- (b) any associate of Mr Skipper.

However, this does not prevent the casting of a vote on Resolution 5 if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) directly above.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 5 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 5, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

6. Resolution 6 - Issue of Options to Mr Garry Marsden

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That in accordance with Section 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 750,000 Options to Mr Garry Marsden, being a non-executive Director of the Company, or his nominee and otherwise on the terms set out in the Explanatory Memorandum".

Voting Exclusion Statement

For the purposes of Listing Rule 10.11, the Company will disregard any votes cast on Resolution 6 by:

- (a) Mr Garry Marsden; and
- (b) any associate of Mr Marsden.

However, the Company need not disregard a vote if, in relation to Resolution 6:

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- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Exclusion Statement – Part 2E of the Corporations Act

For the purposes of Part 2E of the Corporations Act, a vote on Resolution 6 must not be cast by or on behalf of:

- (a) Mr Marsden; and
- (b) any associate of Mr Marsden.

However, this does not prevent the casting of a vote on Resolution 6 if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) directly above.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 6 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 6 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 6 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 6, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

7. Resolution 7 – Approval of Performance Rights Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That for the purpose of Exception 9(b) of Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, Shareholders approve the performance rights plan (PRP) and the Company be authorised to grant Performance Rights from time to time under the PRP as an exception to Listing Rule 7.1 of the ASX Listing Rules in accordance with the terms and conditions outlined in the Explanatory Memorandum”.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 7 by:

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- (a) any Director who is entitled to participate in the Performance Rights Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 7 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 7 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 7 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 7, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

8. Resolution 8 – Issue of Performance Rights to Simon Hickey

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That in accordance with Section 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 1,000,000 Performance Rights to Mr Simon Hickey, being an Executive Director of the Company, or his nominee and otherwise on the terms set out in the Explanatory Memorandum”.

Voting Exclusion Statement

For the purposes of Listing Rule 10.11, the Company will disregard any votes cast on this Resolution by:

- (a) Simon Hickey; and
- (b) Any associate of Simon Hickey.

However, the Company need not disregard a vote if:

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- (c) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Exclusion Statement – Part 2E of the Corporations Act

For the purposes of Part 2E of the Corporations Act, a vote on Resolution 8 must not be cast by or on behalf of:

- (a) Mr Hickey; and
- (b) any associate of Mr Hickey.

However, this does not prevent the casting of a vote on Resolution 8 if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) directly above.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 8 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 8 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 8 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 8, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

9. Resolution 9 – Issue of Performance Rights to John de Stefani

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

“That in accordance with Section 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 5,450,667 Performance Rights to Mr John de Stefani, being the Managing Director of the Company, or his nominee and otherwise on the terms set out in the Explanatory Memorandum”.

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Voting Exclusion Statement

For the purposes of Listing Rule 10.11, the Company will disregard any votes cast on this Resolution by:

- (a) John De Stefani; and
- (b) Any associate of John de Stefani.

However, the Company need not disregard a vote if:

- (c) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Exclusion Statement – Part 2E of the Corporations Act

For the purposes of Part 2E of the Corporations Act, a vote on Resolution 9 must not be cast by or on behalf of:

- (a) Mr de Stefani; and
- (b) any associate of Mr de Stefani.

However, this does not prevent the casting of a vote on Resolution 9 if it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) directly above.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 9 is connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 9 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 9 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 9, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

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10. Resolution 10 – Issue of Director Shares in Lieu of Director fees to John de Stefani under the Directors’ Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 2,373,677 fully paid ordinary shares (**Director Shares**) to John de Stefani under the previously approved Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 10 by:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 10 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 10 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 10 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 10, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

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11. Resolution 11 – Issue of Director Shares in Lieu of Director fees to Simon Hickey under the Directors’ Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 2,129,032 fully paid ordinary shares (**Director Shares**) to Simon Hickey under the previously approved Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 11 by:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 11 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 11 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 11 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 11, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

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12. Resolution 12 – Issue of Director Shares in Lieu of Director fees to Keith Skipper under the Directors' Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 1,161,290 fully paid ordinary shares (**Director Shares**) to Keith Skipper under the previously approved Directors' Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 12 by:

- (a) any Director who is entitled to participate in the Director's Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 12 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 12 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 12 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 12, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

Notice of Annual General Meeting

13. Resolution 13 – Issue of Director Shares in Lieu of Director fees to Stephen Bizzell under the Directors’ Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 1,161,290 fully paid ordinary shares (**Director Shares**) to Stephen Bizzell under the previously approved Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 13 by:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 13 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 13 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 13 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 13, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

Notice of Annual General Meeting

14. Resolution 14 – Issue of Director Shares in Lieu of Director fees to Garry Marsden under the Director’s Fee Plan

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*“That in accordance with Listing Rule 10.14 and for the purposes of Listing Rule 7.2 exception 14 and all other purposes, the Company be authorised to issue up to 1,161,290 fully paid ordinary shares (**Director Shares**) to Garry Marsden under the previously approved Directors’ Fee Plan (for the issue of shares to Directors in lieu of fees for services) detailed in the Explanatory Memorandum.”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 14 by:

- (a) any Director who is entitled to participate in the Director’s Fee Plan; and
- (b) any associate of that person or persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 14 is a resolution connected directly or indirectly with the remuneration of a member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 14 must not be cast by:

- (a) any member of the KMP for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such KMP,

who is appointed as a Shareholder’s proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 14 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 14, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

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SPECIAL BUSINESS

15. Resolution 15 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following Resolution, as a Special Resolution, without amendment:

“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities).”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 15 by:

- (a) a person who may participate in the issue of the Placement Securities and a person who might obtain a benefit if this Resolution 15 is passed, except a benefit solely in their capacity as a holder of Shares if the Resolution is passed; and
- (b) an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board



12 October 2017
Drew Speedy
Company Secretary

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **UIL Energy Ltd ACN 153 352 160 (Company)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of HopgoodGanim, Level 7, 1 Eagle Street, Brisbane, Queensland on Wednesday 29 November 2017 commencing at 9:00am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 12.

2. Financial Statements

The Corporations Act requires that the Company's Annual Financial Report for the period ending 30 June 2017 (including the Directors' Report, Directors' Declaration, the Remuneration Report and the Auditor's Report) be laid before the Annual General Meeting for discussion. Although not requiring a vote of members, an opportunity will be provided for members to ask questions on the Annual Financial Report.

The Company's Annual Report 2017, which contains the Remuneration Report, is available on the Company's website <http://www.uilenergy.com.au>

3. Resolution 1 - Adoption of Remuneration Report

3.1 Remuneration Report

In accordance with Section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Financial Report for the period ending 30 June 2017 and is available on the Company's website <http://www.uilenergy.com.au>. The Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- (d) details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

3.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

Explanatory Memorandum

3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

As set out in the voting exclusion statement to Resolution 1, there are restrictions on members of the Key Management Personnel and their Closely Related Parties (in any capacity) and their proxies voting on Resolution 1.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

4. Resolution 2 - Re-election of Mr Stephen Bizzell as a Director

Mr Stephen Bizzell retires by rotation in accordance with ASX Listing Rule 14.4 and Rule 20.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director.

In accordance with ASX Listing Rule 14.4 and under Rule 20.2 of the Company's Constitution, one-third of Directors or if their number is not a multiple of three then the number nearest to but not more than one-third of the Directors for the time being, are required to retire at each annual general meeting (excluding directors seeking election at the meeting for the first time, or the Managing Director) and are eligible for re-election.

Mr Bizzell retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Stephen Bizzell's qualifications and experience

Mr Bizzell has over 20 years' corporate finance and public company management experience in the energy and resources sector in Australia and Canada. He is a former director of Arrow Energy and Bow Energy prior to their \$3.5 billion and \$550 million takeovers, respectively.

Mr Bizzell is the chairman of Bizzell Capital Partners Pty Ltd, which is a boutique corporate advisory and funds management group. Mr Bizzell is currently a non-executive director of Armour Energy Ltd, Stanmore Coal Ltd, Renascor Resources Ltd and Laneway Resources Ltd as well as other unlisted companies.

Mr Bizzell has a Bachelor of Commerce and is a member of the Australian Institute of Company Directors.

Mr Bizzell is a member of the Company's Audit and Risk Management Committee.

The Directors (with Mr Bizzell abstaining) recommend that you vote in favour of Resolution 2.

5. Resolution 3 - Approval of Employee Share Option Plan

Pursuant to Resolution 3 the Company is seeking Shareholder approval for the continued issue of securities under the Company's Employee Share Option Plan (**ESOP**) as an exception to Listing Rule 7.1 which would enable securities issued under the ESOP over the next three years to be excluded from the calculation of the number of securities issued for the purposes of Listing Rule 7.1.

The Board of the Company has previously adopted the ESOP to utilise it as a means of rewarding its key employees. The ESOP was adopted prior to listing of the Company in 2014 and details of the ESOP were first outlined in the Prospectus.

A summary of the terms of the ESOP are set out in Schedule 1 of this Explanatory Memorandum.

Explanatory Memorandum

5.1 Listing Rule 7.1

Subject to certain exemptions (none of which are relevant here) Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue equity securities (including shares or options) in any 12 month period which amounts to more than 15% of the Company's ordinary securities on issue without shareholder approval.

As a result, any issue of securities by the Company to eligible employees under the ESOP would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9 of Listing Rule 7.2 however, allows a company to issue securities without specific shareholder approval and without reducing the 15% capacity under Listing Rule 7.1 where shareholders of a company have approved the issue of securities under an ESOP as an exception to Listing Rule 7.1 within three (3) years prior to the issue of the securities. Resolution 3 is being put to the Shareholders for this purpose and will allow the Company to utilise Exception 9 to Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

5.2 Information for Shareholders

In accordance with Exception 9 of Listing Rule 7.2 the Company advises as follows:

- a summary of the terms of the ESOP are set out in Schedule 1; and
- no options have been issued to eligible employees pursuant to the ESOP.

The Directors recommend that you vote in favour of this Resolution 3.

6. Resolution 4, 5 and 6 – Approval for Issue of Options to Directors

6.1 Introduction

The Directors have resolved to refer to Shareholders for approval the issue of 750,000 Options each to Messrs Bizzell, Skipper and Marsden exercisable at the greater of \$0.075 or the 7 day VWAP prior to the AGM date (being 29 November 2017) and expiring on 31 December 2020 and otherwise being on the terms set out in Schedule 2 to this Explanatory Memorandum.

Approval for the issue of the Options is sought in accordance with the provisions of ASX Listing Rule 10.11 and Part 2E of the Corporations Act. In order for the Options to be granted to a Director, the requirements of Chapter 2E of the Corporations Act need to be observed. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

6.2 Option Terms

A summary of the material terms of the Options are set out in Schedule 2.

6.3 Regulatory Requirements

(a) Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. One of the exceptions includes where a company first obtain the approval of its shareholders in general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met.

For the purposes of the Corporations Act, a "related party" is defined widely and includes a director of a public company.

Explanatory Memorandum

A “financial benefit” has a wide meaning for the purposes of the Corporations Act. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed resolutions 4 to 6, if passed, will confer financial benefits on Messrs Bizzell, Skipper and Marsden (being related parties of the Company), and the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders.

(1) **The related parties to whom Resolutions 4, 5 and 6 would permit the financial benefit to be given**

With regards to Resolution 4, the financial benefit is being provided to Mr Stephen Bizzell, being a Director of the Company.

With regards to Resolution 5, the financial benefit is being provided to Mr Keith Skipper, being a Director of the Company.

With regards to Resolution 6, the financial benefit is being provided to Mr Garry Marsden, being a Director of the Company.

(2) **The nature of the financial benefit**

The nature of the proposed financial benefit to be given is:

- (a) the issue of 750,000 Options each to Messrs Bizzell, Skipper and Marsden, or their respective nominees, as referred to in Resolutions 4, 5 and 6;
- (b) the Options shall be granted for nil consideration;
- (c) the Options shall vest and be capable of exercise into fully paid ordinary Shares on the date that is three months after the date of issue;
- (d) the Options shall be exercisable into fully paid ordinary Shares at an exercise price the greater of \$0.075 or the 7 day VWAP prior to the AGM date being 29 November 2017 each on or before 31 December 2020, provided that the Options have not expired in accordance with their terms.

(3) **Directors' Recommendation**

With respect to Resolutions 4, 5 and 6 the Directors, other than Messrs Bizzell, Skipper and Marsden recommend that Shareholders vote in favour of Resolutions 4, 5 and 6. The Directors (with the exception of Messrs Bizzell, Skipper and Marsden) have formed the view that Resolutions 4, 5 and 6 be put to Shareholders for the following reasons:

- (e) the grant of Options as proposed to Messrs Bizzell, Skipper and Marsden will provide them with reward and incentive for future services they will provide to the Company to further the progress of the Company;
- (f) the Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (g) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, the Directors (with the exception of Messrs Bizzell, Skipper and Marsden) considered that the incentive provided a cost effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being

Explanatory Memorandum

the potentially dilutionary impact of the issue of Shares on the conversion of the Options.

As Messrs Bizzell, Skipper and Marsden are interested in the outcome of Resolutions 4, 5 and 6 respectively, they accordingly make no recommendation to Shareholders in respect of these Resolutions.

(4) **Directors' interests and other remuneration**

Mr Bizzell

Mr Stephen Bizzell has a material personal interest in the outcome of Resolution 4, as it is proposed that the Options be issued to him (or his nominee) as set out in Resolution 4.

Excluding the Options proposed to be issued to Mr Bizzell, Mr Bizzell (and entities associated with him) holds 11,565,228 Shares and 4,655,400 Options. Please refer to the table below under the heading "Dilutionary Effect" which indicates the dilutionary impact on the current shareholders of the Company should Mr Bizzell exercise the Options issued to him under Resolution 4.

Other than the Options to be issued to Mr Bizzell (or his nominee) pursuant to Resolution 4, Mr Bizzell receives fixed remuneration of \$36,000 from the Company for his services as a Non-Executive Director of the Company.

Mr Skipper

Mr Keith Skipper has a material personal interest in the outcome of Resolution 5, as it is proposed that the Options be issued to him (or his nominee) as set out in Resolution 5.

Excluding the Options proposed to be issued to Mr Skipper, Mr Skipper (and entities associated with him) holds 601,970 Shares. Please refer to the table below under the heading "Dilutionary Effect" which indicates the dilutionary impact on the current shareholders of the Company should Mr Skipper exercise the Options issued to him under Resolution 5.

Other than the Options to be issued to Mr Skipper (or his nominee) pursuant to Resolution 5, Mr Skipper receives fixed remuneration of \$36,000 from the Company for his services as a Non-Executive Director of the Company.

Mr Marsden

Mr Garry Marsden has a material personal interest in the outcome of Resolution 6, as it is proposed that the Options be issued to him (or his nominee) as set out in Resolution 6.

Excluding the Options proposed to be issued to Mr Marsden, Mr Marsden (and entities associated with him) holds 1,006,155 Shares, 400,000 Options and 58,143 Class B Convertible Redeemable Preference Shares. Please refer to the table below under the heading "Dilutionary Effect" which indicates the dilutionary impact on the current shareholders of the Company should Mr Marsden exercise the Options issued to him under Resolution 6.

Other than the Options to be issued to Mr Marsden (or his nominee) pursuant to Resolution 6, Mr Skipper receives fixed remuneration of \$36,000 from the Company for his services as a Non-Executive Director of the Company.

(5) **Valuation**

The Options are not quoted on the ASX and as such have no ready market value. The Options each grant the holder a right to subscribe for one Share in

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the Company upon exercise of the Options and payment of the Exercise Price. Accordingly, the Options may have a present value at the date of their issue.

The Options may acquire future value dependent upon the extent to which the Shares exceed the exercise price of the Options during the term of the Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have a value. Various factors impact upon the value of options including:

- the period outstanding before the expiry date of the options;
- the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (ie whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- the value of the shares into which the options may be converted; and
- whether the options are listed (ie readily capable of being liquidated).

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model option valuation formula).

The Company has undertaken a valuation of the Options, for the purposes of disclosing to Shareholders such information required to decide whether or not it is in the Company's interest to pass Resolutions 4, 5 and 6 and disclosing expenses in the Company's Financial Statements in accordance with AASB 2 Share Based Payments, using the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model was:

- the exercise price of the Options being \$0.075
- the Share price at the time of issue of the Options being \$0.031;
- expiry date of 31 December 2020 for the Options proposed to be issued to Messrs Bizzell, Skipper and Marsden;
- a volatility measure of 100%;
- a risk-free interest rate of 2.21%; and
- a dividend yield of nil.

Some relatively minor variables were included in the calculation to estimate the value of Options as "American style" options (being exercisable at any time prior to the stated expiry date). Theoretically, the Black-Scholes Model prices "European style" options (being exercisable only on the exercise date).

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Based on the Black-Scholes Model valuation of the Options, the Company has adopted an indicative value for the Options of \$0.014 each.

On that basis, the value of the Options to be issued pursuant to Resolutions 4, 5 and 6 is \$10,657 each for Messrs Bizzell, Skipper and Marsden.

(6) **Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors**

There is no other information known to the Company or any of its Directors that is reasonably required by Shareholders to make a decision with respect to Resolutions 4, 5 and 6 save and except as follows:

Market Price movements

The valuation of \$0.014 per Option noted above is based on an issue price per Share of \$0.031 cents which was the trading price of Shares on the close of trade on 9 October 2017.

There is a possibility that the market price of the Shares will change which would alter the valuation.

Trading history

In the 12 months prior to 10 October 2017, the Company's trading history is as follows:

- the highest trading price was \$0.055 on 9 November 2016;
- the lowest trading price was \$0.022 on 5 September 2017; and
- The VWAP per Share over the 12 month period prior to 10 October 2017 was \$0.036.

The trading price of the Shares on the close of trading on 11 October 2017 (being the last trading day before this Notice of Meeting was printed) was \$0.031.

Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Options to Messrs Bizzell, Skipper and Marsden (or their respective nominees) is the potentially dilutionary impact on the issued Share capital of the company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares may be detrimental to the Company, if at all, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

It is also considered that the potential increase of value in the Options is dependent upon a relative increase in the value of the Company generally.

Taxation Consequences

No stamp duty will be payable in respect of the grant of the Options. No GST will be payable by the Company in respect of the grant of the Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument.

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Under the accounting standards this amount will be expensed in the statement of comprehensive income. Where the grant date and the vesting date are different, the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Dilutionary Effect

If all of the Options issued to Messrs Bizzell, Skipper and Marsden under Resolutions 4, 5 and 6 are exercised by the respective recipients (or their respective nominees), the following will be the effect on their holdings in the Company and the dilutionary impact on the current Shareholders of the Company:

Shareholder	Current Share Holding⁽¹⁾	% of Total Share Capital⁽¹⁾	Shares held upon exercise of Options⁽¹⁾⁽²⁾	% of Total Share Capital upon exercise of Options⁽¹⁾⁽²⁾
Stephen Bizzell (and his associated entities)	11,565,228	5.91%	12,315,228	6.22%
Keith Skipper (and his associated entities)	601,970	0.31%	1,351,970	0.68%
Garry Marsden (and his associated entities)	1,006,155	0.51%	1,756,155	0.89%
Other Shareholders	182,564,751	93.27%	182,564,751	92.21%
Total	195,738,104	100%	197,988,104	100%

Notes:

- (1) Based upon the current share capital at the date of this Notice of Meeting of 195,738,104 and assumes that no current options on issue are exercised and no other securities are issued, including any shares and options under any other resolution in this Notice.
- (2) Assuming that all of the Options issued to Messrs Bizzell, Skipper and Marsden (or their respective nominees) pursuant to Resolution 4, 5 and 6 convert into Shares in accordance with their terms.

Schedule 6 sets out the interests of all Directors if all Resolutions under this Notice are approved.

(b) Listing Rule 10.11

Listing Rule 10.11 requires an entity to obtain the approval of shareholders for an issue of securities to a related party. Messrs Bizzell, Skipper and Marsden, being Directors of the Company, are related parties. Accordingly, because the issue of the

Explanatory Memorandum

Options will result in the Company issuing securities to related parties, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- (1) the maximum number of Options to be issued to Messrs Bizzell, Skipper and Marsden (or their associate) is 750,000 Options each;
- (2) the issue price of the Options is nil;
- (3) the exercise price of the Options is \$0.075;
- (4) the Options are intended to be granted as soon as possible following the Meeting, but in any event, within one (1) month following the date of the Meeting;
- (5) the Options are being issued for nil consideration;
- (6) no funds are being raised by the Options.

The terms of the Options are set out in Schedule 2.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 4, 5 and 6.

(c) **Voting Restriction**

There are restrictions on voting on Resolutions 4, 5 and 6 by Directors and their associates and KMP and their Closely Related Parties, for additional details please refer to the Voting Exclusion Statement in relation to Resolutions 4, 5 and 6 of the Notice of Meeting.

7. Resolution 7 – Approval of Performance Rights Plan

Pursuant to Resolution 7 the Company is seeking Shareholder approval for the continued issue of securities under the Company's Performance Rights Plan (**Rights Plan**) as an exception to Listing Rule 7.1 which would enable securities issued under the Rights Plan over the next three years to be excluded from the calculation of the number of securities issued for the purposes of Listing Rule 7.1.

The Board of the Company previously adopted the Rights Plan to utilise it as a means of rewarding its key employees. The Rights Plan was adopted prior to listing of the Company in 2014 and details of the Rights Plan were first outlined in the Prospectus.

A summary of the terms of the Rights Plan is set out in Schedule 3 of this Explanatory Memorandum.

7.1 Listing Rule 7.1

Subject to certain exemptions (none of which are relevant here) Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue equity securities (including shares or options) in any 12 month period which amounts to more than 15% of the Company's ordinary securities on issue without shareholder approval.

As a result, any issue of securities by the Company to eligible employees under the Rights Plan would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

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Exception 9 of Listing Rule 7.2 however, allows a company to issue securities without specific shareholder approval and without reducing the 15% capacity under Listing Rule 7.1 where shareholders of a company have approved the issue of securities under Rights Plan as an exception to Listing Rule 7.1 within three (3) years prior to the issue of the securities. Resolution 7 is being put to the Shareholders for this purpose and will allow the Company to utilise Exception 9 to Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

7.2 Information for Shareholders

In accordance with Exception 9 of Listing Rule 7.2 the Company advises as follows:

- A summary of the terms of the Rights Plan are set out in Schedule 3;
- There are a total of 6,104,218 performance rights currently on issue to eligible employees pursuant to the Rights Plan (and issued since the Rights Plan was established) including the following:
 - 6,104,218 performance rights issued on 16 May 2017 (convertible into Shares on a 1:1 basis) with performance hurdles to be met by the vesting date of 30 November 2018. The performance rights expire on 31 December 2018.
- A voting exclusion statement has been included in the Notice of Meeting for the purposes of this Resolution 7.

The Directors recommend that you vote in favour of this Ordinary Resolution.

8. Resolutions 8 and 9 - Approval for Issue of Performance Rights to Executive Directors

8.1 Background

The company is seeking approval for the issue of Performance Rights to Messrs Hickey and de Stefani in accordance with Listing Rule 10.11 and Part 2E of the Corporations Act.

As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

Whilst the Rights Plan is being approved under Resolution 7, the Performance Rights to be issued to Messrs Hickey and de Stefani will not be issued under the Rights Plan (however will have the same rights attaching as those set out in the Rights Plan).

8.2 Terms

The Company proposes to issue to the following Performance Rights:

- (a) 1,000,000 Performance Rights to Mr Simon Hickey vesting (subject to satisfaction of conditions) on 30 November 2018 and expiring 31 December 2018; and
- (b) 5,450,667 Performance Rights to Mr John de Stefani vesting (subject to satisfaction of conditions) on 30 November 2018 and expiring 31 December 2018.

Other than the terms set out above, the Performance Rights to be issued to Mr Hickey and Mr de Stefani on the terms summarised in Schedule 4 and otherwise on the same terms as contained under the Rights Plan, the terms of which are summarised in Schedule 3.

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8.3 Relevant Legislation - Chapter 2E of the Corporations Act, Listing Rule 10.11 and Listing Rule 7.1

Chapter 2E of the Corporations Act

Section 6.3(a) sets out details concerning the requirements of Chapter 2E of the Corporations Act.

8.4 Listing Rule 10.11

Listing Rule 10.11 requires that an entity must obtain the approval of Shareholders to issue Securities to a Related Party and in doing so must provide the information specified in Listing Rule 10.13, unless an exception applies.

8.5 Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without the prior approval of a majority of disinterested shareholders, or the issue otherwise comes within one of the exceptions to Listing Rule 7.1 (**15% Rule**). However, under Listing Rule 7.2 (Exception 14), if approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. Therefore the issue of the Performance Rights to the Directors under Resolutions 8 and 9, if passed, will not count towards the Company's 15% Capacity under Listing Rule 7.1.

8.6 Shareholder Approval Requirement

Resolutions 8 and 9, if passed, will confer financial benefits and involve the issue of Performance Rights to Mr Simon Hickey and Mr John de Stefani, being Related Parties of the Company.

Therefore the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act and Listing Rule 10.11.

As approval is being sought under Listing Rule 10.11, in accordance with Listing Rule 7.2 (Exception 14) approval will not be required under Listing Rule 7.1. Therefore the issue of the Performance Rights to Mr Hickey and Mr de Stefani under Resolutions 8 and 9 will not count towards the Company's 15% Capacity under Listing Rule 7.1.

8.7 Information for Shareholders

Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act and for all other purposes the following information is provided to shareholders:

(a) **The Related Party to whom Resolutions 8 and 9 would permit the financial benefit to be given (section 219(1)(a))**

The proposed financial benefit will be given to Mr Simon Hickey and Mr John de Stefani who are Directors of the Company and therefore are Related Parties.

(b) **The nature of the financial benefit (section 219(1)(b))**

The nature of the proposed financial benefit to be given is the issue of:

- (1) 1,000,000 Performance Rights vesting on 30 November 2018 and expiring 31 December 2018 after vesting to Mr Simon Hickey; and

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- (2) 5,450,667 Performance Rights vesting on 30 November 2018 and expiring 31 December 2018 after vesting to Mr John de Stefani.

(c) **Directors' Recommendation (section 219(1)(c))**

With respect to Resolutions 8 and 9, the Directors, other than Messrs Hickey and de Stefani recommend that Shareholders vote in favour of Resolutions 8 and 9. The Directors (with the exception of Messrs Hickey and de Stefani) have formed the view that Resolutions 8 and 9 be put to Shareholders for the following reasons:

- (1) the grant of Performance Rights as proposed to Messrs Hickey and de Stefani will provide them with reward and incentive for future services they will provide to the Company to further the progress of the Company;
- (2) the Performance Rights are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (3) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, the Directors (with the exception of Messrs Hickey and de Stefani) considered that the incentive provided a cost effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the potentially dilutionary impact of the issue of Shares on the conversion of the Performance Rights.

As Messrs Hickey and de Stefani are interested in the outcome of Resolutions 8 and 9 respectively, they accordingly make no recommendation to Shareholders in respect of these Resolutions.

(d) **Directors' Interest and other remuneration (section 219(1)(d))**

Mr Hickey

Mr Hickey has a material personal interest in the outcome of Resolution 8, as it is proposed that the Performance Rights be issued to him (or his nominee) as set out in Resolution 8 .

Excluding the Performance Rights proposed to be issued to Mr Hickey, Mr Hickey (and entities associated with him) holds 20,106,932 Shares and 1,042,074 Options. Please refer to the table below under the heading "Dilutionary Effect" which indicates the dilutionary impact on the current shareholders of the Company should Mr Hickey exercise the Performance Rights issued to him under Resolution 8.

Other than the Performance Rights to be issued to Mr Hickey (or his nominee) pursuant to Resolution 8 , Mr Hickey receives fixed remuneration of \$66,000 from the Company for his services as Executive Chairman of the Company.

Mr de Stefani

Mr de Stefani has a material personal interest in the outcome of Resolution 9, as it is proposed that the Performance Rights be issued to him (or his nominee) as set out in Resolution 9.

Excluding the Performance Rights proposed to be issued to Mr de Stefani, Mr de Stefani (and entities associated with him) holds 18,174,592 Shares and 2,223,401 Options. Please refer to the table below under the heading "Dilutionary Effect" which indicates the dilutionary impact on the current shareholders of the Company should Mr de Stefani exercise the Performance Rights issued to him under Resolution 9.

Other than the Performance Rights to be issued to Mr de Stefani (or his nominee) pursuant to Resolution 9, Mr de Stefani receives fixed remuneration of \$147,168 from the Company for his services as Managing Director of the Company.

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(e) Valuation

The Performance Rights are not currently quoted on the ASX and as such have no market value. The Performance Rights grant each holder on exercise each Performance Right a right to one ordinary Share in the Company. Accordingly, the Performance Rights may have a present value at the date of their grant.

Various factors impact upon the value of Performance Rights including:

- (1) the period outstanding before the expiry date of the Performance Rights;
- (2) the underlying price or value of the securities into which they may be converted;
- (3) the proportion of the issued capital as expanded consequent upon the conversion of the Performance Rights and the issue of the resultant Shares (i.e. whether or not the Shares that might be acquired upon conversion of the Performance Rights represent a controlling or other significant interest); and
- (4) the value of the resultant shares on the conversion of the Performance Rights.

There are various formulae which can be applied to determining the theoretical value of performance rights (including the formula known as the Black-Scholes Model valuation formula).

The Company has undertaken a valuation of the Performance Rights, for the purposes of disclosing to Shareholders such information required to decide whether or not it is in the Company's interest to pass Resolutions 8 and 9 and disclosing expenses in the Company's Financial Statements in accordance with AASB 2 Share Based Payments, using the Black-Scholes Model, which is the most widely used and recognised model for pricing performance rights. The value of a performance right calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model was:

- (A) the exercise price of each Performance Right being nil;
- (B) a market price of Shares of \$0.031
- (C) expiry date of 31 December 2018;
- (D) a volatility measure of 100%
- (E) a risk-free interest rate of 1.91%; and
- (F) a dividend yield of 0%.

Based on the Black-Scholes Model valuation of the Performance Rights, the Company has adopted an indicative value of the Performance Rights:

- (1) Under Resolution 8 to Mr Hickey, \$31,000;
- (2) Under Resolution 9 to Mr de Stefani, \$168,971.

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The above valuations have not considered the probability of the vesting conditions being met and represent the maximum valuation of performance rights based on the inputs detailed above.

- (f) **Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors (section 219(1)(e) and 219(2))**

There is no other information known to the Company or any of its Directors save and except as follows:

Market Price movements

Refer to section 6.3(a)(5) in relation to the market price movements.

Trading history

Refer to section 6.3(a)(5) in relation to the Company's trading history.

Opportunity Costs

Refer to section 6.3(a)(5) in relation to the opportunity costs associated with the issue of Performance Rights.

Taxation Consequences

Refer to section 6.3(a)(5) in relation to the taxation consequences

Dilutionary Effect

The effect that the issue of the Shares on the exercise of the Performance Rights (assuming that the conversion is effected), that none of the existing options on issue in the Company have been exercised and no other Shares are issued, is as follows:

Shareholder	Current Share Holding⁽¹⁾	% of Total Share Capital⁽¹⁾	Shares held upon exercise of Performance Rights ⁽¹⁾⁽²⁾.	% of Total Share Capital upon exercise of Performance Rights⁽¹⁾⁽²⁾.
Simon Hickey (and his associated entities)	20,106,932	10.27	21,106,932	10.44
John de Stefani (and his associated entities)	18,174,592	9.29	23,625,259	11.68
Other Shareholders	157,456,580	80.44	157,456,580	77.88
Total	195,738,104	100%	202,188,771	100%

Notes:

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- (1) Based upon the current share capital at the date of this Notice of Meeting of 195,738,104 and assumes that no current options on issue are exercised and no other securities are issued, including any shares and options under any other resolution in this Notice.
- (2) Assuming that all of the Performance Rights issued to Messrs Hickey and de Stefani (or their respective nominees) pursuant to Resolutions 8 and 9 convert into Shares in accordance with their terms.

Schedule 6 sets out the interests of all Directors if all Resolutions under this Notice are approved.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to the benefits contemplated by Resolutions 8 and 9.

Listing Rule 10.13

For the purposes of Listing Rule 10.13 and for all other purposes the following information is provided to Shareholders:

(g) **10.13.1 and 10.13.4: Name and relationship of the Related Party**

The Related Parties are Mr Simon Hickey and Mr John De Stefani who are Directors of the Company.

(h) **10.13.2: Maximum Number of Securities to be issued (if known) or the formula for calculating the number of Securities to be issued**

The maximum number of Equity Securities to be issued are as follows:

- (1) 1,000,000 Performance Rights to Mr Simon Hickey; and
- (2) 5,450,667 Performance Rights to Mr John de Stefani.

(i) **10.13.3: Date by which the Securities will be issued**

The Company will issue the Performance Rights as soon as possible but in any event within one month following this Meeting.

(j) **10.13.4: Issue price and terms of the Securities**

- (1) The Performance Rights:
 - will be issued for nil consideration;
 - the issue price of each Performance Right is nil;
 - the exercise price of each Performance Right is nil; and
 - subject to meeting the vesting conditions, vest on 30 November 2018.

The remainder of the terms of the Performance Rights to be issued to Mr Simon Hickey and Mr John De Stefani will be as per the terms set out in the Rights Plan, a summary of which is set out in Schedule 3. Whilst the Performance Rights will carry the same terms as the Rights Plan, the Performance Rights are not being issued under the Rights Plan. Any Shares issued as a result of the exercise of the conversion of the Performance Rights will rank pari passu with all of the other fully paid ordinary shares on issue in the Company.

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(k) **10.13.6A: Intended use of funds raised**

No funds are being raised by the issue of the Performance Rights to Mr Simon Hickey and Mr John De Stefani.

(l) **10.13.6: Voting exclusion statement**

The relevant voting exclusion statement is set out in Resolutions 8 and 9 in the Notice of Meeting.

9. Resolutions 10, 11, 12, 13 and 14 – Issue of Director Shares in Lieu of Director Fees

9.1 Introduction

The Directors have resolved to refer to Shareholders for approval the proposed issue of up to a maximum of 7,986,581 fully paid ordinary Shares in aggregate to John de Stefani, Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden, the current executive and non-executive directors of the Company, and to any person appointed as a director of the Company in the ensuing 12 months, or to their respective nominees (**Participating Director**), pursuant to the Director's Fee Plan (**Fee Plan**) which was approved for the purposes of Listing Rule 7.2 exception 9 at the 2015 Annual General Meeting. The Shares will be issued in lieu of remuneration for the provision of services by the Directors. The terms of the Shares to be issued to the Participating Directors (**Director Shares**) are set out in more detail below.

The Directors believe that the benefit of the proposed issue of Shares to Shareholders will be the conservation of cash for the Company to maintain a satisfactory level of working capital, as well as aligning the interest of directors with those of the Company and the Shareholders.

Because each of the Participating Directors is a related party of the Company for the purposes of ASX Listing Rule 10.11, approval for the Fee Plan and the issue of the Director Shares pursuant to the Fee Plan is sought in accordance with Listing Rule 10.14. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rule 10.11. If approved, the issue of Directors Shares pursuant to ASX Listing Rule 10.14 (and for the purposes of ASX Listing Rule 7.2 exception 9) will not be counted towards the Company's 15% for the purposes of ASX Listing Rule 7.1.

9.2 Background to the Proposal

A Director's Fee Plan was presented and approved at the 2015 Annual General Meeting to enable the Directors to receive Shares in lieu of cash remuneration. All Directors have agreed to propose the issue of shares as a precautionary measure to issue up to 50% of the remuneration of the managing director and up to 100% of the remuneration for the remaining Participating Directors payable in Shares (pending this approval) if required, for the ensuing 12 months.

Approval at this meeting is being sought for the issue of Director Shares to the Participating Directors in lieu of all or part of their Director's fees and remuneration pursuant to the Fee Plan for the 12 months following the Meeting. As such the Director Shares will be granted for nil cash consideration and no funds will be raised from their issue.

9.3 Listing Rule 10.14

Because each of the Participating Directors is a related party of the Company for the purposes of Listing Rule 10.11, the proposed issue of Director Shares to Participating Directors under the Plan must be approved under Listing Rule 10.14.

If approval is given under Listing Rule 10.14 approval is not required under Listing Rule 7.1. Accordingly, if approved, the issue of the Director Shares pursuant to Listing Rule 10.14 will

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not be counted towards the Company's 15% for the purpose of Listing Rule 7.1. As a result, the Directors of the Company will be able to consider additional funding initiatives consistent with the provisions of ASX Listing Rule 7.1 without diminishing its issue capacity under Listing Rule 7.1.

9.4 Information on the Issue of Director Shares

The terms of the Fee Plan under which Directors may be issued Director Shares in lieu of fees and remuneration, including the formula for calculating the issue price, are set out in Schedule 5.

As the Fee Plan is intended to operate for 12 months after the Meeting, and because the trading price for the Shares on the ASX may fluctuate, approval is sought for a maximum of 7,986,581 Director Shares. This number has been determined on the basis of:

- (a) in the case of the current Participating Directors other than the managing director, the maximum aggregate amount of fees payable to Directors over a one year period of \$174,000;
- (b) in the case of the Participating Director who is a managing director, a maximum annual amount of \$73,584; and
- (c) an issue price of \$0.031, being the closing share price on 9th October 2017.

Accordingly, if the Director Shares are issued at \$0.031 and 50% of the managing director's remuneration and all of the other Participating Directors remuneration is nominated to be issued as Director Shares, the maximum number of 7,986,581 Director Shares would be issued (representing 4.08% of the current issued share capital of the Company). However, if only 25% of the managing director's remuneration and only 50% of the other Participating Director's remuneration is nominated to be issued as Director Shares, the number of Director Shares issued would be 3,993,290 Director Shares (representing 2.04% of the current issued share capital of the Company).

Subject to this cap of 7,986,581 Director Shares, the number of Director Shares which will be issued in the 12 months from the date of the Meeting will be determined by the relevant issue price of the Shares at the time of issue and the level of remuneration which each Participating Director specifies is to be paid by way of the issue of Director Shares. If the maximum number of 9,010,753 Director Shares is reached before the expiration of 12 months from the Meeting, no further Director Shares will be issued.

Accordingly, if the average issue price of Director Shares issued during the 12 months after the Meeting is higher than \$0.031, for example, at \$0.05 and 50% of the managing director's remuneration and 100% of the remaining Participating Directors remuneration is nominated to be issued as Director Shares, the number of Director Shares issued during the next 12 months would be reduced (to 4,951,680 Director Shares at an issue price of \$0.05 representing 2.53% of the current issued share capital of the Company). If the average share price is lower than \$0.05, then the number of Director Shares issued in exchange for the amount of remuneration nominated will increase but the total number of Director Shares issued under the Fee Plan between the Participating Directors will not exceed 7,986,581 Director Shares.

9.5 Directors' Interests

All Participating Directors have a material interest in the outcome of Resolutions 10, 11, 12, 13 and 14, as it is proposed to issue shares to them (or their nominee).

If each of the Participating Directors participated in the Fee Plan for 100% of their directors remuneration (or 50% in the case of the Participating Director who is the managing director), then the effect on the holding of each Participating Director would be as follows:

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Participating Director	Current share holding	% of total share capital	Maximum shares issued (on the basis of an issue price of \$0.031) (3)	Shareholding after maximum shares issued (3)	% of total share capital after maximum shares issued (3)	Other securities
John de Stefani	18,174,592	9.29%	2,373,677(1)	20,548,269(1)	10.09% (1)	2,223,401 options
Simon Hickey	20,106,932	10.27%	2,129,032(2)	22,235,964(2)	10.91% (2)	1,042,074 options
Keith Skipper	601,970	0.31%	1,161,290(2)	1,763,260(2)	0.87% (2)	Nil
Stephen Bizzell	11,565,228	5.91%	1,161,290(2)	12,726,518(2)	6.25% (2)	4,655,400 options
Garry Marsden	1,006,155	0.51%	1,161,290(2)	2,167,445(2)	1.06% (2)	400,000 options and 58,143 Class B Preference Shares

Notes:

- (1) On the basis of Director Shares issued in lieu of 50% of remuneration as the managing director;
- (2) On the basis of Director Shares issued in lieu of 100% of remuneration as a director;
- (3) Based upon the current share capital at the date of this Notice of Meeting of 195,738,104 and assumes that no current options on issue are exercised and no other securities are issued, including any shares and options under any other resolution in this Notice.

Schedule 6 sets out the interests of all Directors if all Resolutions under this Notice are approved.

9.6 Information required under ASX Listing Rule 10.15

In accordance with Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

- (a) Director Shares will only be issued to Participating Directors or to their nominees;
- (b) Details of any Shares issued under the Fee Plan will be published in the Annual Report in respect of the period in which shares under the plan are issued;
- (c) The maximum number of Director Shares to be issued during the 12 months after the Meeting is 7,986,581. The number of Director Shares issued under the Fee Plan will be determined by the application of the relevant issue price to the level of remuneration nominated by the Participating Directors to be paid by the issue of Director Shares, but will not exceed 7,986,581 during the 12 months following the Meeting.
- (d) The issue price of each Director Share will be determined on the basis of the Volume Weighted Average Market Price of Shares for the last 30 Trading Days of the quarter

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for which an Election Notice has been given by a Participating Director and any fractional entitlement to be issued Director Shares will be rounded up to the nearest whole number;

- (e) No funds are being raised by the grant of the Directors Shares;
- (f) The details of the securities issued under the Fee Plan approved by shareholders at the 2015 Annual General Meeting are as follows:

Acquisition date of each security	14-Oct-16	17-Jan-17	13-Apr-17	12-Oct-17
Acquisition price of each security	\$0.0516	\$0.05	\$0.0416	\$0.0284
Recipient	Number of Securities			
Mr Simon Hickey	232,488	210,000	252,042	422,358
Mr John de Stefani	278,725	283,016	424,592	-
Mr Keith Skipper	87,183	90,000	108,018	316,769
Mr Stephen Bizzell	87,183	90,000	108,018	316,769
Mr Garry Marsden	-	90,000	108,018	316,769

- (g) The Participating Directors are John de Stefani, Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden and any person appointed as a Director of the Company during the 12 months after the Meeting;
- (h) No loans are being given in respect of the issue of any Director Shares;
- (i) A voting exclusion statement accompanies the Notice of Meeting in respect of resolutions 10, 11, 12, 13 and 14; and
- (j) The Director Shares are intended to be issued as and when elections are made by Participating Directors under the Fee Plan, the intention being that Director Shares would be issued to the Participating Directors in 4 tranches on the ending of each quarter (December 2017, March 2018, June 2018 and September 2018) and in any event no later than twelve (12) months following the date of the Meeting.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 10, 11, 12, 13 and 14.

9.7 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without shareholder approval unless the benefit falls within one of various exceptions to the general prohibition. The process for and requirements that need to be met for the convening of the shareholder's meeting are set out in Chapter 2E of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company, and entities controlled by him or her.

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A “financial benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company issuing securities to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolutions 10, 11, 12, 13 and 14, if passed, will confer a financial benefit on the Recipients. Each Director of the Company is considered a related party of the Company.

Under section 211 of the Corporations Act the Company is not required to obtain the approval of Shareholders if the financial benefit is remuneration which it would be reasonable to give in the circumstances of the Company and the related party. As the Director Shares are to be issued in lieu of remuneration payable to the Participating Directors the Board are of the view that the “remuneration” exception in section 211 of the Corporations Act is available to the Company.

9.8 Directors’ Recommendation

Each of John de Stefani, Simon Hickey, Keith Skipper, Stephen Bizzell and Garry Marsden has a material personal interest in Resolutions 10, 11, 12, 13 and 14 and do not make any recommendations.

10. Resolution 15 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

10.1 Introduction

Pursuant to Resolution 15, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company’s Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A, small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company’s current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 15.

10.2 Listing Rule 7.1A

(a) General

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(1) Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 9 October 2017, the Company's market capitalisation was \$6.03 million based on the closing trading price on that date. The calculation of market capitalisation will be based on the closing price of the shares, on the last trading day on which trades in the shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not anticipated to be included in the S&P/ASX300 Index as at the time of the Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September. The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution 15, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

(2) Special Resolution

Listing Rule 7.1A requires this Resolution 15 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

(3) Shareholder approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

(4) Formula for calculating Additional 10% Placement

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

(A x D) - E

Where:

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary

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securities under the entity's 15% placement capacity without shareholder approval); and

- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

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

D is 10%.

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

(b) Listing Rules 7.1 and 7.1A

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

At the date of this Notice of Meeting, the Company has on issue 195,738,104 Shares. Provided that the number of Shares on issue remains the same, the Company would have the capacity to issue the following Equity Securities on the date of the Meeting:

- (A) 29,360,716 Equity Securities under Listing Rule 7.1; and
- (B) subject to Shareholder approval being obtained under this Resolution 15 , 19,573,810 Placement Securities under Listing Rule 7.1A.

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

(c) Information to be given to ASX – Listing Rule 7.1A.4

If Resolution 15 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, will be released to the market on the date of issue:
- details of the dilution to the existing holders of Shares caused by the issue;
 - where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
 - details of any underwriting arrangements, including any fees payable to the underwriter; and
 - any other fees or costs incurred in connection with the issue.

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10.3 Specific information required by Listing Rule 7.3A

(a) Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

(b) Risk of economic and voting dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 15 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 195,738,104 Shares. Should the number of Shares on issue remain the same, the Company could issue 19,573,810 Placement Securities on the date of the meeting (however, it is important to note that the exact number of Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Table 1

Issued Capital	Share	50% decrease in Market Price \$0.0155		Current Market Price \$0.031		100% increase in Market Price \$0.062	
		10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
Present Issued Share Capital = 195,738,104		19,573,810	\$303,394	19,573,810	\$606,788	19,573,810	\$1,213,576

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Shares						
50% Increase in Share Capital = 293,607,156 Shares	29,360,716	\$455,091	29,360,716	\$910,182	29,360,716	\$1,820,364
100% Increase in Share Capital = 391,476,208 Shares	39,147,621	\$606,788	39,147,621	\$1,213,576	39,147,621	\$2,427,152

Assumptions and explanations

- The table assumes that there are 195,738,104 Shares on issue.
- Assumes a Market Price of \$0.031 based on the closing price of the shares on the ASX on 9 October 2017.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

(c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 29 November 2018. The approval under Resolution 15 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

(d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued exploration and further technical studies on the Company's current assets and general working capital.

(e) Shares issued for non-cash consideration - Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

(f) Company's allocation policy - Listing Rule 7.3A.5

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The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

(g) Company has previously obtained shareholder approval under listing rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 29 November 2016. The details of equity issued under Listing Rule 7.1A approval in the previous 12 months:

Date of Issue:	17 January 2017
Number issued:	465,210
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to consultants in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to consultants, D Speedy and D Cornish for the provision of consulting services.
Price at which equity securities were issued:	\$0.05 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees for 3 months from 1 Oct 2016 to 31 Dec 2016.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$14,442

Date of Issue:	13 April 2017
Number issued:	369,810
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to consultants in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to consultants, D Speedy and D Cornish for the provision of consulting services.
Price at which equity securities were issued:	\$0.04166 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees for 3 months

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	from 1 Jan 2017 to 31 Mar 2017.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$11,464

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities (quoted and unquoted) issued in the previous 12 months preceding the date of the AGM (that is, since 29 November 2016):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue on at commencement of 12 month period	181,619,232 Ordinary Shares 25,804,959 Share Options 35,000,000 Class B CRPS 242,424,191 Equity Securities (Total)
Equity securities issued in prior 12 month period	10,971,389 Shares 41,850,000 Share Options 6,104,218 Performance Rights 58,925,607 Equity Securities (Total)
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	24.31%

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

Date of Issue:	2 December 2016
Number issued:	7,000,000
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Shares issued to participants of the Company's SPP undertaken in October 2016 as approved at the Annual General meeting held on 29 November 2016.
Names of persons who received securities or basis on which those persons was determined	Participants of the SPP
Price at which equity securities were issued:	\$0.05
Consideration received:	\$350,000.
Use of Cash:	Continuing exploration activities in the Perth basin and for working capital.
Cash spent	Nil
Non-cash consideration paid:	Not Applicable

Date of Issue:	14 December 2016
Number issued:	41,850,000
Type of equity security:	Listed Options
Summary of terms:	Options issued as part of the recapitalisation process undertaken in October 2016. Listed options with an exercise price of \$0.075 and an expiry date of 14 June 2018 were issued to participants and brokers to the capital raising activities as approved at the Annual General meeting held on 29 November 2016.
Names of persons who received securities or basis on which those persons was	Participants and brokers involved in the recapitalisation process undertaken in

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determined	October 2016.
Price at which equity securities were issued:	Nil however the options have an exercise price of \$0.075 if exercised. The current market price of the options (as at the date of this notice) is \$0.02.
Consideration received:	Consideration will only be received when and if the options are exercised.
Use of Cash:	Not Applicable
Non-cash consideration paid:	Not Applicable

Date of Issue:	17 January 2017
Number issued:	763,016
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of Shares to Participating Directors of Director's Fee Plan approved at Annual General Meeting dated 29 November 2016
Names of persons who received securities or basis on which those persons was determined	Mr Simon Hickey, Mr John de Stefani, Mr Stephen Bizzell, Mr Keith Skipper and Mr Garry Marsden (Participating Directors as approved at Annual General Meeting held 29 November 2016.
Price at which equity securities were issued:	\$0.05 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed director fees for 3 months from 1 Oct 2016 to 31 Dec 2016 pursuant to the Director's Fee Plan.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$23,653

Date of Issue:	17 January 2017
Number issued:	465,210
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to consultants in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to consultants, D Speedy and D Cornish for the provision of consulting services.
Price at which equity securities were issued:	\$0.05 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees for 3 months from 1 Oct 2016 to 31 Dec 2016.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$14,422

Date of Issue:	13 April 2017
Number issued:	1,000,688
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of Shares to Participating Directors of Director's Fee Plan approved at Annual General Meeting dated 29 November 2016
Names of persons who received securities	Mr Simon Hickey, Mr John de Stefani, Mr

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or basis on which those persons was determined	Stephen Bizzell, Mr Keith Skipper and Mr Garry Marsden (Participating Directors as approved at Annual General Meeting held 29 November 2016.
Price at which equity securities were issued:	\$0.04166 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed director fees for 3 months from 1 Jan 2017 to 31 Mar 2017 pursuant to the Director's Fee Plan.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$31,021

Date of Issue:	13 April 2017
Number issued:	369,810
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of shares to consultants in lieu of fees.
Names of persons who received securities or basis on which those persons was determined	Issue of Shares to consultants, D Speedy and D Cornish for the provision of consulting services.
Price at which equity securities were issued:	\$0.04166 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed Consultant fees for 3 months from 1 Jan 2017 to 31 Mar 2017.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$11,464

Date of Issue:	14 May 2017
Number issued:	6,104,218
Type of equity security:	Performance Rights
Summary of terms:	Issue of Performance Rights to Employees and consultants under the UIL Energy Performance Rights Plan. Each Performance Right carries the right to one UIL Energy Ltd Share and provide an incentive for participants to remain engaged with UIL Energy Ltd in the long term as employees and consultants, as well as aligning the objectives of employees and consultants with that of shareholders.
Names of persons who received securities or basis on which those persons was determined	UIL Energy Executives and employees.
Price at which equity securities were issued:	Not Applicable
Consideration received:	Not Applicable
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$189,231

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Date of Issue:	12 October 2017
Number issued:	1,372,665
Type of equity security:	Ordinary fully paid shares
Summary of terms:	Issue of Shares to Participating Directors of Director's Fee Plan approved at Annual General Meeting dated 29 November 2016
Names of persons who received securities or basis on which those persons was determined	Mr Simon Hickey, Mr Stephen Bizzell, Mr Keith Skipper and Mr Garry Marsden (Participating Directors as approved at Annual General Meeting held 29 November 2016.
Price at which equity securities were issued:	\$0.0284 (calculated using 30 trading day VWAP)
Consideration received:	Non-cash consideration - value of sacrificed director fees for 6 months from 1 Apr 2017 to 30 Sep 2017 pursuant to the Director's Fee Plan.
Use of Cash:	Not Applicable
Non-cash consideration paid:	On the basis of the share price of \$0.031 on 9 October 2017, these shares have a current value of \$42,553

(h) Voting Exclusion Statement

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

11. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Brisbane time) on 27 November 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

12. Interpretation

Annual General Meeting or **Meeting** means the Annual General Meeting of the Company to be held on 29 November 2017.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or

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- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

Company means UIL Energy Ltd ACN 153 352 160

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

Directors means the directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Listing Rules means the listing rules of the ASX.

Key Management Personnel (KMP) has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Market Price has the meaning given to that term in the Listing Rules.

Notice of Meeting or **Notice** means this notice of meeting.

Options means an option to subscribe for a Share in the Company.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast by members entitled to vote on the Resolution.

Prospectus means the prospectus of the Company dated 19 August 2014, (including the first and second supplementary prospectuses dated 17 September 2014 and 10 October 2014).

Resolution means a resolution to be proposed at the Meeting.

Shares means ordinary fully paid shares in the issued capital of the Company

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) passed by at least 75% of the votes cast by members entitled to vote on the Resolution.

VWAP means the volume weighted average market price of the Shares.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Drew Speedy (Company Secretary): drew.speedy@uilenergy.com phone +61 7 3007 9600.

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Schedule 1 – Summary of Terms of Employee Share Option Plan

A summary of the key terms of the ESOP is as follows:

- (a) The ESOP is to extend to eligible employees and directors of the Company or an associated body corporate of the Company as the Board may in its discretion determine.
- (b) The total number of Shares to be issued by the Company to eligible employees in respect of which either Shares or Options have been issued under the ESOP shall not at any time exceed 5% of the Company's total issued ordinary Share capital in that class at that time when aggregated with:
 - (1) the number of Shares in the same class which would be issued if each outstanding offer with respect to Shares or Options under any share option scheme of the Company were accepted and exercised; and
 - (2) the number of Shares in the same class issued during the previous five years pursuant to:
 - (A) the ESOP to an eligible employee; or
 - (B) any employee share option scheme of the Company,but excluding for the purposes of the calculation, any offer made, or Option acquired or Share issued by way of or as a result of:
 - (C) any offer to a person situated at the time of receipt of the offer made outside of this jurisdiction; or
 - (D) an offer that did not require disclosure to investors because of Section 708 of the Corporations Act; or
 - (E) an offer made under a disclosure document within the meaning of the Corporations Act.
- (c) The price at which the Shares and Options are to be issued will be determined by the Board.
- (d) The exercise price of an Option is to be determined by the Board at its sole discretion.
- (e) The vesting date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board from time to time.
- (f) The Option commencement date will be the date to be determined by the Board prior to the issue of the relevant Options.
- (g) If a participant's employment with the Company ceases because of an uncontrollable event such as death or serious injury the Board may in its absolute discretion determine the extent to which any unvested Options that have not lapsed will become vest. The participant may exercise vested Options at any time prior to the first to occur of, the last exercise date of the Options, and the date 12 months after cessation of employment (or such other period as the Board determines).
- (h) If a Participant's employment or engagement with the Company ceases because of a controllable event, unless otherwise determined by the Board any unvested Options will lapse. The participant may exercise vested Options at any time prior to the first to occur of, the last exercise date of the Options, and the date 3 months after cessation of employment (or such other period as the Board determines).

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- (i) Eligibility to participate is determined by the Board. Eligibility is restricted to eligible employees of the Company or an associated body corporate of the Company. The Board is entitled to determine:
 - (1) subject to the terms of the ESOP, the total number of Options to be offered in any one year to eligible employees;
 - (2) the eligible employees to whom offers will be made; and
 - (3) the terms and conditions of any Options granted, subject to the ESOP.
- (j) Participants do not participate in dividends or in bonus issues unless the Options are exercised.
- (k) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (l) In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with a specified formula.
- (m) The Board has the right to vary the entitlements of all participants to take account of the effective capital reconstructions, bonus issues or rights issues.
- (n) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
- (o) The Board may impose as a condition of any offer of Shares and Options under the ESOP any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
- (p) The Board may vary the ESOP.
- (q) The ESOP is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of a participant under the terms of his or her employment or arrangement.
- (r) At any time from the date of an offer of Shares or Options until the acceptance date of that offer, the Board undertakes that it shall provide information as to:
 - (1) the current market price of the Shares; and
 - (2) the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,

to any participant by mail (or such other form of notification as agreed by the Company and the participant) within three Business Days of a written request to the Company from that participant to do so.

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Schedule 2 – Summary of Option Terms

1. No consideration is payable for the grant of the Options.
2. The Options are options to subscribe for ordinary shares in the capital of the Company (**Shares**).
3. The exercise price for the Options is the greater of \$0.075 or the 7 day VWAP prior to the AGM date (**Exercise Price**).
4. The Options will, except to the extent earlier exercised, expire on the earlier of:
 - a. 31 December 2020;
 - b. the Business Day after the expiration of 3 months, or any longer period which the Board may determine, after the Option holder ceases to be a Director or employee of the Company or an associated body corporate of the Company; or
 - c. the date on which the Option holder ceases to be a Director or employee of the Company or an associated body corporate of the Company due to fraud or dishonesty.

(Expiry Date).
5. The Options are transferable in whole or in part.
6. The Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the exercise price per Option to the Company at any time on or after the vesting date (if applicable) and on or before the Expiry Date.
7. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.
8. The Option holder does not have any right to participate in new issues of securities in the Company made to shareholders generally. In the event that the Company is listed on ASX or an Approved Overseas Financial Market, the Company will, where required pursuant to the ASX Listing Rules or the rules of an Approved Overseas Financial Market (as applicable), provide the Option holder with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules or the rules of an Approved Overseas Financial Market (as applicable).
9. The Option holder does not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event that the Company is listed on ASX or an Approved Overseas Financial Market, the Company does not intend to apply for listing of the Options on the ASX or an Approved Overseas Financial Market (as applicable).
11. Subject to the Company being listed on ASX or an Approved Overseas Financial Market, the Company shall apply for listing on the ASX or an Approved Overseas Financial Market (as applicable) of the resultant Shares of the Company issued upon exercise of any Option.

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12. In the event that the Company is listed on ASX or an Approved Overseas Financial Market, subject to the ASX Listing Rules or the rules of an Approved Overseas Financial Market (as applicable), if there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O_n = O - \frac{E [P - (S + D)]}{N + 1}$$

$$N + 1$$

Where:

O_n = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying Shares into which one Option is exercisable

P =

(i) if the Company is listed on ASX or an Approved Overseas Financial Market, the average market price per share (weighted by reference to volume) of the underlying Shares during the five (5) trading days ending on the day before the ex rights date or ex entitlements date; or

(ii) otherwise, the average market price per Share determined by the accountants for the Company;

S = the subscription price for a Share under the pro rata issue;

D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue); and

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

13. In the event that the Company is listed on ASX or an Approved Overseas Financial Market, subject to the ASX Listing Rules or the rules of an Approved Overseas Financial Market (as applicable), if there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
14. In the event that the Company is listed on ASX or an Approved Overseas Financial Market, subject to the ASX Listing Rules or the rules of an Approved Overseas Financial Market (as applicable), the terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
15. Subject to the Company being listed on ASX or an Approved Overseas Financial Market, in the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- (a) the number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules or the rules of an Approved Overseas Financial Market (as applicable) at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
16. For the purposes of these terms and conditions, "Approved Overseas Financial Market" means a financial market outside Australia which ASIC has declared in writing under Class Order 02/249 to be an approved overseas financial market for the purposes of subsection 257B(7) of the Corporations Act.

Explanatory Memorandum

Schedule 3 – Summary of Terms of Performance Rights Plan

The Performance Rights Plan is a long term incentive scheme aimed at creating a stronger link between an Eligible Person's performance and reward whilst increasing Shareholder value in the Company.

Persons eligible to participate in the Plan include directors who hold a salaried appointment with the Company, employees or consultants who have worked with the Company for more than 12 months and who receives 80% of their income from the Company (or their respective nominees) who the Board determines in its absolute discretion is to participate in the Performance Rights Plan (**Eligible Person**).

Key features of the Plan include:

- (a) The Board of the Company may from time to time in its absolute discretion issue or cause to be issued invitations on behalf of the Company to Eligible Persons to participate in the Performance Rights Plan. The invitation will include information such as performance hurdles and performance periods. On vesting, one Performance Right is exercisable into one Share.
- (g) A Participant in the Performance Rights Plan will not pay any consideration for the grant of the Performance Rights. An Eligible Person has no right to be granted any Performance Rights unless and until such Performance Rights are granted. The Performance Rights will not be listed for quotation on the ASX.
- (h) Except on the death of a participant, the Performance Rights may not be transferred, assigned or novated except with the approval of the Board.
- (i) A Performance Right does not confer on the Eligible Person the right to participate in a new issue of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
- (j) As soon as reasonably practicable after the date at which performance hurdles are to be measured to determine whether the Performance Right becomes vested (**Test Date**), the Board shall determine in respect of each Participant as at that Test Date:
 - (A) whether, and to what extent, the performance hurdles applicable up to the Test Date have been satisfied;
 - (B) the number of Performance Rights (if any) that will vest as at the Test Date;
 - (C) the number of Performance Rights (if any) that will lapse as a result of the non-satisfaction of performance hurdles as at the Test Date; and
 - (D) the number of Performance Rights (if any) in respect of the performance period that continue unvested,and shall provide written notification to each Participant as to that determination.
- (k) Before the vesting of Performance Rights the Company must ensure that:
 - (A) The Company's Shares must have been quoted on a prescribed financial market or approved foreign market throughout the 3 month period immediately before vesting of the Performance Rights without suspension for more than a total of 2 trading days during the period; or
 - (B) the Company has lodged a disclosure document with ASIC in relation to the Shares in the Company that may be issued in connection with the Performance Rights and:
 - i. the disclosure document has not expired; and

Explanatory Memorandum

- ii. the Company has provided a copy of the disclosure document to the Eligible Employee.
 - (l) If a Participant's employment or engagement with the Company ceases because of an uncontrollable event such as death or serious injury, all of the Participant's Performance Rights that are capable of becoming exercisable if performance hurdles are met at the next Test Date, will become vested. In addition, the Board may in its absolute discretion determine the extent to which any other unvested Performance Rights that have not lapsed will become vested Performance Rights. Such vested Performance Rights may be exercised at any time prior to the first to occur of, the last exercise date of the Performance Rights, and the date 3 months after cessation of employment (or such other period as the Board determines).
 - (m) If a Participant's employment or engagement with the Company ceases because of a controllable event, the Board may in its absolute discretion determine the extent to which the unvested Performance Rights that have not lapsed will become vested Performance Rights. Such vested Performance Rights may be exercised at any time prior to the first to occur of, the last exercise date of the Performance Rights, and the date 3 months after cessation of employment (or such other period as the Board determines).
 - (n) Where the Board is of the opinion that a Participant has acted fraudulently, dishonestly or is in material breach of his or her obligations to the Company then the Board may determine that the Participant's Performance Rights will lapse.
 - (o) Where a change of control event occurs (such as an unconditional takeover bid, a Court approved scheme of arrangement or a person acquiring more than 50% in the Company):
 - (A) all of the Participant's unvested Performance Rights, that have not lapsed, will become vested Performance Rights; and
 - (B) the Board shall promptly notify each Participant in writing that he or she may, within the period specified in the notice, exercise vested Performance Rights.
 - (p) If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate under the Performance Rights Plan, in accordance with the provisions of the Listing Rules.
 - (q) Participants who are holding a Performance Right issued pursuant to the Performance Rights Plan have no rights to dividends and no rights to vote at meetings of the Company until that Performance Right is exercised and the Participant is the holder of a valid Share in the Company.
 - (r) Shares acquired upon exercise of the Performance Rights will upon allotment rank pari passu in all respects with other Shares. In the event that the Company becomes listed on the ASX, the Company will apply for quotation of the Shares on the ASX within 10 Business Days after the date of allotment of those Shares.
 - (s) The terms and conditions of the Performance Rights Plan must at all times comply with the Corporations Act and the Listing Rules. If there is any inconsistency between the terms and conditions of the Performance Rights Plan and the Corporations Act then the Corporations Act will prevail.
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Explanatory Memorandum

Schedule 4 – Summary of Performance Rights Terms

1. No consideration is payable for the grant of the Performance Rights.
2. The Performance Rights will vest on 30 November 2018 (**Test Date**).
3. The Performance Rights which vest are convertible into shares on a one to one basis.
4. The Performance Rights will expire on 31 December 2018.
5. The number of Performance Rights which will vest will be determined by the Board based upon the following factors:
 - (a) continued service to the company until the Test Date (25% weighting);
 - (b) implementation of funding arrangements, by way of capital raising / farm out or any other alternative method, to undertake either seismic (2D or 3D) or drilling activity on any current or subsequently acquired tenement (50% weighting); and
 - (c) acquisition of additional tenements either by way of application or farm-in (25% weighting),together with an assessment by the Board at the Test Date of the standard of performance of each such activity by each Performance Right holder.
6. Following the Test Date, the Board will notify each Performance Right holder of the number of Performance Rights which have vested and are capable of exercise into shares.
7. The Performance Rights are otherwise issued on the same terms as contained in the Performance Rights Plan summarised in Schedule 3.

Explanatory Memorandum

Schedule 5 - Summary of terms of Director's Fee Plan

- (a) All executive and non-executive Directors of the Company will be entitled during the term of the Plan to elect to be paid some or all of their remuneration for services by way of an issue of Shares.
- (b) An Election Notice may be given by a Participating Director within 10 Business Days after each quarter and will specify:
 - (1) the amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Director Shares; and
 - (2) whether the Participating Director wishes to have the Director Shares issued in his or her own name or in the name of a nominee.
- (c) The obligation of the Company to issue any Director Shares is subject to obtainment of any approvals which may be required under:
 - (1) the Listing Rules; and
 - (2) the Corporations Act 2001 (Cth).
- (d) The issue price of each Directors Share will be determined on the basis of the volume-weighted average price of Shares for the last 30 Trading Days of the quarter for which the Election Notice is given by a Participating Director and any fractional entitlement to be issued Director Shares will be rounded up to the nearest whole number.
- (e) The Company will:
 - (1) issue the Director Shares in lieu of any Outstanding Remuneration as specified in the Election Notice within three Business Days of receipt of an Election Notice;
 - (2) forthwith deliver a statement of holding in respect of the Director Shares; and
 - (3) cause the Director Shares to be listed on ASX as soon as reasonably practicable.
- (f) Unless otherwise approved by shareholders of the Company, the maximum number of Director Shares which may be issued by the Company in each 12 months during the term of the Plan will be 9,010,753 Director Shares.

Explanatory Memorandum



Schedule 6 - Summary of Directors Interests

Director	Current Shareholding at 12 October 2017								Issue of Director Options (Resolutions 4, 5 and 6)	Issue of Performance Rights (Resolutions 8 and 9)	Issue of Director Shares (Resolutions 10, 11, 12, 13 and 14) ^(a)
	Shares	%	Options	%	Class B CRPS	%	Performance Rights	%	Options	Rights	Shares
Simon Hickey	20,106,932	10.27	1,042,074	1.81	-	-	-	-	-	1,000,000	2,129,032
John de Stefani	18,174,592	9.29	2,223,401	3.86	-	-	-	-	-	5,450,667	2,373,677
Stephen Bizzell	11,565,228	5.91	4,655,400	8.07	-	-	-	750,000	-	-	1,161,290
Keith Skipper	601,970	0.31	-	-	-	-	-	750,000	-	-	1,161,290
Garry Marsden	1,006,155	0.51	400,000	0.69	58,143	0.17	-	750,000	-	-	1,161,290
Other Shareholders	144,283,227	73.71	49,334,084	85.57	34,941,857	99.83	6,104,218	100	-	-	-
Total	195,738,104	100	57,654,959	100	35,000,000	100	6,104,218	100	2,250,000	6,450,667	7,986,581

(a) Assumes Directors elect to take the full amount of shares in lieu of fees over the 12 months following AGM approval.

The table below indicates the Director holdings on the assumption that all of Resolutions 4 to 14 are approved and Directors elect to take the full amount of shares in lieu of fees over the 12 months following AGM approval.

	Shares	%	Options	%	Class B CRPS	%	Performance Rights	%
Simon Hickey	22,235,964	10.91	1,042,074	1.74	-	-	1,000,000	7.97
John de Stefani	20,548,269	10.09	2,223,401	3.71	-	-	5,450,667	43.41
Stephen Bizzell	12,726,518	6.25	5,405,400	9.02	-	-	-	-
Keith Skipper	1,763,260	0.87	750,000	1.25	-	-	-	-
Garry Marsden	2,167,445	1.06	1,150,000	1.92	58,143	0.17	-	-
Other Shareholders	144,283,227	70.82	49,334,084	82.35	34,941,857	99.83	6,104,218	48.62
Total	205,049,215	100	59,904,959	100	35,000,000	100	12,554,885	100

LODGE YOUR VOTE **EMAIL**
Scan and email to: info@uilenergy.com **BY MAIL**
UIL Energy Limited
GPO Box 3284
Brisbane QLD 4001
Australia **BY FAX**
+61 7 3212 9201 **BY HAND**
UIL Energy Limited
Level 9, 1 Eagle St, Brisbane QLD 4000 **ALL ENQUIRIES TO**
Telephone: +61 7 3007 9600**LODGE MENT OF A PROXY FORM**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **9:00am on Monday, 27 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM**YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of UIL Energy Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:00am on Wednesday, 29 November 2017 at HoppoodGanim, Level 7, 1 Eagle Street, Brisbane, QLD, 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for all Resolutions except 2 and 15: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of all Resolutions except 2 and 15, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business other than resolutions where the Chairman is a related party and the subject of the resolution or is an associate of a related party the subject of a resolution, in which case the Chair cannot cast undirected proxies in respect of that resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention for any resolution, in which case an ASX announcement will be made.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Performance Rights to John de Stefani	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Stephen Bizzell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of Issue of Plan Shares to John de Stefani in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of Issue of Plan Shares to Simon Hickey in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Options to Mr Stephen Bizzell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of Issue of Plan Shares to Keith Skipper in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Options to Mr Keith Skipper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of Issue of Plan Shares to Stephen Bizzell in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Options to Mr Garry Marsden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approval of Issue of Plan Shares to Garry Marsden in Lieu of Director Fees under the Director's Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval to issue an additional 10% of the issued capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Performance Rights to Simon Hickey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

UIL PRX1701D

