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**MARENICA ENERGY LIMITED**

**ACN 001 666 600**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11.00am (WST)

**DATE:** Monday, 14 September 2015

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

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

**Should you wish to discuss the matters in this Notice of General Meeting please contact the Company Secretary on +61 8 6555 1816.**

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

Notice is hereby given that the General Meeting of the Shareholders of Marenica Energy Limited ("Marenica" or "the Company") will be held as follows:

**TIME:** 11.00am (WST)

**DATE:** Monday, 14 September 2015

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

**This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact the Company Secretary on +61 8 6555 1816.**

Words and phrases used in the Resolutions are defined in Section 7 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of General Meeting as defined in the Explanatory Statement.

## **AGENDA**

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### **BUSINESS OF THE MEETING**

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#### **Resolution 1: Ratification of Share Placement**

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

**"That pursuant to ASX Listing Rule 7.4, the issue on 28 May 2015 of 1,500,000 Shares at an issue price of \$0.2373 per Share on the terms and conditions set out in the Explanatory Statement be ratified."**

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## Resolution 2: Ratification of Share Placement

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

**“That pursuant to ASX Listing Rule 7.4, the issue on 28 May 2015 of 269,603 Shares at various issue prices on the terms and conditions set out in the Explanatory Statement be ratified.”**

### Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## Resolution 3: Approval for Issue of Shares to Mr Murray Hill (or nominee) in Lieu of a Portion of his Salary

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

**“That, pursuant to ASX Listing Rule 7.1, approval be given to issue Shares to Mr Murray Hill or his nominee on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Hill and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## Resolution 4: Approval for Issue of Shares to Mr Alan Buerger (or his nominee) in Lieu of Director’s Fees

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

**“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue Shares in lieu of Director’s fees to Mr Alan Buerger or his nominee on the terms and conditions set out in the Explanatory Statement.”**

### Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Buerger and any associate of Mr Buerger. 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 a direction on the proxy form to vote as the proxy decides.

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**Resolution 5: Approval for Issue of Shares to Mr Gavin Becker (or his nominee) in Lieu of Director's Fees**

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

**“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue Shares in lieu of Director's fees to Mr Gavin Becker or his nominee on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by Mr Becker and any associate of Mr Becker. 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 a direction on the proxy form to vote as the proxy decides.

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**Resolution 6: Approval for Issue of Shares to Mr David Sanders (or his nominee) in Lieu of Director's Fees**

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

**“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue Shares in lieu of Director's fees to Mr David Sanders or his nominee on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by Mr Sanders and any associate of Mr Sanders. 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 a direction on the proxy form to vote as the proxy decides.

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**Resolution 7: Approval for Issue of Shares to Mr Nelson Chen (or his nominee) in Lieu of Director's Fees**

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

**“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue Shares in lieu of Director's fees to Mr Nelson Chen or his nominee on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by Mr Chen and any associate of Mr Chen. 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 a direction on the proxy form to vote as the proxy decides.

**Resolution 8: Approval for Issue of Shares to Mr Lou Guo Qing (or his nominee) in Lieu of Director's Fees**

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

**“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue Shares in lieu of Director's fees to Mr Lou Guo Qing or his nominee on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution by Mr Lou and any associate of Mr Lou. 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 a direction on the proxy form to vote as the proxy decides.

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**Resolution 9: Approval of Grant of Options to Mr Nelson Chen (or nominee)**

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

**“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue Options to Mr Nelson Chen or his nominee on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement**

The Company will disregard any votes cast on this resolution by Mr Chen and any associate of Mr Chen. 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 a direction on the proxy form to vote as the proxy decides.

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**Resolution 10: Approval of Grant of Options to Mr Lou Guo Qing (or nominee)**

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

**“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, approval is given for the Company to issue Options to Mr Lou Guo Qing or his nominee on the terms and conditions set out in the Explanatory Statement.”**

**Voting Exclusion Statement**

The Company will disregard any votes cast on this resolution by Mr Lou and any associate of Mr Lou. 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 a direction on the proxy form to vote as the proxy decides.

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## EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of General Meeting for further explanation of the Resolutions.

## PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

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

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- delivering it to the registered office of the Company at Bennett + Co, Ground Floor, BGC Centre, 28 The Esplanade, Perth WA 6000 Australia; or
- posting it to Marenica Energy Limited, c/- PO Box 5745, St Georges Terrace, Perth, WA 6831, Australia; or
- faxing it to the Company on facsimile number +61 8 6316 2211; or
- emailing it to the Company at [info@marenicaenergy.com.au](mailto:info@marenicaenergy.com.au).

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

## CORPORATE REPRESENTATIVES

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

## DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the General Meeting. For the purposes of determining voting entitlements at the General Meeting, Shares will be taken to be held by the persons who are registered as holding at 11.00am (WST) on 12 September 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Dated this 12 August 2015

By order of the Board



Susan Hunter  
Company Secretary

**MARENICA ENERGY LIMITED**  
**ACN 001 666 600**

**EXPLANATORY STATEMENT TO SHAREHOLDERS**

**1. ACTION TO BE TAKEN BY SHAREHOLDERS**

This Explanatory Statement sets out information about the Resolutions to be considered by the Shareholders at the General Meeting. Defined terms used in this Explanatory Statement are set out in Section 7. Accompanying this Explanatory Statement is the Notice of General Meeting convening the General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the General Meeting. If a Shareholder is not able to attend and vote at the General Meeting, the Shareholder may complete the Proxy Form and return it not later than 48 hours before the time specified for the commencement of the General Meeting.

**2. RESOLUTION 1 – RATIFICATION OF SHARE PLACEMENT**

On 28 May 2015, the Company issued 1,500,000 Shares to Hong Kong based Chinese company, Mingsun Technology Co Limited, at an issue price of \$0.2373 per Share to raise approximately \$356,000 (before costs). The Company issued these Shares under its available placement capacity pursuant to Listing Rule 7.1.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 1,500,000 Shares at \$0.2373 per Share issued on 28 May 2015 pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

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

This placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 1:

- (a) Number of Shares Issued: 1,500,000 Shares.
- (b) Issue Price: \$0.2373 per Share.
- (c) Terms: The Shares rank equally in all respects with the existing Shares on issue.
- (d) Allottee: The Shares were issued to Mingsun Technology Co Limited. The allottee was not a Related Party of the Company.
- (e) Use of Funds: The funds raised from this issue of Shares have been applied to working capital and for the further development and commercialisation of its *U-pgrade™* process.
- (f) Date of Issue: 28 May 2015.
- (g) Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

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

### 3. RESOLUTION 2 – RATIFICATION OF SHARE PLACEMENT

On 28 May 2015, the Company issued 269,603 Shares in lieu of a portion of salary owed to Marenica's Chief Executive Officer (CEO) Mr Murray Hill and consulting fees owed to a consultant to the Company, Mr John Sestan. 98,552 Shares were issued at an issue price of \$0.2472 per Share, 73,101 Shares were issued at an issue price of \$0.2257 per Share and 97,950 Shares were issued at an issue price of \$0.2712 per Share. The Company issued these Shares under its available placement capacity pursuant to Listing Rule 7.1.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of a total of 269,603 Shares on 28 May 2015 pursuant to Listing Rule 7.1. 106,313 Shares were issued to Mr Hill in lieu of part cash payment (approximately 70%) of Mr Hill's monthly salary (including superannuation) for the months of December 2014 and January 2015 and 163,290 Shares were issued to Mr Sestan in lieu of part cash payment (approximately 70%) for consulting services provided to the Company during the three month period November 2014 to January 2015. The Shares were issued at issue prices equal to the monthly volume weighted average share price for Marenica Shares for each relevant month that the payment related to (\$0.2472 per Share for November 2014, \$0.2257 per Share for December 2014 and \$0.2712 per Share for January 2015).

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

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

This placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 1:

- (a) Number of Shares Issued: 269,603 Shares.
- (b) Issue Price: 98,552 Shares were issued at an issue price of \$0.2472 per Share, 73,101 Shares were issued at an issue price of \$0.2257 per Share and 97,950 Shares were issued at an issue price of \$0.2712 per Share.
- (c) Terms: The Shares rank equally in all respects with the existing Shares on issue.
- (d) Allottee: 106,313 Shares were issued to Mr Hill and 163,290 Shares were issued to Mr Sestan. The allottees were not Related Parties of the Company.
- (e) Use of Funds: No funds were raised from this issue. The Shares were issued in lieu of part cash payment of Mr Hill's monthly salary (including superannuation) for the months of December 2014 and January 2015 and in lieu of part cash payment for consulting services provided to the Company by Mr Sestan during the three month period November 2014 to January 2015, allowing the Company to preserve the Company's cash resources for application in other areas.
- (f) Date of Issue: 28 May 2015.
- (g) Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

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

### 4. RESOLUTION 3: APPROVAL FOR ISSUE OF SHARES

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 to issue Shares to Marenica's CEO Murray Hill in lieu of part cash payment (20%) of Mr Hill's monthly salary (including superannuation) for the months of June 2015 to October 2015 equating to \$4,744.00 worth of Shares each month.



19,363 Shares will be issued to Mr Hill (or his nominee) in lieu of 20% of Mr Hill's June 2015 salary (including superannuation) equating to \$4,744.00 at an issue price of \$0.245 per Share. The issue price of \$0.245 per Share is equal to the monthly volume weighted average share price for Marenica Shares for the month of June 2015.

The Shares to be issued in lieu of part cash payment (20%) of Mr Hill's monthly salary (including superannuation) for the months of July to October 2015, inclusive, will be issued at issue prices equal to the higher of (i) the monthly volume weighted average share price for Marenica Shares for the relevant month that the payment relates to or (ii) 80% of the volume weighted average price of Marenica Shares calculated over the last 5 days on which sales in the Shares are recorded before the day on which the issue is made.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

For the purposes of Listing Rule 7.3, the following information is provided:

- (a) Number of Shares to be Issued: The number of Shares to be issued in relation to Mr Hill's salary for the month of June is 19,363. The formula for calculating the number of Shares to be issued in relation to Mr Hill's salary for the months of July to October 2015, inclusive, is the monthly salary entitlement to be paid in shares of \$4,744 divided by the higher of (i) the monthly volume weighted average share price for Marenica Shares for the relevant month that the payment relates to or (ii) 80% of the volume weighted average price of Marenica Shares calculated over the last 5 days on which sales in the Shares are recorded before the day on which the issue is made.
- (b) Issue Price: 19,363 Shares will be issued at an issue price of \$0.245 per Share. Additional Shares will be issued at issue prices equal to the higher of (i) the monthly volume weighted average share price for Marenica Shares for the relevant month that the payment relates to or (ii) 80% of the volume weighted average price of Shares calculated over the last 5 days on which sales in the Shares are recorded before the day on which the issue is made.
- (c) Allottee: The Shares will be issued to Murray Hill or nominee. Murray Hill is not a Related Party of the Company.
- (d) Terms: The Shares to be issued will rank equally in all respects with the existing Shares on issue. The Company will apply to ASX for official quotation of the Shares.
- (e) Intended Use of Funds: The Shares will be issued in lieu of part cash payment (20%) of Mr Hill's monthly salary (including superannuation) for the months of June 2015 to October 2015 and consequently no funds will be raised by the issue allowing the Company to preserve the Company's cash resources for application in other areas.
- (f) Date of Issue: The issue will occur no later than 3 months after approval of the Resolution or such later date to the extent permitted by an ASX waiver of the Listing Rules. The issue will occur progressively after the end of each month to which the Shares relate.
- (g) Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

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

## 5. RESOLUTIONS 4 TO 8: APPROVAL OF ISSUE OF SHARES IN LIEU OF DIRECTORS' FEES TO MR ALAN BUERGER, MR GAVIN BECKER, MR DAVID SANDERS, MR NELSON CHEN AND MR LOU GUO QING

### 5.1 Background

Resolutions 4 to 8 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of Shares to current Directors (or their nominees). This issue of Shares provides a means by which the Company can satisfy outstanding Directors' fees for the period 1 November 2014 to 31 August 2015 owed to Messrs. Buerger, Becker, Sanders, Chen and Lou thereby preserving the Company's cash resources for application in other areas.

## 5.2 Details of Shares to be issued

It is proposed under Resolutions 4 to 8 that Shares be issued to the Directors (or their nominees) in lieu of outstanding directors' fees. The Shares are proposed to be issued for an issue price per Share representing the five day volume weighted average market price (VWAP) for the Company's Shares calculated over the five Trading Days on which trades in the Company's Shares occurred immediately before the date of the General Meeting. This issue of Shares will satisfy 100% of the Directors' fees owed to Messrs. Buerger, Becker, Sanders, Chen and Lou for the period 1 November 2014 to 31 August 2015. The number of Shares proposed to be issued to each Director (or their nominee) is equal to the amount of Directors' fees outstanding divided by the issue price.

## 5.3 Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because Messrs. Buerger, Becker, Sanders, Chen and Lou are all Directors and Related Parties of the Company.

Listing Rule 10.11 provides that a company must not issue equity securities to a Related Party without the approval of shareholders. Pursuant to Listing Rule 7.2 exception 14, where approval under Listing Rule 10.11 is obtained, approval is not required under Listing Rule 7.1 and the issue of securities will not be included in the Company's 15% limit.

## 5.4 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

In accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 4 to 8:

- (a) Number of Shares to be Issued: The formula for calculating the number of Shares to be issued is the value of the outstanding Director fees divided by the VWAP for the Company's Shares calculated over the 5 Trading Days on which trades in the Company's Shares occurred immediately before the General Meeting. The Director's fees that will be outstanding for each Director as at 31 August 2015 is as follows:

Name	Director Fees Outstanding
Alan Buerger	\$50,000
Gavin Becker	\$37,500
David Sanders	\$37,500
Nelson Chen	\$37,500
Lou Guo Qing	\$37,151
<b>TOTAL</b>	<b>\$199,651</b>

- (b) Issue Price: The Shares will be issued for an issue price per Share being the VWAP for the Company's Shares calculated over the five Trading Days on which trades in the Company's Shares occurred immediately before the date of the General Meeting.
- (c) Valuation: The issue of Shares to the Directors constitutes a financial benefit. The Directors have, however, forgone fees in consideration of the financial benefit. The Directors will therefore only receive a net financial benefit if the value of the Shares exceeds the issue price of the Shares, in which case the financial benefit will be the amount by which the value of the Shares exceeds that price. As the issue price of the Shares is being calculated based on the traded price of Shares in the period immediately prior to the General Meeting, the value of the Shares will only exceed the issue price if the value of the Shares rises after the General Meeting.

- (d) Allottees and Relationship with the Company: The Shares to be issued pursuant to Resolutions 4 to 8 are to be issued to Messrs. Buerger, Becker, Sanders, Chen and Lou (or their respective nominees), each of whom are Directors and Related Parties of the Company.
- (e) Terms: The Shares to be issued will rank equally in all respects with the existing Shares on issue. The Company will apply to ASX for official quotation of the Shares.
- (f) Intended Use of Funds: The Shares are being issued in lieu of outstanding Directors' fees owed to Mr Buerger of \$50,000, Mr Becker of \$37,500, Mr Sanders of \$37,500, Mr Chen of \$37,500 and Mr Lou of \$37,151 and consequently no funds will be raised by the issue. The issue of Shares provides a means by which the Company can satisfy the outstanding Directors' fees owed to Messrs. Buerger, Becker, Sanders, Chen and Lou for the period 1 November 2014 to 31 August 2015 whilst preserving the Company's cash resources for application in other areas.
- (g) Date of Issue: The issue of Shares under Resolutions 4 to 8 will occur no later than 1 month after approval of the Resolution or such later date to the extent permitted by an ASX waiver of the Listing Rules.
- (h) Voting Exclusion: An appropriate voting exclusion statement for Resolutions 4 to 8 is included in the Notice of General Meeting.
- (i) Dilution Effect: As the number of Shares to be issued is not known, it is not possible to specify the dilution effect if all of the Shares are issued. By way of example, however, based on the VWAP for the Company's Shares calculated over the 5 Trading Days before the lodgement of the Notice of General Meeting with ASIC, the dilution effect if all of the Shares are issued and no other Shares are issued (including on conversion of convertible notes, exercise of options or vesting of performance rights) the dilution effect would be as follows:

Current Number of Shares on Issue	15,567,325
Number of Shares to be Issued	998,255 <sup>1</sup>
Dilution Effect if all Shares are Issued	6.0% <sup>2</sup>

<sup>1</sup> Assumes the issue price of \$0.20 per Share based on the VWAP for the Company's Shares calculated over the 5 Trading Days before 24 July 2015 being the date of lodgement of the Notice of General Meeting with ASIC.

<sup>2</sup> Assumes the Convertible Notes currently on issue are not converted into Shares, no Performance Rights currently on issue vest and no options currently on issue are exercised.

- (j) Relevant Interests of Directors: The current relevant interests of the Directors in securities of the Company are as follows:

Director	Fully Paid Ordinary Shares	Options <sup>1,2</sup>
Alan Buerger	117,334	136,980
Gavin Becker	133,750	136,980
David Sanders	112,917	136,980
Nelson Chen	19,720	97,071
Lou Guo Qing	Nil	Nil

<sup>1</sup> These options are exercisable at \$0.355 each on or before 26 November 2018.

<sup>2</sup> Mr Chen and Mr Lou will be issued additional Options if Resolutions 9 and 10 are approved. These Options are not included in the table above.

- (k) Remuneration: The current remuneration of each of the Directors is as follows:
- i) Mr Buerger is entitled to receive Director's fees of \$60,000 per annum including superannuation.

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- ii) Messrs Becker, Sanders, Chen and Lou are each entitled to receive Director's fees of \$45,000 per annum including superannuation.
- (l) Historical Share Prices: Historical Share price information for the last three months prior to the date of lodgement of this Explanatory Statement with ASIC is as follows:

	Price	Date
<b>Highest</b>	\$0.32	2 June 2015
<b>Lowest</b>	\$0.175	17 July 2015
<b>Last</b>	\$0.175	17 July 2015

- (m) There is no cash cost to the Company in issuing the Shares. There may be a perceived cost to the Company if the Shares are trading at the time of issue above the issue price, as the Company may have been able to issue Shares to other parties at a higher price and use the proceeds to pay the outstanding Director's fees.

Other than the information above and otherwise in this Explanatory Statement, the Company believes that there is no other information that would be reasonably required by Shareholders to consider Resolutions 4 to 8.

Each of the Directors has an interest in Resolutions 4 to 8 and therefore believe it inappropriate to make a recommendation.

## 6. RESOLUTIONS 9 AND 10: APPROVAL OF GRANT OF OPTIONS TO MR NELSON CHEN AND MR LOU GUO QING

### 6.1 Background

Resolutions 9 and 10 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of 13,350 Options to Mr Nelson Chen (or his nominee) and 13,350 Options to Mr Lou Guo Qing (or his nominee) with an obligation for the Company to fund the exercise price of the Options in the future should the recipients choose to exercise them, in payment of a success fee for the introduction of Hong Kong based Chinese company, Mingsun Technology Co Limited, who subscribed for 1,500,000 Shares at an issue price of \$0.2373 per Share to raise approximately \$356,000 in May 2015. The Options will be exercisable at \$0.40 and will expire four years from the date of issue. The full terms and conditions of the Options are detailed in Annexure A.

The purpose of the proposed grant of the Options is to facilitate the payment of a success fee of \$5,340 each to Messrs. Chen and Lou which is equal to 1.5% of the funds raised in the Mingsun Technology Co Limited placement through the obligation for the Company to fund the exercise price of Options in the future should the recipients choose to exercise the Options.

### 6.2 Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because Messrs. Chen and Lou are Directors and thereby Related Parties of the Company.

If Shareholder approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

### 6.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant:

- (a) Maximum Number of Options to be Issued: It is proposed that a total of 26,700 Options will be offered to Mr Chen and Mr Lou (or their nominees) as follows:

Name of Director	Number of Options to be Issued
Nelson Chen	13,350
Lou Guo Qing	13,350
<b>TOTAL</b>	<b>26,700</b>

- (b) Allottees and Relationship with the Company: The Options proposed to be issued pursuant to Resolutions 9 and 10 are to be issued to Messrs. Chen and Lou (or their respective nominees), each of whom are Directors and Related Parties of the Company.
- (c) Issue Price: Each Option will be issued for no monetary consideration.
- (d) Terms: The Options are exercisable at \$0.40 each at any time within 4 years after their issue. In the event the Options are exercised the Company will fund the exercise price. The Options will vest immediately. The Options will be unlisted and transferable only with the consent of the Board. The full terms of the Options are set out in Annexure A.
- (e) Date of Issue: The Company will issue the Options no later than one month after the date of the General Meeting.
- (f) Intended Use of Funds: No funds will be raised by the grant of the Options or the exercise of the Options.
- (g) Dilution Effect: The dilution effect if Resolutions 9 to 10 are approved and the Options are exercised and no additional Shares are issued is as follows:

Current Number of Shares on Issue	15,567,325
Number of Options to be offered	26,700
Dilution Effect if all Options exercised	0.1% <sup>1</sup>

<sup>1</sup> Assumes the Convertible Notes currently on issue are not converted into Shares, no Performance Rights currently on issue vest and no options currently on issue are exercised.

- (h) Relevant Interests of Directors: The current relevant interests of the Directors in security holdings of the Company are as follows:

Director	Fully Paid Ordinary Shares <sup>1</sup>	Options <sup>2</sup>
Nelson Chen	19,720	97,071
Lou Guo Qing	Nil	Nil

<sup>1</sup> The Directors will be issued additional Shares if Resolutions 7 and 8 are approved. These additional Shares have not been included in the table above.

<sup>2</sup> The options are exercisable at \$0.355 each on or before 26 November 2018.

- (i) Voting Exclusion: A voting exclusion statement is included in the Notice.
- (j) Remuneration: Mr Nelson Chen and Mr Lou Guo Qing are each entitled to receive Director's fees of \$45,000 per annum including superannuation.
- (k) Valuation of Options: On the basis of the assumptions below the Company has received a valuation from Stantons International who have determined the technical value of one Option approximates \$0.13228 as at 15 July 2015. Assuming each Director is to receive 13,350 Options each, the value of the Options to each Director is \$1,765.94. The value may go up or down as it will depend in part on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
- (i) interest rate set at 2.75% which is the five year Australia Government bond rate;

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- (ii) the date of valuation for the purposes of setting the current market value of a Share and the exercise price of an Option is 15 July 2015;
  - (iii) a Share price of \$0.22 being the closing price on ASX on 13 July 2015;
  - (iv) an exercise price of \$0.40 each Option; and
  - (v) volatility of 100% which is based on an option volatility calculator, the Company's share price over the last 12 months and the general trend in shares of companies in similar businesses trading a ASX over that last 3 to 6 months.
- (l) There is no cash cost to the Company in issuing the Options or in funding the exercise of the Options. The value of the Options at the time of their issue are, however, recorded as an expense in the Company's accounts. If the Options are exercised and the Shares are trading at that time above the exercise price there may be a perceived cost to the Company as the Company may have been able to issue the Shares at a higher price.
- (m) Historical Share Prices: Historical Share price information for the last three months prior to the date of lodgement of this Explanatory Statement with ASIC is as follows:

	Price	Date
<b>Highest</b>	\$0.32	2 June 2015
<b>Lowest</b>	\$0.175	17 July 2015
<b>Last</b>	\$0.175	17 July 2015

Other than the information above and otherwise in this Explanatory Statement, the Company believes that there is no other information that would be reasonably required by Shareholders to consider Resolutions 9 and 10.

Messrs. Buerger, Becker and Sanders recommend the Shareholders vote in favour of Resolutions 9 and 10 as Mr Chen and Mr Luo introduced Mingsun Technology Co Limited to the Company resulting in a placement to raise approximately \$356,000. Messrs. Chen and Lou each have an interest in Resolutions 9 and 10 and therefore believe it inappropriate to make a recommendation.

## 7. DEFINITIONS

In this Explanatory Statement:

**\$** means Australian dollars.

**Associate** has the meaning set out in sections 11 to 17 of the Corporations Act.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**Board** means the Board of Directors of the Company.

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

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

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of General Meeting.

**General Meeting** means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of General Meeting.

**Listing Rules** means the listing rules of the ASX.

**Notice of General Meeting** or **Notice** means the notice convening the General Meeting accompanying this Explanatory Statement.

**Option** means an option to subscribe for a Share on the terms set out in Annexure A.

**Proxy Form** means the form of proxy accompanying this Notice of General Meeting.



**Related Party** means a party so defined by section 228 of the Corporations Act.

**Resolution** means a resolution proposed to be passed at the General Meeting and contained in the Notice of General Meeting.

**Section** means a section of the Notice of General Meeting.

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

**Shareholder** means a person entered in the Company's register as a holder of a Share.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means the volume weighted average price.

**WST** means Western Standard Time.

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## ANNEXURE A

### TERMS AND CONDITIONS OF THE OPTIONS

- (a) Each Option gives the holder (**Optionholder**) the right to subscribe for one (1) Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with these terms and conditions.
- (b) The Options will vest immediately on issue.
- (c) The Options will expire at 5.00pm (WST) on the date which is 4 years from their issue date (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Option will be \$0.40 (**Exercise Price**).
- (e) The Options may be exercised in whole or in part.
- (f) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:
- (1) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (2) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of ordinary shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) The Options will not be transferable without the consent of the Board.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.



**MARENICA ENERGY LIMITED**  
**ACN 001 666 600**  
**PROXY FORM**

<INSERT NAME>  
<INSERT ADDRESS>  
<INSERT ADDRESS>  
<INSERT ADDRESS>  
<INSERT ADDRESS>

SRN/HIN <INSERT>

**Appointment of a proxy**

I/We being a member(s) of Marenica Energy Limited hereby appoint:

\_\_\_\_\_  
(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Marenica Energy Limited to be held in the Len Warren Conference Room, AMRC (Australian Minerals Research Centre) Building, 7 Conlon Street, Waterford Western Australia at 11.00am on Monday, 14 September 2015 and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

I/We acknowledge that Resolutions 4 to 10 relates to the remuneration of Key Management Personnel, and that the Chairman intends to vote any undirected proxies in favour of Resolutions 4 to 10. If I/we have not indicated my/our voting intentions below, I/we expressly authorise the Chairman to exercise my/our proxy even though Resolutions 4 to 10 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Votes on items of business**

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN*
<b>Resolution 1</b>	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Approval for Issue of Shares to Murray Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Approval for Issue of Shares to Alan Buerger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	Approval for Issue of Shares to Gavin Becker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>	Approval for Issue of Shares to David Sanders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b>	Approval for Issue of Shares to Nelson Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b>	Approval for Issue of Shares to Lou Guo Qing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b>	Approval for Grant of Options to Nelson Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 10</b>	Approval for Grant of Options to Lou Guo Qing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

**Appointment of a second proxy**

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

**Authorised signature(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**INDIVIDUAL/SECURITY HOLDER 1**  
Individual/Sole Director and  
Sole Company Secretary

**SECURITY HOLDER 2**  
Director

**SECURITY HOLDER 3**  
Director/Company Secretary

**Contact Details**

**Contact Email address**

**Contact Telephone Number**

(     )

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# Voting By Proxy - How to complete the Proxy Form

## Your Name, Address and Shareholder Details

Your name and address as it appears on the share register of Marenica Energy Limited is at the top of the Proxy Form.

## Appointment of a Proxy

Please write the name of that person you wish to appoint as proxy in the space indicated. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy and vote on your behalf. A proxy need not be a shareholder of Marenica Energy Limited.

## Votes on Items of Business

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

## Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must state the percentage of your voting rights on each of the first Proxy Form and the second Proxy Form and return both forms together.

## Authorised Signature/s

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

- Joint Holding in the case of joint holders the Proxy Form must be signed by all holders.
- Power of Attorney if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach the Power of Attorney or a copy to this Proxy Form when you return it.
- Companies a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also the sole Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting and a Proxy Form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission.

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## Lodgement of Proxy Form

This Proxy Form and any Power of Attorney or other authority under which it is signed (or a copy or facsimile which appears on its face to be an authentic copy of the proxy, power or authority) must be received **no later than 48 hours before the commencement of the meeting**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by:

- delivering it to the registered office of the Company at Bennett + Co, Ground Floor, BGC Centre, 28 The Esplanade, Perth WA 6000 Australia; or
- posting it to Marenica Energy Limited, c/- PO Box 5745, St Georges Terrace, Perth, WA 6831, Australia; or
- faxing it to the Company on facsimile number +61 8 6316 2211; or
- emailing it to the Company at [info@marenicaenergy.com.au](mailto:info@marenicaenergy.com.au).