

## SHAREHOLDER CORRESPONDENCE FROM FORMER DIRECTOR, JAMES BAILLIEU

ASX Release

30 April 2019

**BidEnergy Limited (ASX: BID)** (“BidEnergy” or “the Company”) has become aware that former director, James Baillieu, has sent unsolicited correspondence to shareholders of the Company (“Letter”). A copy of Mr Baillieu’s Letter has been provided to the Company and is attached at Annexure A.

The Company does not consider the content of Mr Baillieu’s Letter to be material or relevant to the ongoing operations of the Company, or consistent with the records of the Company. Accordingly, the Company does not consider it necessary or appropriate to respond to Mr Baillieu’s Letter publicly. However, in the interests of laying the matter to rest, the Company provides the following comments.

### **Change of Chairman**

The Company is satisfied that its ASX announcement dated 25 February 2019 accurately discloses, in all material respects, the nature of the circumstances leading up to Mr Baillieu’s decision to resign as a director of the Company, citing a difference of opinion between Mr Baillieu and the remainder of the Board concerning matters relating to the executive leadership of the Company.

Mr Baillieu’s resignation followed a number of demands that he conveyed to the Company’s Board in emails in the days leading up to 21 February 2019.

A Board meeting was held on 21 February 2019 to formally consider Mr Baillieu’s proposal. The meeting was convened at the request of Mr Baillieu and at a time convenient to Mr Baillieu, however Mr Baillieu voluntarily elected not to attend that meeting.

After careful consideration, given the nature of the demands made by Mr Baillieu to the Board, and the implications of those demands, the Board resolved to elect a new Chairman to ensure an effective relationship between the Chairman and management going forward.

### **Credentials of the Chairman**

The Company confirms:

- a) that the disclosures in its ASX announcement dated 25 February 2019 accurately discloses, in all material respects, the credentials and experience of Mr Dyer;

- b) that details of Mr Dyer's involvement with the Company prior to his formal appointment as a director of the Company on 16 July 2018 are substantiated by written agreements and correspondence between the Company and Mr Dyer; and
- c) that it has responded promptly and accurately to ASX enquiries in relation to this matter.

### **Outlook**

The Board considers the matters raised by Mr Baillieu about the Company and its Directors to now be closed. Shareholders who may have questions about any correspondence received from Mr Baillieu are encouraged to contact the Company directly.

The Board and Management of the Company are committed and motivated to the successful execution of the Company's growth strategy for the benefit of shareholders and stakeholders. The Company is pleased to draw shareholders' attention to its achievements during the quarter ended 31 March 2019, as set out in the Company's Quarterly Update & Appendix 4C announcement lodged on 29 April 2019.

Further information:

### **Guy Maine**

Managing Director



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## ANNEXURE A

26 April 2019  
James Baillieu  
C/O Mutual Trust  
P.O. Box 12  
Collins Street West  
Melbourne VIC 8007

Dear BidEnergy shareholder

The first purpose of this letter is to tell the truth about my removal as executive Chairman and its aftermath, which I believe have significant implications for the current operation and management of BidEnergy.

I became a non-executive director of BidEnergy in June 2017 and led a \$6.5 million capital raise for the company, including by putting in \$1 million of my own money.

I soon concluded that, while the business had good technology, it had the wrong leadership. In addition, the Axis acquisition in the US was too risky, the Australian business was not performing, and cash burn was far too high. In the end, I said I would resign from the Board unless the Axis deal was cancelled. By a 3-2 Board majority, the decision was taken to cancel the deal.

I became Chairman, there was a clean-out of the Board, the managing director was terminated, the Axis deal was cancelled and I recruited the technology founder Anthony du Preez back into the business (he had resigned six months earlier in protest against the direction of the business).

I am proud of my success as Chairman of BidEnergy, from the moment of my appointment in November 2017. In 2018, I led the company to be the best performing stock on the ASX, by more than double the performance of the next.

From a share price of 6 cents amid the turmoil of November 2017, BidEnergy reached \$1.70 just prior to my removal as Chairman in February 2019. At the time of my removal, BidEnergy was one of the best performers on the ASX in 2019.

This performance was no accident. I was a hands-on Chairman from the start because I had to be, or the business would have failed. I put an enormous amount of time and effort into BidEnergy, and I sincerely hoped that I would lead BidEnergy to greater success in the future.

Sadly, that did not eventuate. I was removed as a result of a secret scheme with no due process and at a pre-planned board meeting that I was not at. No material issue was ever raised with me before I was removed as Chairman and, in the days and weeks since, I have become aware that I have been falsely maligned to a number of you by members of the Board,

When I ran BidEnergy, I strived to be meticulous about fair and accurate public disclosure.

Which leads me to the primary purpose of this letter, which is to raise some very serious allegations about Andrew Dyer's false disclosure to the ASX.

BidEnergy's 25 February 2019 ASX announcement states:

**Following his appointment as non-executive Chairman of BidEnergy, Andrew Dyer commented: "It is an honour and privilege to take on the role of BidEnergy's Chairman. I have worked closely with the BidEnergy team for nearly two years, initially in my capacity as a consultant and advisor to the Board."**

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I am writing to you as a shareholder to inform you that the statement made to the ASX by Andrew Dyer is false and very misleading.

Indeed, if you read the July 2018 ASX announcement of his appointment as a non-executive director of BidEnergy, it lists absolutely no prior BidEnergy experience.

That is because Andrew Dyer had no work experience with BidEnergy worth mentioning.

As the former Chairman of BidEnergy, I would like to put the following facts on the record.

- From March 2017 until August 2017, Andrew Dyer had no involvement with BidEnergy.
- Andrew Dyer was engaged as a sales consultant by then-managing director Phil Adams for a one-month period from August 2017 until September 2017.
- After my appointment as Chairman in November 2017, Andrew Dyer was appointed as a board advisor. He was sacked by the then managing director Anthony du Preez a few weeks later because he was not adding any value to the company.
- In the month leading up to July 2018, Andrew Dyer had a consultancy agreement to allow him access to some confidential company information
- In July 2018, Andrew Dyer joined the Board as a non-executive director at my instigation. For that, fellow shareholder, I offer you my sincere apologies.

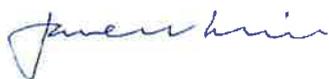
On the basis of the above facts, Andrew Dyer's stated credentials and work history with the company, released to the ASX, are false and very materially misleading.

Andrew Dyer had, at the very most, just two months of prior working experience with BidEnergy before joining the Board, and not anywhere close to "nearly two years" in February 2019, as he claims.

It is also my belief that, when Andrew Dyer was formally investigated by the ASX shortly after the 25 February release, he gave the ASX investigators what he knew to be incomplete and hence very misleading information.

On the basis of the above facts, Andrew Dyer has questions to answer to the ASX and to you, as a BidEnergy shareholder.

Yours sincerely



James Baillieu

Former executive Chairman, BidEnergy  
November 2017-February 2019

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