

ENTEK ENERGY LIMITED

ABN 43 108 403 425

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Entek Energy Limited ABN 43 108 430 425 ("Company") will be held at the office of Entek Energy Limited, 338 Hay Street, Subiaco, Western Australia on Wednesday 30 November, 2016 at 10.00am WST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

AGENDA

ITEMS OF BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2016, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1. RESOLUTION 1 - Non-binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2016 as set out in the Company's 2016 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter¹. However, the Company need not disregard a vote if:

- a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed Resolution; and
- b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

¹ "Restricted Voter" means Key Management Personnel and their Closely Related Parties as defined in the glossary.

2. RESOLUTION 2 - Re-election of Alexander Forcke as a Director

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

"That Mr Alexander Forcke who retires in accordance with clause 13.2 of the Constitution and being eligible for re-election, be re-elected as a Director."

3. RESOLUTION 3 – Re-election of Kimberly Parsons as a Director

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

"That, for the purposes of clause 13.5 of the Constitution and Listing Rule 14.4, and for all other purposes Ms Kimberly Parsons, having been appointed by the Board as an additional Director on 22 July 2016, and being eligible, be elected as a Director of the Company."

4. RESOLUTION 4 – Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this 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 directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001 (Cth).

Certain abbreviations and other defined terms are used throughout this Notice and the Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

BY ORDER OF THE BOARD



Nerida Schmidt
Company Secretary

Dated: 24 October 2016

HOW TO VOTE

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, electronically via the Internet or by facsimile.

VOTING IN PERSON (OR BY ATTORNEY)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. To be effective a certified copy of the power of attorney, or the original power of attorney under which they have been authorised to attend and vote at the Meeting, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

VOTING BY A CORPORATION

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with section 250D of the Corporations Act 2001 (Cth) ("Corporations Act"). The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed. The appropriate "Appointment of Corporate Representative" form should be completed and produced prior to admission to the Meeting. This form may be obtained from the Company's share registry.

VOTING BY PROXY

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting. If the proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on that resolution on a show of hands.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (ie. where there are two proxies, each proxy may exercise half of the votes). 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 the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 4 in accordance with a direction on how the proxy is to vote, or if the proxy is the Chair of the Meeting and the appointment 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 Key Management Personnel.
- Should any Resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged by 10.00am (WST) on 28 November 2016. Proxies lodged after this time will be invalid.

Proxies may be lodged using any of the following methods:-

By mail Share Registry - Computershare Investor Services Pty Limited, GPO Box 242,
Melbourne, VIC 3001, Australia

By Fax 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.00am (WST) on 28 November 2016. If facsimile transmission is used, the power of attorney must be certified.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (WST) 28 November 2016.

ENTEK ENERGY LIMITED

ABN 43 108 403 425

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Entek Energy Limited ("the Company").

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

1. FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2016 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

2. RESOLUTION 1 - Adoption of Remuneration Report

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2016 Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's 2016 Annual Report and is also available on the Company's website www.entekenergy.com.au

Under the Corporations Act, if at least 25% of the votes cast are against adoption of the Remuneration Report at an AGM, and then again at the following AGM, the Company will be required to put a resolution to the following AGM, to approve calling an extraordinary general meeting (**Spill Resolution**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the following AGM.

All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2015 did not receive a vote of more than 25% against its adoption at the Company's last AGM held on 22 October 2015. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, a Spill Resolution is not required to be included in this Notice.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on the Remuneration Report.

VOTING

A voting exclusion applies to Resolution 1 on the terms set out in the Notice. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

3. RESOLUTION 2 - RE-ELECTION OF ALEXANDER FORCKE AS A DIRECTOR

Resolution 2 seeks approval for the re-election of Mr Alexander Forcke as a Director with effect from the end of the Meeting.

Clause 13.2 of the Constitution provides that at each Annual General Meeting one-third of the Directors (other than alternate Directors and the Managing Director) or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors must retire from office.

Alexander Forcke, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Forcke is a public company executive with considerable financial and commercial experience gained in over 25 years in both the resources and investment banking industries. Mr Forcke was the Executive Chairman of Adelphi Energy Limited, a successful ASX listed oil & gas explorer with US shale gas interests prior to being taken over in 2010. He was also a long standing Director of ARC Energy Limited in a commercial and financial executive role. Prior to entering the oil and gas industry, Mr Forcke had established an international career in project finance and investment banking, including the position as WA State Manager and Director of Project and Specialised Finance for AIDC Ltd.

Mr Forcke was appointed as a Non-Executive Director of the Company on 15 February, 2011.

Directors' Recommendation

The Directors (in the absence of Mr Forcke) recommend that Shareholders vote in favour of the re-election of Mr Forcke.

4. RESOLUTION 3 - RE-ELECTION OF KIMBERLY PARSONS AS A DIRECTOR

Resolution 3 seeks approval for the election of Ms Kimberly Parsons as a Director with effect from the end of the Annual General Meeting.

Pursuant to clause 13.5 of the Company's Constitution, the Directors may appoint any person to be a Director, either as an addition to the existing Directors or to fill a casual vacancy. However, any such appointment

concludes at the next general meeting following the appointment. The Director is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Resolution 3 is an ordinary resolution and provides for approval of the appointment of Ms Parsons to the Board pursuant to the Company's Constitution.

The Board appointed Ms Parsons on 22 July 2016. Ms Parsons retires from office in accordance with this requirement and submits herself for election.

Ms Parsons holds a Bachelor's degree in Geology from Texas A&M, a Master's degree in Geophysics from Stanford University, and an MBA from Colorado State University.

Ms Parsons initially joined Entek in Mid-2013 to head up the US operations and was promoted as Entek's CEO early in 2016. She was appointed an Executive Director on 22 July 2016. Kim has over 30 years' experience in the US Rocky Mountain region as well as internationally with Exxon, Gulf, and Venoco. Her technical calibre, expertise and insight, combined with her business acumen have propelled her from technical positions into senior management with each company she has been with. Ms Parsons has been instrumental in a number of significant commercial oil and gas discoveries throughout her career including the appraisal and early development of unconventional plays in the US.

Ms Parsons has held no other public company directorships in the past three years.

Ms Parsons is not considered, by the Board, to be independent due to her role as Chief Executive Officer. The Company is not aware of any material adverse information that may affect Ms Parson's ability to serve as a director of the Company.

Directors' recommendation

The Directors (other than Ms Parsons) recommend that Shareholders vote in favour of the election of Ms Parsons.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

While the Company has no current intention to use the 10% Placement Facility, the Company is now seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ETE).

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

5.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which 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:

$$(A \times D) - E$$

Where:

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares 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 Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

5.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities issued under the 10% Placement Facility 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 or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities as at the date of this Meeting for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.003 50% decrease in Issue Price	\$0.006 Issue Price	\$0.012 100% increase in Issue Price
Current Variable A 510,657,387 Shares	10% voting dilution	51,065,739	51,065,739	51,065,739
	Funds raised	\$153,197	\$306,394	\$612,789
50% increase in current Variable A 765,986,081 Shares	10% voting dilution	76,598,608	76,598,608	76,598,608
	Funds raised	\$229,796	\$459,592	\$919,183
100% increase in current Variable A 1,021,314,774 Shares	10% voting dilution	102,131,477	102,131,477	102,131,477
	Funds raised	\$306,394	\$612,789	\$1,225,578

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.006, being the closing price of the Shares on ASX of \$0.006 on 21 October 2016.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of Equity Securities pursuant to the 10% Placement Facility 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 or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration in relation to the acquisition of new resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- (ii) cash consideration. In such circumstances, the Company intends to use funds raised towards the ongoing costs associated with the exploration of its existing projects and to investigate additional acquisitions to complement these projects. Funds raised will be used to meet cash payments in connection with these projects or any additional acquisitions, while also being used to fund subsequent exploration activities associated with any new acquisitions.

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

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

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

- (f) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (g) In the 12 months preceding the date of this Notice, the Company has not issued any Equity Securities. The Company is not proposing to issue any Equity Securities prior to the Meeting.
- (h) The Company's cash balance at the date of this Notice is approximately \$2.5 million.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

GLOSSARY

"10% Placement Facility" has the meaning given in Section 5.1;

"10% Placement Period" has the meaning given in Section 5.2(f);

"Accounting Standards" has the meaning given to that term in the Corporations Act.

"AGM" means annual general meeting;

"Annual General Meeting" or **"Meeting"** means the annual general meeting the subject of the Notice;

"Annual Report" means the annual report of the Company for the period ended 30 June 2016;

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"Board" means the Board of Directors of the Company;

"Closely Related Party" has the meaning given to that term in the Corporations Act;

"Company" means Entek Energy Limited ABN 43 108 403 425;

"Constitution" means the constitution of the Company;

"Corporations Act" means the Corporations Act 2001 (Cth);

"Director" means a director of the Company;

"Equity Securities" has the same meaning as in the Listing Rules;

"Explanatory Memorandum" means the explanatory memorandum accompanying this Notice;

"Key Management Personnel" has the meaning given to that term in the Accounting Standards;

"Listing Rules" means the Listing Rules of the ASX;

"Notice" means the Notice of Annual General Meeting which accompanies the Explanatory Memorandum;

"Resolution" means a resolution proposed pursuant to the Notice;

"Restricted Voter" means the Key Management Personnel and their Closely Related Parties;

"Shares" means fully paid ordinary shares in the capital of the Company;

"Shareholders" means a registered holder of Shares;

"WST" means Australian Western Standard Time.