

**ENTEK ENERGY LIMITED
(TO BE RENAMED "XCD ENERGY LIMITED")**

ACN 108 403 425

NOTICE OF GENERAL MEETING

**The General Meeting of the Company will be held at
Level 1, 35 Outram Street, West Perth 6005 Western
Australia on Thursday, 1 August 2019 at 10:00am (WST).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9381 4975.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

ENTEK ENERGY LIMITED (TO BE RENAMED "XCD ENERGY LIMITED")

ACN 108 403 425

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Entek Energy Limited (**Company**) will be held at Level 1, 35 Outram Street, West Perth 6005 Western Australia on Thursday, 1 August 2019 at 10:00am (WST) (Meeting). The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 30 July 2019 at 5:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Resolution 1 - Approval to change Company name

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

"That pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "XCD Energy Limited" with effect from the date that ASIC alters the details of the Company's registration."

2. Resolution 2 - Issue of Ferguson Performance Rights to Mr Dougal Ferguson

To consider and, if thought fit, to pass without or without amendment, the following:

"That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 20,000,000 Performance Rights, comprising:

- (a) 5,000,000 Class A Performance Rights;
- (b) 5,000,000 Class B Performance Rights;
- (c) 5,000,000 Class C Performance Rights; and
- (d) 5,000,000 Class D Performance Rights

(together the Ferguson Performance Rights) to Mr Dougal Ferguson (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of Mr Dougal Ferguson (and his nominees), or any of their respective associates;

However, the Company need 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 Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

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

However, the above prohibition does not apply if:

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

3. Resolution 3- Replacement of constitution

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

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing constitution and adopt the Constitution in its place in the form of the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from 1 August 2019."

BY ORDER OF THE BOARD

Peter Stickland
Non-Executive Chairman
Entek Energy Limited
Dated: 2 June 2019

ENTEK ENERGY LIMITED (TO BE RENAMED "XCD ENERGY LIMITED")

ACN 108 403 425

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, 35 Outram Street, West Perth 6005 Western Australia on Thursday, 1 August 2019 at 10:00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 - Approval to change Company name
Section 4	Resolution 2 - Issue of Ferguson Performance Rights to Mr Dougal Ferguson
Section 5	Resolution 3- Replacement of constitution
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Performance Rights
Schedule 3	Alaskan Leases

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

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

Please note that:

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

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

(b) Proxy vote if appointment specifies way to vote

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

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

(c) Transfer of non-chair proxy to chair in certain circumstances

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

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and

- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

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

2.3 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 2 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Resolution 1 - Approval to change Company name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 1 seeks the approval of Shareholders for the Company to change its name to "XCD Energy Limited".

The proposed name has been reserved by the Company with ASIC. If Resolution 1 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The Board proposes this change of name on the basis that the Company has now completed the acquisition of the Alaskan leases in April 2019 and that the new name signifies a new strategic vision for the Company.

Resolution 1 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 1.

4. Resolution 2 - Issue of Ferguson Performance Rights to Mr Dougal Ferguson

4.1 General

Mr Dougal Ferguson was appointed Managing Director of the Company on 15 April 2019 and as part of his employment contract, the Company is required to offer Mr Ferguson a long term incentive component of his remuneration.

As outlined above, the Company intends, subject to Shareholder approval, to issue 20,000,000 Performance Rights to Mr Ferguson, comprising:

- (a) 5,000,000 Class A Performance Rights;

- (b) 5,000,000 Class B Performance Rights;
- (c) 5,000,000 Class C Performance Rights; and
- (d) 5,000,000 Class D Performance Rights.

The Performance Rights provide an incentive component to Mr Ferguson's remuneration package, and align his interests with those of Shareholders. The Board considers that the number of Performance Rights to be granted to Mr Ferguson is commensurate with his value to the Company and is an appropriate method to provide cost effective remuneration.

The Performance Rights will be issued for nil cash consideration and will be subject to vesting conditions. The full terms and conditions of the Performance Rights are set out in Schedule 2.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of the Performance Rights to Mr Ferguson or his nominees.

Resolution 2 is an ordinary resolution.

The Board (excluding Mr Ferguson) recommends that Shareholders vote in favour of Resolution 2.

4.2 Listing Rule 10.11

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

Mr Ferguson is a related party of the Company by virtue of his position as a Director. As the issue of Performance Rights to Mr Ferguson (or his nominees) involves the issue of Securities to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights:

- (a) The maximum number of Performance Rights to be issued to Mr Ferguson is 20,000,000 Performance Rights comprising:
 - (i) 5,000,000 Class A Performance Rights which are convertible into 5,000,000 Shares on satisfaction of Milestone A;
 - (ii) 5,000,000 Class B Performance Rights which are convertible into 5,000,000 Shares on satisfaction of Milestone B;
 - (iii) 5,000,000 Class C Performance Rights which are convertible into 5,000,000 Shares on satisfaction of Milestone C; and

- (iv) 5,000,000 Class D Performance Rights which are convertible into 5,000,000 Shares on satisfaction of Milestone D.
- (b) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Performance Rights will be issued for nil cash consideration as they will be issued as part of Mr Ferguson's remuneration package;
- (d) the Performance Rights will be issued with on the terms set out in Schedule 2;
- (e) the Performance Rights will be issued for nil cash consideration and therefore no funds will be raised as a result of the issue; and
- (f) a voting exclusion statement is included in the Notice.

4.3 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The Board (other than Mr Ferguson, who has a material personal interest in Resolution 2) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights as the agreement to grant the Performance Rights, reached as part of the remuneration package for Mr Ferguson, is considered reasonable remuneration in the circumstances and was negotiated on arm's length terms.

A voting exclusion statement is included in the Notice.

5. Resolution 3- Replacement of constitution

5.1 General

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

Resolution 3 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**). The repeal of the existing Constitution will not occur, and the Proposed Constitution will not come into effect, unless and until completion occurs.

The Proposed Constitution incorporates amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 2007.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the proposed Constitution rather than to amend a multitude of specific provisions.

The proposed Constitution is broadly consistent with the provisions of the existing Constitution.

The Directors believe the amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all the changes in detail in this Explanatory Memorandum; however, a summary of the proposed material changes is set out below.

A copy of the proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

5.2 Summary of material proposed changes

(a) Minimum Shareholdings (Article 2.6 and Schedule 4)

Articles 2.6 and schedule 4 of the Constitution outline how the Company can manage shareholdings which represent "less than a marketable parcel" of Shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time (**Minimum Shareholding**).

The Constitution is in line with the requirements for dealing with Minimum Shareholdings outlined in the Corporations Act and Listing Rules such that where the Company elects to undertake a sale of Minimum Shareholdings, the Company is only required to give one notice to holders of Minimum Shareholdings to elect to retain their shareholding before the Minimum Shareholdings can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Schedule 4 of the Constitution continues to outline in detail the process that the Company must follow for dealing with Minimum Shareholdings.

(b) Fee for registration of off-market transfers (article 4.4)

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Article 4.4 of the Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(c) **Partial (proportional) takeover provisions (article 4.9 and schedule 5)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

(d) **Written circular resolution update (article 10.9)**

The current constitution outlines that a written circular resolution needs to only be signed by a majority of the Board (Article 15.9). The new version requires that a written circular resolution needs to be signed by the entire Board to be executed, not including any abstaining directors. (article 10.9).

5.3 Information required by section 648G of the Corporations Act

(a) **Effect of proposed proportional takeover provisions**

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(c) **Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company, save for the Acquisition as set out in this Notice. It is noted that the Proposed Constitution will not take effect until Completion, and the Directors are of the opinion that the adoption of the Proposed Constitution will not frustrate the Acquisition as contemplated in this Notice.

In accordance with section 648G(5)(e), the Directors confirm that the Acquisition has not influenced decision to propose this Resolution 3.

(d) **Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (v) proportional takeover bids may be discouraged;
- (vi) lost opportunity to sell a portion of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover bid succeeding may be reduced.

(e) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$ means Australian Dollars.

ASX means the 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.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Clause means a clause of the Constitution.

Company means Entek Energy Limited (to be renamed "XCD Energy Limited") (ACN 108 403 425).

Constitution means the new constitution of the Company which is the subject of Resolution 3.

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

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means any Equity Securities of the Company (including Shares and Options).

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

Shareholder means the holder of a Share.

WST means Western Standard Time being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of Performance Rights

2. For the purpose of these terms and conditions:

Alaskan Leases means the leases referred to in Schedule 3.

ASX means ASX Limited ACN 008 624 691 or, as the context permits, the securities exchange operated by that entity.

Change of Control Event means the occurrence of:

- (a) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
- (b) that takeover bid has become unconditional; or
- (c) the announcement by the Company that:
- (d) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (i) cancelled; or
 - (ii) transferred to a third party; and
 - (iii) the Court, by order, approves the proposed scheme of arrangement.

Company means Entek Energy Limited ACN 108 403 425.

Corporations Act means the Corporations Act 2001 (Cth).

Holder means a holder of a Performance Right.

Listing Rules means the Listing Rules of the ASX.

Performance Rights means a Class A Performance Right, Class B Performance Right, Class C Performance Right and/or Class D Performance Right (as applicable).

Share means a fully paid ordinary share in the Company.

VWAP means the volume weighted average price of the Shares.

3. Conversion and Expiry of Performance Rights

The Performance Rights will be granted in four milestone based classes with the milestones and expiry dates as follows:

Class of Performance Right	Milestone	Last Vesting Date	Last Exercise Date
Class A Performance Rights	The 20 day VWAP of Shares being greater than the Vesting Price, being the greater of:	30 June 2021.	5 years from date of issue of Category A Performance Rights.

	<ul style="list-style-type: none"> - \$0.025 cents per Share; and - 200% of the 20 day VWAP immediately prior to the Meeting, <p>And remain in employment with the Company until 30 June 2020 (Milestone A).</p>		
Class B Performance Rights	<p>The 20 day VWAP of Shares being greater than the Vesting Price, being the greater of:</p> <ul style="list-style-type: none"> - \$0.05 cents per share; and - - 300% of the 20 day VWAP immediately prior to the Meeting <p>And remain in employment with the Company until 30 June 2021 (Milestone B).</p>	30 June 2024.	5 years from date of issue of Category B Performance Rights.
Class C Performance Rights	<p>The completion of a farm-out transaction for one or more of the Alaskan Leases to fund the drilling of one or more wells for a carry of at least 1.5:1 and any other terms and conditions acceptable to the Board on or before 30 June 2022 (Milestone C).</p>	30 June 2022.	5 years from date of issue of Category C Performance Rights.
Class D Performance Rights	<p>Subject to the Completion of Milestone C, the completion of the drilling of an exploration well on an Alaskan Lease to a Nanushuk objective on or before 30 June 2023 (Milestone D).</p>	30 June 2023.	5 years from date of issue of Category D Performance Rights.

- (a) (**Conversion**) On achievement of the relevant Milestone each Performance Right will convert on a one for one basis into a Share.
- (b) (**Expiry**) If a Milestone is not achieved by the relevant Last Vesting Date, then the Performance Right will lapse.
- (c) (**Conversion procedure**) The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Right.

1. Takeover provisions

- (a) If the conversion of Performance Rights (or part thereof) under these terms and conditions would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Right that would cause the contravention will be deferred until such time or times

thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act. Following a deferment under this paragraph, the Company will at all times be required to convert that number of Performance Rights that would not result in a contravention of section 606(1) of the Corporations Act.

- (b) The Holders will give notification to the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.
- (c) The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven days if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act. If the Holders do not give notification to the Company within seven days that they consider the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act then the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.

2. Other Rights attaching to Performance Rights

- (a) **(No Voting rights)** A Performance Right does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (b) **(No dividend rights)** A Performance Right does not entitle a Holder to any dividends.
- (c) **(No rights to surplus profits or assets)** A Performance Right does not entitle a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (d) **(No right to a return of capital)** A Performance Share does not entitle a Holder to a return of capital, whether upon winding up of the Company, upon a reduction of capital or otherwise.
- (e) **(Not transferable)** A Performance Right is not transferable.
- (f) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation or sub-division, but excluding a return of capital) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (g) **(Quotation of shares on conversion)** An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules.

- (h) **(Participation in entitlements and bonus issues)** A Performance Right does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (i) **(Change of control)** If there is a Change of Control Event in relation to the Company prior to the conversion of the Performance Rights, all Performance Rights that have not been converted will automatically lapse, unless the Board determines otherwise.
- (j) **(Ceasing to be an employee or consultant)** Where a Holder (or the party that nominated the Holder to receive the Performance Rights) ceases to be employed or engaged by the Company prior to the conversion of the Performance Rights, all Performance Rights that have not been converted will automatically lapse, unless the Board determines otherwise.
- (k) **(No other rights)** A Performance Right does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Schedule 3 Alaskan Leases

Leases	Serial Number
Tract # 2013-L-015	AA-093747
Tract # 2013-L-017	AA-093748
Tract # 2013-L-026	AA-093749
Tract # 2018-L-030	AKAA095392
Tract # 2018-L-031	AKAA095393
Tract # 2018-L-044	AKAA095394
Tract # 2018-L-045	AKAA095395
Tract # 2018-L-046	AKAA095396
Tract # 2018-L-047	AKAA095397
Tract # 2018-L-049	AKAA095398
Tract # 2018-L-072	AKAA095400
Tract # 2018-L-074	AKAA095401
Tract # 2018-L-076	AKAA095402

ENTEK ENERGY LIMITED (TO BE RENAMED "XCD ENERGY LIMITED")

ACN 108 403 425

PROXY FORM

The Company Secretary
Entek Energy Limited

By post:

PO Box 1381,
West Perth WA 6872

By Email:

acanicais@entekenergy.com.au

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We _____

of _____

being a Shareholder/Shareholders of the Company and entitled to

votes in the Company, hereby appoint:

The Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

--

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf at the Meeting of the Company to be held at Level 1, 35 Outram Street, West Perth 6005 Western Australia on Thursday 1 August 2019 at 10.00am (WST) and at any adjournment or postponement of the Meeting and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law as the proxy sees fit.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

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

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval to change Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Ferguson Performance Rights to Mr Dougal Ferguson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Replacement of constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

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

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney 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 a sole Company 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 the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission or electronic mail at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Postal address: PO Box 1381, West Perth WA 6872

Email: acanicais@entekenergy.com.au