



NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Wednesday, 18 May 2011

Time of Meeting

10.30am (Perth Time)

Place of Meeting

Ground Floor, 15 Rheola Street, West Perth

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

ENTEK ENERGY LIMITED

ABN 43 108 403 425

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Entek Energy Limited ABN 43 108 403 425 ("Company") will be held at Ground Floor, 15 Rheola St, West Perth, Western Australia, 6005 on 18 May 2011 at 10.30am (Perth time) for the purpose of transacting the following business referred to in this Notice of General Meeting.

AGENDA

ITEMS OF BUSINESS

1. Resolution 1 – Ratification of Previous Issue of Shares – Placement Tranche 1

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

“That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment and issue of 43,153,830 Shares at an issue price of A\$0.12 each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any person associated with those persons. However, the Company need not disregard a vote if the vote 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 the vote 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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2. Resolution 2 – Approval of issue of Shares - Placement Tranche 2

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

“That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of up to 77,679,504 Shares at an issue price of A\$0.12 each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and any person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any person associated with those persons. However the Company need not disregard a vote if the vote 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 the vote 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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3. Resolution 3 - Approval of Participation by Company Director, Graham Douglas Riley in Tranche 2

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

“That, pursuant to Listing Rule 10.11 and for all other purposes, Graham Douglas Riley, a Director, or his nominee(s), may participate in the issue of Shares the subject of Resolution 2 by subscribing for a maximum of 4,166,667 Shares at an issue price of \$0.12 cents per Share.”

The Company will disregard any votes cast on Resolution 3 by Graham Douglas Riley and any associate of Graham Douglas Riley. However the Company need not disregard a vote if the vote 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 the vote 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.

4. Resolution 4 - Approval of Participation by Company Director, Alexander Forcke in Tranche 2

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

“That, pursuant to Listing Rule 10.11 and for all other purposes, Alexander Forcke, a Director, or his nominee(s), may participate in the issue of Shares the subject of Resolution 2 by subscribing for a maximum of 2,000,000 Shares at an issue price of \$0.12 cents per Share.”

The Company will disregard any votes cast on Resolution 4 by Alexander Forcke and any associate of Alexander Forcke. However the Company need not disregard a vote if the vote 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 the vote 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.

5. Resolution 5 - Proposed Issue of Incentive Options to Company Director, Graham Douglas Riley

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

“That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorised to grant and issue up to 2,000,000 Incentive Options for no consideration, each Incentive Option having various exercise prices, vesting dates and an expiry date 3 years from the date of grant, to Graham Douglas Riley or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”

Short Explanation: The exercise prices of the Incentive Options to be issued under this Resolution will be not less than 150% and 200% of the volume weighted average market price of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted. It is proposed that the Incentive Options will be granted immediately after approval from Shareholders has been obtained. 50% of each tranche of the Incentive Options will be subject to a vesting period of 12 months from the date of grant, during which time the holder shall not be permitted to exercise the Incentive Options. The balance of the Incentive Options will be freely exercisable from the date of grant. The Incentive Options will have an expiry date 3 years from the date of grant.

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 5 by Graham Douglas Riley and any associate of Graham Douglas Riley. However the Company need not disregard a vote if

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast by Graham Douglas Riley or an associate of Graham Douglas Riley.

6. Resolution 6 – Proposed Issue of Incentive Options to Company Director, Trent Spry

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

“That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorised to grant and issue up to 3,000,000 Incentive Options for no consideration, each Incentive Option having various exercise prices, vesting dates and an expiry date 3 years from the date of grant, to Trent Spry or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”

Short Explanation: The exercise prices of the Incentive Options to be issued under this Resolution will be not less than 150% and 200% of the volume weighted average market price of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted. It is proposed that the Incentive Options will be granted immediately after approval from Shareholders has been obtained. 50% of each tranche of the Incentive Options will be subject to a vesting period of 12 months from the date of grant, during which time the holder shall not be permitted to exercise the Incentive Options. The balance of the Incentive Options will be freely exercisable from the date of grant. The Incentive Options will have an expiry date 3 years from the date of grant.

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 6 by Trent Spry and any associate of Trent Spry. However the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of Trent Spry or an associate of Trent Spry.

7. Resolution 7 – Proposed Issue of Incentive Options to Company Director, Alexander Forcke

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

“That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorised to grant and issue up to 2,000,000 Incentive Options for no consideration, each Incentive Option having various exercise prices and vesting dates and an expiry date 3 years from the date of grant, to Alexander Forcke or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”

Short Explanation: The exercise prices of the Incentive Options to be issued under this Resolution will be not less than 150% and 200% of the volume weighted average market price of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted. It is proposed that the Incentive Options will be granted immediately after approval from Shareholders has been obtained. 50% of each tranche of the Incentive Options will be subject to a vesting period of 12 months from the date of grant, during which time the holder shall not be permitted to exercise the Incentive Options. The balance of the Incentive Options will be freely exercisable from the date of grant. The Incentive Options will have an expiry date 3 years from the date of grant.

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 7 by Alexander Forcke and any associate of Alexander Forcke. However the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of Alexander Forcke or an associate of Alexander Forcke.

8. Resolution 8 – Proposed Issue of Incentive Options to Company Director, Andrew Padman

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

“That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorised to grant and issue up to 2,000,000 Incentive Options for no consideration, each Incentive Option having various exercise prices, vesting dates and an expiry date 3 years from the date of grant, to Andrew Padman or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”

Short Explanation: The exercise prices of the Incentive Options to be issued under this Resolution will be not less than 150% and 200% of the volume weighted average market price of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted. It is proposed that the Incentive Options will be granted immediately after approval from Shareholders has been obtained. 50% of each tranche of the Incentive Options will be subject to a vesting period of 12 months from the date of grant, during which time the holder shall not be permitted to exercise the Incentive Options. The balance of the Incentive Options will be freely exercisable from the date of grant. The Incentive Options will have an expiry date 3 years from the date of grant.

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 8 by Andrew Padman and any associate of Andrew Padman. However the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of Andrew Padman or an associate of Andrew Padman.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Please note defined terms used in this Notice of Meeting have the meanings set out in the Glossary of the Explanatory Memorandum accompanying this Notice of Meeting.

By order of the Board

Andrew Gastevich
Company Secretary

Dated: 8 April 2011

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 of Meeting and by submitting their proxy appointment and voting instructions in person, by post, 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. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the 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.

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.
- 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 (i.e. where there are two proxies, each proxy may exercise half of the votes).
- 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 vote, or abstain from voting, as they think fit.
- 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.
- To be effective, **proxies must be lodged by 10.30am (Perth time) on 16 May 2011**. Proxies lodged after this time will be invalid.
- Proxies may be lodged by returning a completed proxy form, using any of the following methods:
 - by hand, in person to
Computershare Investor Services Pty Ltd
Level 2, 45 St George Terrace
PERTH WA 6000; or
 - by post using the pre-addressed envelope provided with this Notice to:
Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001; or
 - Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH WA 6000
 - by fax to 1800 783 447 inside Australia and +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 10.30am (Perth time) on 16 May 2011. 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 General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (Perth time) 16 May 2011.

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 General Meeting of Entek Energy Limited ("**Entek**" or the "**Company**").

Certain abbreviations and other defined terms are used throughout this 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.

Background

On 7 April 2011 the Company announced that it was undertaking a two tranche placement and a non renounceable entitlement issue to raise a total of approximately \$25.2 million ("**Capital Raising**"). The Capital Raising will take place as follows:

- (a) Tranche 1 – the issue of 43,153,830 Shares at an issue price \$0.12 per Share to raise approximately \$5.2 million ("**Tranche 1 of the Placement**");
- (b) Tranche 2 – subject to the receipt of shareholder approval, the issue of 77,679,504 Shares at an issue price \$0.12 per Share to raise approximately \$9.3 million ("**Tranche 2 of the Placement**"); and
- (c) Underwritten non-renounceable entitlement issue 1 for 4 of 102,131,478 Shares at an issue price \$0.105 per Share to raise approximately \$10.7 million ("**Entitlement Issue**").

The funds raised under the Capital Raising will be used to fund:

- evaluation/development of the Niobrara oil shale project;
- pursue additional Niobrara acreage opportunities;
- Gulf of Mexico appraisal/development work program; and
- fund working capital and transaction costs.

Euroz Securities Limited ("**Euroz**") is acting as Manager to the Capital Raising and Underwriter to the Entitlement Issue.

Tranche 1 of the Placement is the subject of Resolution 1 and Tranche 2 of the Placement is the subject of Resolutions 2, 3 and 4.

RESOLUTION 1 - RATIFICATION OF PREVIOUS ISSUE OF SHARES - PLACEMENT TRANCHE 1

Shareholder approval is being sought to ratify the Shares issued under Tranche 1 of the Placement.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold under ASX Listing Rule 7.1 at the time of issue. The effect of such ratification is to restore the Company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Pursuant to Resolution 1, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 43,153,830 Shares that was made on or around 15 April, 2011 in order to restore the right of the Company to issue further Shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 43,153,830 Shares were allotted and issued;
- (b) the Shares were issued at an issue price of \$0.12 each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to sophisticated and institutional investors, clients of Euroz, none of which were a related party of the Company; and
- (e) funds raised from the issue will be used to fund:
 - evaluation/development of the Niobrara oil shale project;
 - pursue additional Niobrara acreage opportunities;
 - Gulf of Mexico appraisal/development work program; and
 - fund working capital and transaction costs.

The Directors recommend that Shareholders of the Company vote in favour of Resolution 1.

RESOLUTION 2 - APPROVAL OF ISSUE OF SHARES - PLACEMENT TRANCHE 2

Shareholder approval is being sought for Tranche 2 of the Placement.

Shareholder approval under Listing Rule 7.1 is sought to ensure that the proposed issue of Shares by the Company pursuant to Resolution 2 does not result in the Company being in breach of Listing Rule 7.1, and to provide the Company with flexibility to make future issues of securities during the next 12 month period without first having to obtain approval of its shareholders.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 77,679,504 Shares are proposed to be issued and allotted on or around 20 May, 2011, however no later than one month after the date of shareholder approval, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (b) these Shares will be issued at an issue price of \$0.12 each;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares will be allotted to professional investor and sophisticated investor clients of Euroz none of whom are related parties of the Company, save for the Shares the subject of Resolution 3 and Resolution 4; and
- (e) funds raised from the issue will be used to fund:
 - evaluation/development of the Niobrara oil shale project;
 - pursue additional Niobrara acreage opportunities;
 - Gulf of Mexico appraisal/development work program; and
 - fund working capital and transaction costs.

The Directors recommend that Shareholders of the Company vote in favour of Resolution 2.

RESOLUTION 3 AND RESOLUTION 4 – PARTICIPATION BY DIRECTORS IN TRANCHE 2

Resolution 3 and Resolution 4 seek shareholder approval pursuant to Listing Rule 10.11 to allow:

- (a) Graham Douglas Riley, a Director, to participate in Tranche 2 of the Placement by permitting him or his nominee(s) to subscribe for up to 4,166,667 Shares in addition to the Shares issued to unrelated parties, as detailed above; and
- (b) Alexander Forcke, a Director, to participate in Tranche 2 of the Placement by permitting him or his nominee(s) to subscribe for up to 2,000,000 Shares in addition to the Shares issued to unrelated parties, as detailed above.

Director participation will be on exactly the same terms as the placement made to the unrelated parties.

The impact of passing Resolution 3 and Resolution 4 on Graham Douglas Riley's and Alexander Forcke's voting power in the Company, assuming they receive the full placement of 6,166,667 Shares, and assuming the issue of 56,846,170 Shares as referred to above at Resolution 2, is set out in the following table.

Director	Number of Shares
Graham Douglas Riley, or his nominee(s)	6,166,667
Alexander Forcke, or his nominee(s)	2,000,000

Director	Percentage voting power in the Company on an undiluted basis (<i>Total issued share capital of the Company is 408,525,909</i>)	Percentage voting power in the Company on a fully diluted basis (<i>Total issued share capital of the Company is 421,275,909</i>)*
Graham Douglas Riley, or his nominee(s)	1.5%	1.5%
Alexander Forcke, or his nominee(s)	0.5%	0.5%

* = Does not include options in Resolutions 5 to 8

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Shares the Company can issue under Resolution 3 is 4,166,667 Shares and Resolution 4 is 2,000,000 Shares;
- (b) the Company will issue the Shares within one month of the date of the annual general meeting (or such later date as approved by ASX);
- (c) the issue price of the Shares is \$0.12 each;
- (d) in respect of Resolution 3, the Shares will be allotted and issued to Graham Douglas Riley or his nominee(s);
- (e) in respect of Resolution 4, the Shares will be allotted and issued to Alexander Forcke or his nominee(s);
- (f) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares; and
- (g) the funds raised will be used to fund:
 - evaluation/ development of the Niobrara oil shale project;
 - pursue additional Niobrara acreage opportunities;
 - Gulf of Mexico appraisal/ development work program; and
 - fund working capital and transaction costs.

Messrs Spry, Forcke and Padman (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3.

Graham Douglas Riley declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of that particular Resolution.

Messrs Riley, Spry and Padman (who have no interest in the outcome of Resolution 4) recommend that Shareholders vote in favour of Resolution 4.

Alexander Forcke declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution

RESOLUTION 5 - 8 - ISSUE OF INCENTIVE OPTIONS TO COMPANY DIRECTORS

The Company proposes to grant a total of 9,000,000 Incentive Options as follows:

- (a) 2,250,000 Incentive Options, each Incentive Option with an issue price not less than 150% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are issue (with any fractions of a cent rounded up to the nearest whole cent) and expiry date 3 years from the date of grant of the Incentive Options ("**Portion A Tranche 1**");
- (b) 2,250,000 Incentive Options, each Incentive Option with an issue price not less than 150% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are issued (with any fractions of a cent rounded up to the nearest whole cent) , vesting 1 year from the date of issue of the Incentive Options and an expiry date 3 years from the date of grant of the Incentive Options ("**Portion B Tranche 1**"), (together "**Tranche 1**")
- (c) 2,250,000 Incentive Options, each Incentive Option with an issue price not less than 200% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted (with any fractions of a cent rounded up to the nearest whole cent) and expiry date 3 years from the date of grant of the Incentive Options ("**Portion A Tranche 2**"); and
- (d) 2,250,000 Incentive Options, each Incentive Option with an issue price not less than 200% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted (with any fractions of a cent rounded up to the nearest whole cent) , vesting 1 year from the date of grant of the Incentive Options and an expiry date 3 years from the date of grant of the Incentive Options ("**Portion B Tranche 2**"), (together "**Tranche 2**"),

to Graham Douglas Riley, Trent Spry, Alexander Forcke and Andrew Padman ("**The Participating Directors**"), or their nominees. The terms of the Incentive Options are set out in Annexure A to this Explanatory Memorandum.

The Incentive Options will be issued as follows:

Director	Portion A Tranche 1	Portion B Tranche 1	Portion A Tranche 2	Portion B Tranche 2
Graham Douglas Riley	500,000	500,000	500,000	500,000
Trent Spry	750,000	750,000	750,000	750,000
Alexander Forcke	500,000	500,000	500,000	500,000
Andrew Padman	500,000	500,000	500,000	500,000

The grant of Incentive Options encourages the Participating Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances the Directors consider that the incentives intended for the Participating Directors represented by the grant of these Incentive Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Shareholders should note that for the reasons noted above, it is proposed to grant Incentive Options to Graham Douglas Riley, Alexander Forcke, and Andrew Padman notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and recommendations* ("**Principles**") which states that non-executive directors should not receive options.

The number of Incentive Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- (a) the remuneration of the Directors;
- (b) the Directors' wish to ensure that the remuneration offered is competitive with market standards. The Directors have considered the proposed number of Incentive Options to be granted will ensure that the Participating Directors' overall remunerations are in line with the market standards; and
- (c) incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

In the event the Incentive Options are exercised, the following amounts will need to be paid to the Company by the Participating Directors, *assuming the exercise price is 25.5cents for the Incentive Options issued at 150% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted and 34 cents for the Incentive Options issued at 200% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted.*

Director	Amount to be paid
Graham Douglas Riley	\$ 595,000
Trent Spry	\$ 892,500
Alexander Forcke	\$ 595,000
Andrew Padman	\$ 595,000
Total	\$2,677,500

The Company will therefore receive \$2,677,500 from the Participating Directors should all the Incentive Options be exercised.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Participating Directors is considered to be a related party of the Company.

Resolutions 5 - 8 provide for the grant of Incentive Options to the Participating Directors which is a financial benefit which requires shareholder approval.

Current Holdings

Set out below are details of each of the Participating Directors' relevant interest in Shares of the Company as at the date of this Notice:

Director	Number of Shares
Graham Douglas Riley	2,000,000 ¹
Trent Spry	475,000 ²
Alexander Forcke	Nil
Andrew Padman	800,000 ³
Total	3,275,000

Notes

- Graham Douglas Riley has a relevant interest in these Shares which are held by the Riley Super Fund A/C. He is a trustee and beneficiary of the Riley Super Fund A/C. He has the power to control the disposal of the securities registered in the name of the Riley Super Fund A/C.
- Trent Spry is the registered holder of these Shares.
- Andrew Padman has a relevant interest in these Shares which are held by the Padman Superannuation Fund. He is a trustee and beneficiary of the Padman Superannuation Fund A/C. He has the power to control the disposal of the securities registered in the name of the Padman Superannuation Fund.

Set out below are details of each of the Participating Directors' relevant interest in Options of the Company as at the date of this Notice:

Director	Number of Options
Graham Douglas Riley	Nil
Trent Spry	4,000,000 ¹
Alexander Forcke	Nil
Andrew Padman	1,000,000 ²
Total	5,000,000

Notes

- 1,000,000 Options exercisable at 25 cents expiring on 31 October 2013; 1,000,000 Options exercisable at 35 cents expiring on 31 October 2013; 2,000,000 Options exercisable at 50 cents expiring on 31 October 2013; all held in the name T Spry
- 500,000 Options exercisable at 25 cents expiring on 29 June 2011; 500,000 Options exercisable at 35 cents expiring on 30 June 2011; all held by the Padman Superannuation Fund. He is a trustee and beneficiary of the Padman Superannuation Fund A/C. He has the power to control the exercise of the Options registered in the name of the Padman Superannuation Fund.

INFORMATION REQUIREMENTS

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related parties to whom the proposed resolutions would permit the financial benefit to be given:

Subject to shareholder approval, the following maximum number of Incentive Options will be granted to the following related parties, or their respective nominees:

Director	Portion A Tranche 1	Portion B Tranche 1	Portion A Tranche 2	Portion B Tranche 2
Graham Douglas Riley	500,000	500,000	500,000	500,000
Trent Spry	750,000	750,000	750,000	750,000
Alexander Forcke	500,000	500,000	500,000	500,000
Andrew Padman	500,000	500,000	500,000	500,000

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Incentive Options for no consideration to the Participating Directors as noted above.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above:

Messrs Spry, Forcke and Padman (who have no interest in the outcome of Resolution 5) recommend that Shareholders vote in favour of Resolution 5.

Graham Douglas Riley declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s).

Messrs Riley, Forcke and Padman (who have no interest in the outcome of Resolution 6) recommend that Shareholders vote in favour of Resolution 6.

Trent Spry declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s).

Messrs Riley, Spry and Padman (who have no interest in the outcome of Resolution 7) recommend that Shareholders vote in favour of Resolution 7.

Alexander Forcke declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s).

Messrs Riley, Spry and Forcke (who have no interest in the outcome of Resolution 8) recommend that Shareholders vote in favour of Resolution 8.

Andrew Padman declines to make a recommendation about Resolutions 8 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him or his nominee(s).

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors:

The proposed ordinary Resolutions 5 – 8 would have the effect of giving power to the Directors to grant a total of 9,000,000 Incentive Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 287,692,575 listed Shares and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
1,625,000	25 cents	29 June 2011
1,625,000	35 cents	30 June 2011
1,500,000	35 cents	31 January 2012
1,500,000	50 cents	31 January 2013
1,250,000	25 cents	31 October 2013
1,250,000	35 cents	31 October 2013
2,500,000	50 cents	31 October 2013
1,500,000	70 cents	31 January 2014

If all Incentive Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised and the Shares the subject of Resolution 2, 3 and 4 are issued, the effect would be to dilute the share holding of existing shareholders by 1.8%. The market price of the Company's Shares during the period of the Incentive Options will normally determine whether or not the Participating Directors exercise the Incentive Options. At the time any Incentive Options are exercised and Shares are issued pursuant to the exercise of the Incentive Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Incentive Options.

The Participating Directors' fees per annum (including superannuation) and the total financial benefit to be received by them in this current period as a result of the grant of the Incentive Options the subject of Resolutions 5 – 8 are as follows:

Director	Fees p.a. (\$)	Value of Incentive Options (\$)	Total Financial Benefit (\$)
Graham Douglas Riley	87,200	145,141	232,341
Trent Spry	275,000	217,712	492,712
Alexander Forcke	54,500	145,141	199,641
Andrew Padman	54,500	145,141	199,641

Valuation of Incentive Options

The Company's advisers have valued the Incentive Options to be granted to the Participating Directors using the Black & Scholes Model. The value of an option calculated by the Black & Scholes Model is a function of a number of variables. The valuation of the Incentive Options has been prepared using the following assumptions:

Variable	Input
Share price	17 cents
Exercise price	25.5 cents for Tranche 1 Incentive Options 34 cents for Tranche 2 Incentive Options
Risk Free Interest Rate	5.05%
Volatility	82%
Time (years to expiry)	3 years

The Company's advisers have calculated the value of each option based on the following assumptions:

- They have based the underlying value of each share in the Company on the Australian Securities Exchange closing price of \$0.17 cents on 7 April, 2011;
- Risk free rate of return – 5.05% (estimated, based on 3 year Australian Government Bond);
- They used a volatility of the share price of 82% as determined from the daily movements in share price over the last 12 months, adjusted for abnormal trading.

Based on the assumptions, it is considered that the estimated average value of the Incentive Options to be granted to the Participating Directors is 7.8 cents for Tranche 1 Incentive Options and 6.7 cents for Tranche 2 Incentive Options.

Any change in the variables applied in the Black & Scholes calculation between the date of the valuation and the date the Incentive Options are granted would have an impact on their value.

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 7 April, 2011 (being the last trading day prior to the date of this Notice of Meeting):

Highest Price (cents) / Date	Lowest Price (cents) / Date	Latest Price (cents) / Date
\$0.23 on 27 April, 2010	\$0.099 on 8 December 2010	\$0.17 on 7 April 2011

Other Information

Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Incentive Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Incentive Options pursuant to Resolutions 5 - 8.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Incentive Options to the Participating Directors.

Additional Information

The following information in relation to the Incentive Options to be granted pursuant to Resolutions 5 - 8 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Incentive Options will be granted to the Participating Directors, or their nominees, as noted above;
- (b) the maximum number of Incentive Options to be granted is 9,000,000;
- (c) the Incentive Options will be allotted and granted as soon as practicable after the date of this Meeting but in any event no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Incentive Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Incentive Options; and
- (f) the terms and conditions of the Incentive Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the grant of the Incentive Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

GLOSSARY

"**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.

"**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.

"**Incentive Option**" means an option to acquire a share on the terms and conditions set out in Annexure A.

"**Listing Rules**" means the Listing Rules of the ASX.

"**Meeting**" means the general meeting the subject of the Notice.

"**Notice**" means the notice of general meeting which accompanies this Explanatory Memorandum.

"**Option**" means an option to acquire a Share.

"**Resolution**" means a resolution proposed pursuant to the Notice.

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

"**Shareholder**" means a person who holds Shares.

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

ANNEXURE "A"

TERMS AND CONDITIONS OF THE OPTIONS

1. The Options shall be issued in two tranches, 50% of the Options shall form tranche 1 ("**Tranche 1**") and 50% shall form tranche 2 ("**Tranche 2**").
2. The Options shall expire three years after they have been granted ("**Expiry Date**").
3. The Options shall vest as follows:
 - (a) 50% of Tranche 1 Options shall vest immediately;
 - (b) 50% of Tranche 1 shall vest 1 year from the date of grant of the Options;
 - (c) 50% of Tranche 2 Options shall vest immediately;
 - (d) 50% of Tranche 2 shall vest 1 year from the date of grant of the Options;("Vesting Date").
4. Options may be exercised at any time on or after 9.00 am WST on the Vesting Date and on or before 5.00pm WST on the Expiry Date.
5. The Options may be exercised in whole or in part.
6. The exercise price of each Option is as follows:
 - (a) Tranche 1 – an amount not less than 150% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted (with any fractions of a cent rounded up to the nearest whole cent); and
 - (b) Tranche 2 – an amount not less than 200% of the 7 day VWAP of Shares as traded on ASX for the 7 trading days immediately preceding the date on which the Incentive Options are granted (with any fractions of a cent rounded up to the nearest whole cent),("Exercise Price").
7. The Options may be transferred to a related party of Graham Douglas Riley, Trent Spry, Alexander Forcke or Andrew Padman (as applicable) at any time in whole or in part.
8. A notice under CHESS instead of a certificate will be issued for the Options. On the reverse side of the notice there will be endorsed a statement of rights of the Option holder and a notice of exercise of option that is to be completed when exercising the Options. If there is more than one Option comprised in this notice and prior to the Expiry Date those Options are exercised in part the Company will issue another notice for the balance of the Options held and not yet exercised.
9. The Option holder will be permitted to participate in any new pro-rata issue of securities of the Company on the prior exercise of the Options in which case, the Option holder will be afforded the period of at least 5 Business Days prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Options.

10. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.
11. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
12. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option may be reduced according to the following formula:

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

- O' = the new Exercise Price of the Option.
- O = the old Exercise Price of the Option.
- E = the number of underlying securities into which one Option is exercisable.
- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

In the case of a bonus issue the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.

13. The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of Shares received by the Option holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the books closing date for bonus issues. The Exercise Price of the Options shall not change as result of any such bonus issue.
14. The Company shall notify the Option holder and the ASX within one month after the books closing date for a pro-rata bonus or cash issue, of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the Exercise Price.
15. Subject to these terms and conditions, each Option shall confer the right to take up one fully paid ordinary Share in the Company.

16. If Graham Douglas Riley, Trent Spry, Alexander Forcke or Andrew Padman's (as applicable) appointment with the Company or any of its subsidiaries ceases or is terminated by the Company or any of its subsidiaries for any reason, other than for Redundancy, the Options may be exercised by the holder (or the holder's legal personal representative(s)) within 30 days of the cessation or termination of Graham Douglas Riley, Trent Spry, Alexander Forcke or Andrew Padman's (as applicable) employment with the Company or any of its subsidiaries provided that:
- (a) the Options have not lapsed under condition 1; and
 - (b) the Options are entitled to be exercised pursuant to condition 2.

If the Option is not exercised within the 30 day period provided in this condition, it will lapse.

17. In the circumstances referred to in condition 16, the Board may in its absolute discretion, but subject always to the Listing Rules, give written approval to the Option holder to exercise the Option during such further period (ending not later than the Expiry Date) as the Board decides.
18. Notwithstanding any other terms and conditions, all Options may be exercised:
- (a) in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not;
 - (b) at any time after a Change in Control Event has occurred; or
 - (c) if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.
19. The Option holder may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to the Option holder of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

20. In these terms and conditions:

"**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 the Company;

"**Business Day**" means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day;

"**Change of Control Event**" means a shareholder, or a group of associated shareholders:

- (a) becoming entitled to sufficient Shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Board; or
- (b) gaining the ability to control more than 50% of the Voting Power in the Company;

"**CHESS**" means the Clearing House Electronic Sub-Register System;

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

"**Listing Rules**" means the official Listing Rules of ASX as they apply to the Company;

"**Option**" means an option to acquire one Share;

"**Option holder**" means Graham Douglas Riley, Trent Spry, Alexander Forcke or Andrew Padman or their nominee (as applicable);

"**Redundancy**" means a determination by the Board that the Company's need to employ Graham Douglas Riley, Trent Spry, Alexander Forcke or Andrew Padman (as applicable) for the particular kind of work carried out by him has ceased (but, for the avoidance of any doubt, does not include the dismissal of Graham Douglas Riley, Trent Spry, Alexander Forcke or Andrew Padman (as applicable) for personal or disciplinary reasons or where Graham Douglas Riley, Trent Spry, Alexander Forcke or Andrew Padman (as applicable) leaves the employ of the Company of his own accord);

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

"**Voting Power**" has the meaning ascribed to that term in the Corporations Act;

"**VWAP**" means volume weighted average price; and

"**WST**" means Western Australian Standard Time.

Entek Energy Limited

ABN 43 108 403 425

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 272 621
(outside Australia) +61 3 9938 4438

000001 000 ETE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 10:30am (Perth Time) Monday 16 May 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Entek Energy Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 at the meeting on my/our behalf 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 Entek Energy Limited to be held at Ground Floor, 15 Rheola Street. West Perth on Wednesday, 18 May 2011 at 10:30am (Perth Time) and at any adjournment of that meeting.

Important for Resolutions 3 & 5: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 3 & 5 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 3 & 5 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 3 & 5.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



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

		For	Against	Abstain
Resolution 1	Ratification of Previous Issue of Shares - Placement Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Issue of Shares - Placement Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Participation by Company Director, Graham Douglas Riley in Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Participation by Company Director, Alexander Forcke in Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Proposed Issue of Incentive Options to Company Director, Graham Douglas Riley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Proposed Issue of Incentive Options to Company Director, Trent Spry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Proposed Issue of Incentive Options to Company Director, Alexander Forcke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Proposed Issue of Incentive Options to Company Director, Andrew Padman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____