
**NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY
MEMORANDUM**

Date of Meeting

Friday, 30 November 2018

Time of Meeting

3.00pm WST

Place of Meeting

Stantons Boardroom
Level 2, 1 Walker Avenue
West Perth, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully. If you are unable to attend the Annual 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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Entek Energy Limited ABN 43 108 430 425 ("Company") will be held at the Stantons Boardroom, Level 2, 1 Walker Avenue, West Perth, Western Australia on Friday 30 November, 2018 at 3.00pm WST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

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

AGENDA

ITEMS OF BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2018, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

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

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

"That the Remuneration Report for the year ended 30 June 2018 as set out in the Company's 2018 Annual Report be adopted."

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

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

- a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- b) it is not cast on behalf of a Restricted Voter.

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

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

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

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

¹ "Restricted Voter" means Key Management Personnel (whose remuneration details are included in the Remuneration Report) and their Closely Related Parties as defined in the glossary.

2. RESOLUTION 2 - Election of Peter Stickland as a Director

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

“That, for the purposes of clause 13.5 of the Constitution and Listing Rule 14.4, and for all other purposes Mr Peter Stickland, having been appointed by the Board as an additional Director on 31 August 2018, and being eligible, be elected as a Director of the Company.”

3. RESOLUTION 3 - Re-election of Anthony Walsh as a Director

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

“That, for the purposes of clause 13.2 of the Constitution, and for all other purposes Mr Anthony Walsh, who retires in accordance with clause 13.2 of the Constitution and being eligible for re-election, be re-elected as a Director.”

4. RESOLUTION 4 - Issue of Sign-On Options to Peter Stickland (or his nominee(s))

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 Sign-On Options for no consideration to Peter Stickland or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) Peter Stickland (or his nominee(s)); and
- (b) an associate of Peter Stickland (or his nominee(s)).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 224 of the Corporations Act, the Company will also disregard any votes cast in favour of Resolution 4 (in any capacity) by or on behalf a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate* of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 4 and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate* of such a related party.

* Note: In relation to the immediately preceding paragraph, the word “associate” has the meaning given to that term in the Corporations Act.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4.

Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

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

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on Resolution 4.

5. RESOLUTION 5 - Issue of Incentive Options to Nerida Schmidt (or her nominee(s))

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 to Nerida Schmidt or her nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum).”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) Nerida Schmidt (or her nominee(s)); and
- (b) an associate of Nerida Schmidt (or her nominee(s)).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 224 of the Corporations Act, the Company will also disregard any votes cast in favour of Resolution 5 (in any capacity) by or on behalf a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate* of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 5 and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate* of such a related party.

* Note: In relation to the immediately preceding paragraph, the word “associate” has the meaning given to that term in the Corporations Act.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 5; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 5.

Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the

Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on Resolution 5.

6. RESOLUTION 6 - Approval of Employee Equity Incentive Plan

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

"That for the purposes of Listing Rule 7.2 exception 9(b) and for all other purposes, the Shareholders approve the Employee Equity Incentive Plan and any issue of securities under that plan for employees and Directors, a summary of the rules which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director, other than any Directors who are ineligible to participate in any employee incentive scheme, in relation to the Company, and any associates of those Directors. However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 6; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 6.

Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

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

OTHER BUSINESS

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

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

BY ORDER OF THE BOARD



Nerida Schmidt

Company Secretary

Dated: 24 October 2018

HOW TO VOTE

Shareholders can vote by either:

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

VOTING IN PERSON (OR BY ATTORNEY)

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

VOTING BY A CORPORATION

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

VOTING BY PROXY

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting. If the proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on that resolution on a show of hands.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (ie. where there are two proxies, each proxy may exercise half of the votes). If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.
- A proxy need not be a Shareholder.

- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 4-6 in accordance with a direction on how the proxy is to vote, or if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any Resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged by 3.00pm (WST) on 28 November 2018. Proxies lodged after this time will be invalid.

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

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

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 3.00pm (WST) on 28 November 2018. If facsimile transmission is used, the power of attorney must be certified.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4.00pm (WST) 28 November 2018.

ENTEK ENERGY LIMITED

ABN 43 108 403 425

EXPLANATORY MEMORANDUM

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

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

1. FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2018 together with the Directors’ declaration and report in relation to that financial year and the auditor’s report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

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

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

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

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

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

2. RESOLUTION 1 - Adoption of Remuneration Report

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company’s 2018 Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company’s 2018 Annual Report and is also available on the Company’s website www.entekenergy.com.au

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

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

The Remuneration Report for the financial year ended 30 June 2017 did not receive a vote of more than 25% against its adoption at the Company's last AGM held on 28 November 2017. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, a Spill Resolution is not required to be included in this Notice.

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

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

VOTING

A voting exclusion applies to Resolution 1 on the terms set out in the Notice.

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

3. RESOLUTION 2 - ELECTION OF PETER STICKLAND AS A DIRECTOR

Resolution 2 seeks approval for the election of Mr Peter Stickland as a Director with effect from the end of the Annual General Meeting.

Pursuant to clause 13.5 of the Company's Constitution, the Directors may appoint any person to be a Director, either as an addition to the existing Directors or to fill a casual vacancy. However, any such appointment concludes at the next general meeting following the appointment. The Director is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Resolution 2 is an ordinary resolution and provides for approval of the appointment of Mr Stickland to the Board pursuant to the Company's Constitution.

The Board appointed Mr Stickland on 31 August 2018. Mr Stickland retires from office in accordance with this requirement and submits himself for election.

Peter Stickland B.Sc Hons (Geology), GDipAppFin (Finsia), GAICD has over 25 years global experience in oil and gas exploration. Peter is currently a non-executive director of Melbana Energy Ltd (ASX:MAY) ("Melbana") and was CEO of Melbana from 2014 until early 2018 during which time he led the restructuring of the company and secured the Block 9 PSC in Cuba. Peter was also CEO of Tap Oil Limited (ASX: TAP) from 2008 until late 2010 during which time he oversaw the evolution of the company into a South East Asia/Australia focused E&P Company. Earlier, Peter had a successful career with BHP Billiton including a range of technical and management roles. Peter is an Honorary Life Member of the Australian Petroleum Production and Exploration Association Limited (APPEA) and was a member of the APPEA Board of from 2009 to 2017.

Mr Stickland has held the following public company directorships in the past three years:

- Executive Director of Melbana Energy Ltd from 30 January 2015 to 12 January 2018 and then Non-Executive director of Melbana Energy Ltd to current date.
- Non-Executive Director of Talon Petroleum Ltd from 1 October 2018 to current date

Mr Stickland is considered by the Board to be independent. The Company is not aware of any material adverse information that may affect Mr Stickland's ability to serve as a director of the Company.

Directors' recommendation

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

4. RESOLUTION 3 - RE-ELECTION OF ANTHONY WALSH AS A DIRECTOR

Resolution 3 seeks approval for the re-election of Mr Anthony Walsh as a Director with effect from the end of the Meeting.

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

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

The Board appointed Mr Walsh on 26 July 2017. Mr Walsh retires from office in accordance with this requirement and submits himself for election.

Mr Walsh holds a Bachelor of Commerce from University College Dublin, Ireland a Masters of Business Administration from University of Bridgeport, Connecticut, USA, is a Fellow of the Institute of Chartered Accountants, a Fellow of the Institute of Chartered Secretaries, a Fellow of the Governance Institute of Australia and a Fellow of FinSia. Mr Walsh is a member of the Australian Institute of Company Directors.

Mr Walsh has over 30 years' experience in dealing with listed companies, ASX, ASIC and corporate transactions including 14 years with the ASX in Perth where he acted as ASX liaison with the JORC committee, four years as Chairman of an ASX listed mining explorer and as a director of a London AIM listed explorer.

Mr Walsh was until recently a member of the West Australian State Council of Governance Institute of Australia (formerly Chartered Secretaries Australia) and is a member of Newman College school council. Mr Walsh is currently chairman of Acts2 Bible College and a director of the Womens and Infants Research Foundation.

Mr Walsh has held the following public company directorships in the past three years:

- Director of Altas Iron Limited from 5 August 2016 to 23 January 2018.

Mr Walsh is considered by the Board to be independent. The Company is not aware of any material adverse information that may affect Mr Walsh's ability to serve as a director of the Company.

Directors' recommendation

The Directors (other than Mr Walsh) recommend that Shareholders vote in favour of the re-election of Mr Walsh.

5. RESOLUTION 4 - ISSUE OF SIGN-ON OPTIONS TO MR PETER STICKLAND (OR HIS NOMINEE(S))

The Company proposes to grant and issue a total of up to 3,000,000 Sign-On Options as follows:

- 1,000,000 Sign-On Options, each Sign-On Option with an exercise price equal to the higher of 4.8 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5 trading days up to the Annual General Meeting and including the day prior to the, vesting 6 months from the date of Mr Stickland's appointment as a Director of the Company, and expiring 3 years from the date of issue of the Sign-On Options ("**Tranche 1**");
- 1,000,000 Sign-On Options, each Sign-On Option with an exercise price equal to the higher of 7.2 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Annual General Meeting, vesting 12 months from the date of Mr Stickland's appointment as a Director of the Company, and expiring 3 years from the date of issue of the Sign-On Options ("**Tranche 2**"); and
- 1,000,000 Sign-On Options, each Sign-On Option with an exercise price equal to the higher of 9.6 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5

trading days up to and including the day prior to the Annual General Meeting, vesting 24 months from the date of Mr Stickland's appointment as a Director of the Company, and expiring 3 years from the date of issue of the Sign-On Options ("**Tranche 3**");

to Peter Stickland ("**Participating Director**"), or his nominee(s). The terms of the Sign-On Options are set out in Annexure A to this Explanatory Memorandum.

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, the Participating Director is considered to be a related party of the Company.

Resolution 4 provides for the grant of Sign-On Options to the Participating Director which is a financial benefit which requires shareholder approval for the purpose of section 208 of the Corporations Act.

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 Sign-On Options will be granted to the following related party, or his nominee(s):

Director	Tranche 1	Tranche 2	Tranche 3	Total
Peter Stickland	1,000,000	1,000,000	1,000,000	3,000,000

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Sign-On Options for no consideration to the Participating Director as noted above.

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The terms and conditions of the Sign-On Options to be granted to the Participating Director (or his nominee(s)) are set out in Annexure A to this Explanatory Memorandum.

The grant and issue of Sign-On Options encourages the Participating Director 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 Director represented by the grant of these Sign-On 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.

It is noted that the Participating Director does not currently hold any incentive based equity securities.

Shareholders should note that for the reasons noted above, it is proposed to grant the Sign-On Options to Participating Director notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance *Council's Corporate Governance Principles and recommendations* which states that non-executive directors should not receive options.

The number of Sign-On Options to be granted to the Participating Director 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 Sign-On Options to be granted will ensure that the Participating Director overall remuneration is 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 Sign-On Options are exercised, the following amounts will need to be paid to the Company by the Participating Director, based on an exercise price of 4.8 cents for the Tranche 1 Options, 7.2 cents for the Tranche 2 Options and 9.6 cents for Tranche 3 Options.

Director	Amount to be paid
Peter Stickland	\$ 216,000

The actual amount the Company will receive from the Participating Director on exercise of the Sign-On Options will depend on the actual exercise price of the Sign-On Options to be determined based on the formulae set out above.

Current Holdings

Set out below are details of the Participating Director's relevant interest in the securities of the Company as at the date of this Notice:

Director	Number of Securities
Peter Stickland	-

Dilution effect of grant of Options on existing members' interests

If passed, Resolution 4 will have the effect of giving power to the Directors to grant a total of 3,000,000 Sign-On 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 304,728,934 listed Shares and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
3,000,000	4.8 cents	28 November 2020
3,000,000	7.2 cents	28 November 2020
3,000,000	9.6 cents	28 November 2020
10,000,000	4 cents	31 March 2020

If all Sign-On Options granted as proposed above are exercised, and assuming all existing Options on

issue have been exercised, the effect would be to dilute the shareholding of existing shareholders by 0.93%. The market price of the Company's Shares during the period of the Sign-On Options will normally determine whether or not the Participating Director exercises the Sign-On Options. At the time any Sign-On Options are exercised and Shares are issued pursuant to the exercise of the Sign-On Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Sign-On Options.

The Sign-On Options will not be quoted on ASX.

Participating Director's total remuneration package

The Participating Director's fees per annum (including superannuation) and the total financial benefit to be received by him in this current period as a result of the grant of the Sign-On Options the subject of Resolution 4 is as follows:

Director	Fees p.a. (\$)	Value of Sign-On Options (\$)	Total Financial Benefit (\$)
Peter Stickland	35,000	16,072	51,072

Valuation of Sign-On Options

The Company's advisers have valued the Options proposed to be granted to the Participating Director using the Black Scholes Option Pricing Model ("BSModel"), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the BSModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	1.6 cents
Exercise price	4.8 cents for Tranche 1 Sign-On Options 7.2 cents for Tranche 2 Sign-On Options 9.6 cents for Tranche 3 Sign-On Options
Risk Free Interest Rate	2.28 %
Volatility	100 %
Time (years to expiry)	3 years

The valuation date is as at 15 October 2018, although the Sign-On Options will not be granted until after Shareholders approve the grant of the Sign-On Options at the Meeting.

The valuations reflected below do not necessarily represent the market value of the Sign-On Options or the tax values for taxation purposes to the Participating Director. The future value of the Sign-On Options may be up or down on the values noted below as it will primarily depend on the future share price of a Share (for the next 3 years), and the time to expiry of the Sign-On Options.

Based on the above assumptions, the Company has calculated an indicative value of one:

- (a) Tranche 1 Sign-On Option to be granted to the Participating Director to be 0.65 cents (based on a volatility assumption of 100% to calculate the value of the Tranche 1 Sign-On Options);
- (b) Tranche 2 Sign-On Option to be granted to the Participating Director to be 0.52 cents (based on a volatility assumption of 100% to calculate the value of the Tranche 2 Sign-On Options); and
- (c) Tranche 3 Sign-On Option to be granted to the Participating Director to be 0.44 cents (based on a volatility assumption of 100% to calculate the value of the Tranche 3 Sign-On Options).

Accordingly, the total value of the 3,000,000 Options to be granted to the Participating Director is \$16,072.

Set out below is the indicative valuation of a Tranche 1 Sign-On Option, Tranche 2 Sign-On Option and Tranche 3 Sign-On Option proposed to be granted to the Participating Director using volatility factors of 100%, 150% and 200%:

	100% Volatility	150% Volatility	200% Volatility
Tranche 1 Incentive Option	0.65 cents	1.11 cents	1.38 cents
Tranche 2 Incentive Option	0.52 cents	1.02 cents	1.34 cents
Tranche 3 Incentive Option	0.44 cents	0.96 cents	1.31 cents

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

Company's historical share price

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 15 October 2018 (being the last trading day prior to the date of this Notice):

Highest Price (cents) / Date	Lowest Price (cents) / Date	Latest Price (cents) / Date
\$0.033 on 17 January 2018	\$0.014 on 9 October 2018	\$0.016 on 15 October 2018

Other Information

Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Sign-On 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 Sign-On Options pursuant to Resolution 4.

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 Resolution.

Directors' recommendation

The Directors (other than Mr Stickland) recommend that Shareholders vote in favour of the grant of Incentive Options to the Participating Director.

Listing Rule 10.11 and 10.13

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 Sign-On Options to the Participating Director.

The following information in relation to the Sign-On Options to be granted pursuant to Resolution 4 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Sign-On Options will be issued to Mr Peter Stickland, or his nominee(s), as noted above;
- (b) the maximum number of Sign-On Options to be granted is 3,000,000 to Mr Peter Stickland (or his nominee(s));

- (c) the Sign-On Options will be issued on one date which will be no later than 1 month after the date of this Meeting or on such other date as approved by ASX;
- (d) the Sign-On Options will be granted for no consideration. The Sign-On Options expire 3 years from the date of issue and the exercise price of the Sign-On Options will be announced by the Company to ASX on the day before the Annual General Meeting;
- (e) no funds will be raised by the grant of the Sign-On 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 Sign-On Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolution 4 in the terms set out in the Notice. In particular, the Participating Director and other Restricted Voters may not vote in favour of this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

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

6. RESOLUTION 5 - ISSUE OF INCENTIVE OPTIONS TO NERIDA SCHMIDT (OR HER NOMINEE(S))

The Company proposes to grant and issue a total of 2,000,000 Incentive Options with an exercise price of the higher of 4.8 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Annual General Meeting approving the grant of the Incentive Options (with any fractions of a cent rounded up to the nearest whole cent expiring 36 months from the date of issue to Nerida Schmidt ("**Previous Director**"), or her nominee(s). The terms of the Incentive Options are set out in Annexure B to this Explanatory Memorandum.

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:

- (c) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (d) 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, the Previous Director is considered to be a related party of the Company.

Resolution 5 provides for the grant of Incentive Options to the Previous Director which is a financial benefit which requires shareholder approval for the purpose of section 208 of the Corporations Act.

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 Previous Director, or her nominee(s):

Previous Director	Total
Nerida Schmidt	2,000,000

The nature of the financial benefit

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

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The terms and conditions of the Incentive Options to be granted to the Previous Director (or her nominee(s)) are set out in Annexure B to this Explanatory Memorandum.

The grant and issue of Incentive Options recognizes the contributions of the Previous Director and encourages Ms Schmidt as a continuing consultant and officer 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 Previous Director 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.

It is noted that the Previous Director does not currently hold any incentive based equity securities.

Shareholders should note that for the reasons noted above, it is proposed to grant the Incentive Options to Previous Director notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and recommendations* which states that non-executive directors should not receive options with performance hurdles attached or performance rights as part of their remuneration as this may lead to bias in their decision-making and compromise their objectivity. The Board considers the grant of Incentive Options to Ms Schmidt as a Previous Director reasonable in the circumstances.

The number of Incentive Options to be granted to the Previous Director has been determined based upon a consideration of:

- (d) the remuneration of Ms Schmidt as a Previous Director and currently as a consultant and company secretary;
- (e) 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 Previous Director's overall remuneration is in line with the market standards; and
- (f) incentives to attract and ensure continuity of service of officers 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 Previous Director, based on an exercise price of 4.8 cents for the Incentive Options.

Previous Director	Amount to be paid
Nerida Schmidt	\$ 96,000

The actual amount the Company will receive from the Previous Director on exercise of the Incentive Options will depend on the actual exercise price of the Incentive Options to be determined based on the formulae set out above.

Current Holdings

Set out below are details of the Previous Director's relevant interest in the securities of the Company as at the date of this Notice:

Previous Director	Number of Shares
Nerida Schmidt	-

Dilution effect of grant of Options on existing members' interests

If passed, Resolution 5 will have the effect of giving power to the Directors to grant a total of 2,000,000 Incentive Options on the terms and conditions as set out in Annexure B to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 304,728,934 listed Shares and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
3,000,000	4.8 cents	28 November 2020
3,000,000	7.2 cents	28 November 2020
3,000,000	9.6 cents	28 November 2020
10,000,000	4 cents	31 March 2020

If all Incentive Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing shareholders by 0.62%. The market price of the Company's Shares during the period of the Incentive Options will normally determine whether or not the Previous Director exercises 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 Incentive Options will not be quoted on ASX.

Previous Director's total remuneration package

The Previous Director's fees per annum (including superannuation) and the total financial benefit to be received by her in this current period as a result of the grant of the Incentive Options the subject of Resolution 5 is as follows:

Previous Director	Fees p.a. (\$)	Value of Incentive Options (\$)	Total Financial Benefit (\$)
Nerida Schmidt	35,000	12,973	47,973

Valuation of Incentive Options

The Company's advisers have valued the Options proposed to be granted to the Previous Director using the Black Scholes Option Pricing Model ("BSModel"), which is the most widely used and

recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the BSMModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	1.6 cents
Exercise price	4.8 cents
Risk Free Interest Rate	2.28 %
Volatility	100 %
Time (years to expiry)	3 years

The valuation date is as at 15 October 2018, although the Incentive Options will not be granted until after Shareholders approve the grant of the Incentive Options at the Meeting.

The valuations reflected below do not necessarily represent the market value of the Incentive Options or the tax values for taxation purposes to the Previous Director. The future value of the Incentive Options may be up or down on the values noted below as it will primarily depend on the future share price of a Share (for the next 3 years), and the time to expiry of the Incentive Options.

Based on the above assumptions, the Company has calculated an indicative value of one Incentive Option to be granted to the Previous Director to be 0.65 cents (based on a volatility assumption of 100% to calculate the value of the Incentive Options).

Accordingly, the total value of the 2,000,000 Options to be granted to the Previous Director is \$12,973.

Set out below is the indicative valuation of an Incentive Option proposed to be granted to the Previous Director using volatility factors of 100%, 150% and 200%:

	100% Volatility	150% Volatility	200% Volatility
Incentive Option	0.65 cents	1.11 cents	1.38 cents

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.

Company's historical share price

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 15 October 2018 (being the last trading day prior to the date of this Notice):

Highest Price (cents) / Date	Lowest Price (cents) / Date	Latest Price (cents) / Date
\$0.033 on 17 January 2018	\$0.014 on 9 October 2018	\$0.016 on 15 October 2018

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 Resolution 5.

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 Resolution.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of the grant of Incentive Options to the Previous Director.

Listing Rule 10.11 and 10.13

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 Previous Director.

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

- (a) the Incentive Options will be issued to Ms Nerida Schmidt, or her nominee(s), as noted above;
- (b) the maximum number of Incentive Options to be granted is 2,000,000 to Ms Nerida Schmidt or her nominee(s);
- (c) the Incentive Options will be issued on one date which will be no later than 1 month after the date of this Meeting or on such other date as approved by ASX;
- (d) the Incentive Options will be granted for no consideration. The Incentive Options expire 3 years from the date of issue and the exercise price of the Incentive Options will be announced by the Company to ASX on the day before the Annual General Meeting;
- (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 B 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.

Voting

Note that a voting exclusion applies to Resolution 5 in the terms set out in the Notice. In particular, the Previous Director and other Restricted Voters may not vote in favour of this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

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

7 RESOLUTION 6 – APPROVAL OF EMPLOYEE EQUITY INCENTIVE PLAN

7.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Shares, Options and Performance Rights (**Awards**) to eligible Directors, employees and consultants in order to attract, motivate and retain quality persons for the benefit of the Company and the Shareholders.

Accordingly, Resolution 6 seeks Shareholders' approval for the adoption of the Employee Equity

Incentive Plan (**Plan**) dated 15 October 2018 in accordance with Listing Rule 7.2 exception 9(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Awards in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out at Annexure C.

The Plan is designed to provide incentives to the Directors and employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan 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.

7.2 Application of Listing Rule 7.1 and Listing Rule 7.2 exception 9(b)

ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Listing Rule 7.2 exception 9(b) provides an exception to Listing Rule 7.1 by which Equity Securities issued under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary Securities without Shareholder approval in any 12 month period.

No Equity Securities have been issued under the Plan as it is a new employee incentive scheme and has not previously been approved by Shareholders.

Prior Shareholder approval will be required under Listing Rule 10.14 before any Director or related party of the Company can participate in the Plan.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unissued incentives issuable pursuant thereto every 3 years.

7.3 Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

The Chairman intends to vote available undirected proxies in favour of Resolution 6.

GLOSSARY

"5 Day VWAP" means the volume weighted average market price of Shares traded on ASX for the 5 trading days on which there are shares traded for the Company up to and including the day prior to the Meeting (with any fractions of a cent rounded up to the nearest whole cent).

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

"AGM" means annual general meeting;

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

"Annual Report" means the annual report of the Company for the period ended 30 June 2018;

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

"Associated Bodies Corporate" in relation to the Company means:

- (a) a body corporate that is a Related Body Corporate of the Company; or
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

"Award" has the meaning given in section 7.2 of the Explanatory Memorandum.

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

"Chair" means the chair of the Meeting;

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

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

"Constitution" means the constitution of the Company;

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

"Director" means a director of the Company;

"Eligible Employee" has the meaning given in item 1 of Annexure C.

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

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

"Group Company" means the Company or any of its Associated Bodies Corporate.

"Incentive Option" means an option to acquire a share on the terms and conditions set out in Annexure B;

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

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

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

"Option" means an option to acquire a Share;

“Optionholder” means a holder of an Option;

“Participant” has the meaning set out on item 2 of Annexure C;

“Performance Rights” has the meaning set out on item 1 of Annexure C;

“Plan” means the Employee Incentive Plan the subject of resolution 6, the terms and conditions of which are further set out in Annexure C;

“Related Body Corporate” has the same meaning as in section 50 of the Corporations Act.

“Resolution” means a resolution proposed pursuant to the Notice;

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

“Shares” means full paid ordinary shares in the capital of the Company;

“Shareholders” means a registered holder of Shares;

“Sign-On Option” means an option to acquire a share on the terms and conditions set out in Annexure A;

“VWAP” means volume weighted average price;

“WST” means Australian Western Standard Time.

ANNEXURE "A"

TERMS AND CONDITIONS OF THE SIGN-ON OPTIONS

1. The Options shall be issued in three tranches, one third of the Options shall form Tranche 1 ("**Tranche 1**"), one third of the Options shall form Tranche 2 ("**Tranche 2**") and one third shall form Tranche 3 ("**Tranche 3**").
2. The Options shall expire three years after they have been issued ("**Expiry Date**").
3. The Options shall vest as follows:
 - (a) Tranche 1 Options shall vest upon a Director serving 6 months on the Board of the Company;
 - (b) Tranche 2 Options shall vest upon a Director serving 12 months on the Board of the Company; and
 - (c) Tranche 3 Options shall vest upon a Director serving 24 months on the Board of the Company.("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 equal to the higher of 4.8 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Annual General Meeting (with any fractions of a cent rounded up to the nearest whole cent);
 - (b) Tranches 2 – an amount equal to the higher of 7.2 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Annual General Meeting (with any fractions of a cent rounded up to the nearest whole cent); and
 - (c) Tranches 3 – an amount equal to the higher of 9.6 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Annual General Meeting (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 that Initial Option Holder 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 an Initial Option Holder's 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 held by that Initial Option Holder (or its permitted nominee or transferee) may be exercised by that Initial Option Holder (or its permitted nominee or transferee) (or its legal personal representative(s)) within 30 days of the cessation or termination of that Initial Option Holder's employment with the Company or any of its subsidiaries provided that:
 - (a) the Options have not lapsed under condition 2; and
 - (b) the Options are entitled to be exercised pursuant to condition 3.

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;

"**Initial Option Holder**" means Peter Stickland (or his nominee(s));

"**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 an Initial Option Holder or their nominee or permitted transferee (as applicable);

"**Redundancy**" means a determination by the Board that the Company's need to employ an Initial Option Holder 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 an Initial Option Holder for personal or disciplinary reasons or where an Initial Option Holder 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.

ANNEXURE "B"

TERMS AND CONDITIONS OF THE INCENTIVE OPTIONS

1. The Options shall be issued in one tranche.
2. The Options shall expire three years after they have been issued ("**Expiry Date**").
3. The Options shall vest immediately ("**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 the higher of 4.8 cents per share or 130% of the 5 day VWAP of Shares traded on ASX for the 5 trading days up to and including the day prior to the Annual General Meeting ("**Exercise Price**").
7. The Options may be transferred to a related party of that Initial Option Holder 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 an Initial Option Holder's 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 held by that Initial Option Holder (or its permitted nominee or transferee) may be exercised by that Initial Option Holder (or its permitted nominee or transferee) (or its legal personal representative(s)) within 30 days of the cessation or termination of that Initial Option Holder's employment with the Company or any of its subsidiaries provided that:
 - (a) the Options have not lapsed under condition 2; and
 - (b) the Options are entitled to be exercised pursuant to condition 3.

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;
- "**CHES**" means the Clearing House Electronic Sub-Register System;
- "**Company**" means Entek Energy Limited ABN 43 108 403 425;
- "**Initial Option Holder**" means Nerida Schmidt (or her nominee(s)) ;
- "**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 an Initial Option Holder or their nominee or permitted transferee (as applicable);
- "**Redundancy**" means a determination by the Board that the Company's need to employ an Initial Option Holder 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 an Initial Option Holder for personal or disciplinary reasons or where an Initial Option Holder 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.

ANNEXURE "C"

SUMMARY OF THE EMPLOYEE EQUITY INCENTIVE PLAN

1 Awards

Under the Plan, Participants (as defined below) will be granted incentive awards (**Awards**) which may comprise:

- (a) shares, issued at a price (if any) determined by the Board in their sole and absolute discretion, subject to any vesting conditions (**Shares**); and/or
- (b) options, issued at a price (if any) determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to any vesting conditions (**Options**); and/or
- (c) performance rights, issued at a price (if any) determined by the Board in their sole and absolute discretion, each being a conditional right to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions (**Performance Rights**).

2 Eligibility

At the discretion of the Board, a person who is a full time or part time employee of a Group Company (including an executive director), a non-executive director of a Group Company, a contractor or casual employee, is permitted to participate in the Plan.

People eligible to participate in the Plan are called "**Eligible Employees**". The Board may permit an Award the subject of an offer to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee's (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (**Nominated Party**).

A "**Participant**" is an Eligible Employee or Nominated Party to whom an Award has been granted.

3 Payment for Awards

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

4 Limits on number of Awards granted

Under the Plan rules, where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making offers under the Plan.

5 Entitlements of Participants

(a) Notice of meeting

Unless otherwise resolved by the Board when it makes an offer, and subject to the terms of issue, a Participant is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the offer.

(b) Dividends

The Board may determine, at the time of an offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).

Participants who hold Options or Performance Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Performance Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.

(c) Changes in capital

Unless otherwise resolved by the Board when it makes an offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights offer, provided that if the Shares are unvested and/or have any

restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights offer will be subject to the Plan as if those shares were Shares issued under the offer made to the Participant.

Options or Performance Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.

In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares, Options or Performance Rights issued pursuant to the offer to a Participant as the Board deems appropriate. If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue) of Shares to Shareholders the exercise price of Options and Performance Rights will be reduced in accordance with the Listing Rules.

If the Company makes a bonus issue of Shares to Shareholders the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue. No adjustment will be made to the exercise price.

If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options or Performance Rights, subject to the relevant vesting conditions.

6 Dealing, vesting and exercise

(a) Dealing

Participants must not dispose of, grant (or purport to grant) any security interest in or over, or otherwise deal with (or purport to dispose or deal with) an Award unless:

- (i) it is in compliance with the terms of the Share offer and any Share vesting conditions;
- (ii) in respect of Options and Performance Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.

(b) Vesting

Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Awards by the Company.

(c) Exercise

Vested Options and Performance Rights can only be exercised during the exercise period specified in the invitation to participate in the Plan.

The exercise price per Share in respect of an Option or Performance Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right.

Options and Performance Rights will expire on the date that is two years after the date of issue, or such other period determined by the Board or the Plan.

7 Lapse of Awards

if an Eligible Employee who is a Participant or has nominated a Nominated Party to receive Awards ceases to be an employee for any reason:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse;
- (c) vested Options and Performance Rights that have not been exercised will lapse on the date of cessation of employment or office,

unless the Board determines different treatment is warranted (subject to compliance with the Listing Rules and the Corporations Act).

8 Forfeiture of Shares

Unvested Shares will be forfeited on the earlier of:

- (a) the Board determining any applicable vesting condition has not been, or is not capable of being, satisfied, reached or met;

- (b) the Shares being forfeited under the Plan provisions dealing with cessation of employment, change of control, breach, fraud or misconduct; or
- (c) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions and the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law.

The Company must:

- (a) sell forfeited Shares in the ordinary course of trading on ASX;
- (b) buy back and cancel the forfeited Shares; or
- (c) deal with the forfeited Shares in any other manner determined by the Board from time to time.

No consideration or compensation is payable to a Participant for or in relation to the forfeiture of Shares under the Plan.

9 Breach, fraud or misconduct

If the Board determines that a Participant has:

- (a) been dismissed or removed where a Group Company was entitled to do so without notice;
- (b) been indicted for an offence under the Corporations Act;
- (c) had civil judgement entered against them;
- (d) committed fraud, defalcation or gross misconduct; or
- (e) materially breaches their duties or obligations,

in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse.

10 Change of control events

On the occurrence of a change of control event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Awards will be treated, including but not limited to:


- (a) determining that all or a portion of unvested Awards will vest; and/or
- (b) reducing or waiving vesting conditions.

11 Amendments to terms of exercise or the Plan

The Board may vary the terms of exercise of Options or Performance Rights, and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option or Performance Right will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **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 850 505
(outside Australia) +61 3 9415 4000

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



Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your vote to be effective it must be received by 3:00pm (WST) Wednesday, 28 November 2018**

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 or abstain as they choose (to the extent permitted by law). 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 for Postal Forms

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 help tab, "Printable 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.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Entek Energy Limited to be held at Stantons Boardroom, Level 2, 1 Walker Avenue, West Perth, Western Australia on Friday, 30 November 2018 at 3:00pm (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4-6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4-6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4-6 by marking the appropriate box in step 2 below.

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	Non-binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Peter Stickland as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Anthony Walsh as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Sign-On Options to Peter Stickland (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Incentive Options to Nerida Schmidt (or her nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Employee Equity Incentive Plan	<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 / /