



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

AND PROXY FORM

ANNUAL GENERAL MEETING OF ADX ENERGY LTD

**TO BE HELD AT THE OFFICE OF STAVELY MINERALS
168 STIRLING HIGHWAY NEDLANDS, WESTERN AUSTRALIA**

**THURSDAY 26 MAY 2016
COMMENCING AT 4:00 PM (WST)**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9381 4266

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of ADX Energy Ltd will be held at the office of Stavely Minerals, 168 Stirling Highway, Nedlands, Western Australia on Thursday 26 May 2016 at 4:00 pm (WST)

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IMPORTANT INFORMATION

Your Vote is Important

The business of the Meeting affects your shareholding and your vote is important.

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 24 May 2016.

Voting in Person

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

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Your proxy form is enclosed.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they apply to this Annual General Meeting. Broadly, the sections mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

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

**BUSINESS OF THE MEETING
AGENDA**

ORDINARY BUSINESS

1. Financial Statements and Reports – Agenda Item

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

2. Resolution 1 – Adoption of Remuneration Report

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

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2015.”

Note: In accordance with section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors of the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

3. Resolution 2 – Re-election of Dr Wolfgang Zimmer as a Director

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

That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Dr Wolfgang Zimmer, a director, retires, and being eligible, is re-elected as a Director."

4. Resolution 3 – Adoption of Directors' Share Plan

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

"That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, Shareholders approve the adoption of the Directors' Share Plan, and for the issue of Shares under the Directors' Share Plan, on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by 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 need not disregard a vote if 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, 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.

Voting Prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment on this Resolution if:

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

However, the above prohibition does not apply if:

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

5. Resolution 4 – Issue of Shares to Director – Mr Ian Tchacos

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

"That, for the purposes of ASX Listing Rule 10.14, Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$55,200 to Mr Ian Tchacos (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Mr Ian Tchacos (or his nominee), and any director of the entity who is eligible to participate in the Directors' Share Plan in respect of which the approval is sought. However, the Company need not disregard a vote if 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, 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.

Voting Prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment on this Resolution if:

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

However, the above prohibition does not apply if:

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

6. Resolution 5 – Issue of Shares to Director – Mr Paul Fink

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

"That, for the purposes of ASX Listing Rule 10.14, Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$84,800 to Mr Paul Fink (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Mr Paul Fink (or his nominee), and any director of the entity who is eligible to participate in the Directors' Share Plan in respect of which the approval is sought. However, the Company need not disregard a vote if 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, 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.

Voting Prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment on this Resolution if:

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

However, the above prohibition does not apply if:

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

7. Resolution 6 – Issue of Shares to Director – Mr Andrew Childs

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

"That, for the purposes of ASX Listing Rule 10.14, Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$32,000 to Mr Andrew Childs (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Mr Andrew Childs (or his nominee), and any director of the entity who is eligible to participate in the Directors' Share Plan in respect of which the approval is sought. However, the Company need not disregard a vote if 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, 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.

Voting Prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment on this Resolution if:

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

However, the above prohibition does not apply if:

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

8. Resolution 7 – Issue of Shares to Director – Dr Wolfgang Zimmer

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

"That, for the purposes of ASX Listing Rule 10.14, Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$72,800 to Dr Wolfgang Zimmer (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Dr Wolfgang Zimmer (or his nominee), and any director of the entity who is eligible to participate in the Directors' Share Plan in respect of which the approval is sought. However, the Company need not disregard a vote if 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, 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.

Voting Prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

9. **Resolution 8 – Approval of 10% Placement Capacity - Shares**

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

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

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person and any associates of the person who:

- may participate in the issue of Equity Securities under this Resolution; or
- might obtain a benefit if the Resolution is passed, and any associates of those persons, except a benefit solely in their capacity as a holder of Shares if the Resolution is passed.

However, the Company need not disregard a vote if:

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

10. **Resolution 9 – Adoption of Employee Incentive Option Plan**

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Option Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by 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 need not disregard a vote if 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, 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.

Voting Prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

11. General

To transact any other business as may be brought before the meeting in accordance with the Constitution of the Company, the Corporations Act, or otherwise.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Ian Tchacos', with a long horizontal flourish extending to the right.

**IAN TCHACOS
CHAIRMAN
13 April 2016**

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. Financial Statement and Reports – Agenda Item

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's financial report to Shareholders unless specifically requested to do so. The Company's financial report is available on its website at <http://adxenergy.com.au/>.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution to shareholders that the remuneration report be adopted must be put to shareholders. However such a resolution is advisory only and does not bind the Directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the December financial report of the company. The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

The Remuneration Report is set out in the Company's Annual Report which:

- outlines the Board's policy for determining the nature and amount of remuneration of Directors, the company secretary and other key management personnel of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance condition applicable to the remuneration of a Director, secretary or other key management personnel;
- details the remuneration (including options, if any) of each Director and other key management personnel of the Company for the period; and
- summarises the terms of any contract under which any Director, the company secretary or other key management personnel is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

A vote must not be cast (in any capacity) on this resolution by or on behalf of a member of the Company's KMP whose remuneration details are included in the Remuneration Report, or a KMP's closely related party. A "closely related party" includes a spouse, dependant and certain other close family members of a KMP, as well as any companies controlled by a KMP.

However, a vote may be cast by a KMP or a KMP's closely related party if they do so as a proxy and:

- the vote is not cast on behalf of a KMP or a KMP's closely related party; and
- the appointment of the proxy is in writing and specifies the way the proxy is to vote on this resolution; or
- the proxy is the Chairman of the meeting and the appointment of the Chairman of the meeting as proxy:
 - does not specify the way the proxy is to vote on this resolution; and
 - expressly authorises the Chairman of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on this resolution on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy on this resolution. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

3. Resolution 2 – Re-election of Dr Wolfgang Zimmer as a Director

Under the Company's existing Constitution, one third of the Directors (or if their number is not a multiple of three, the number nearest one third) must retire from office at each annual general meeting of the Company. Directors who retire in accordance with this requirement are eligible for re-election. The Directors to retire are those (other than the Managing Director) who have been in office for three years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment. For the purposes of Listing Rule 14.4 and rule 13.2 of the existing Constitution, shareholder approval is being sought to re-elect Dr Wolfgang Zimmer as a Director. Information on Dr Zimmer is contained in the December 2015 Annual Report of the Company.

4. Resolution 3 – Adoption of Directors’ Share Plan

Background

ASX Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period, unless such an issue of securities falls within one of the exceptions set out in Listing Rule 7.2.

Exception 9(b) of Listing Rule 7.2 provides that equity securities may be issued under an employee incentive scheme that has been approved by shareholders for that purpose within the last three years.

The Company is seeking Shareholder approval to adopt the ADX Energy Limited Directors’ Share Plan (**Directors’ Share Plan**) under Exception 9(b) of Listing Rule 7.2 to allow the Company to issue Shares under the Directors’ Share Plan without limiting the ability of the Company to issue securities under Listing Rule 7.1.

The purpose of the Directors’ Share Plan is to give Directors of the Company an opportunity to subscribe for Shares in lieu of salary or Directors’ fees, allowing the Company to retain cash reserves.

No Shares have previously been issued under the Directors’ Share Plan as this is the first time the Directors’ Share Plan is being approved.

Any future issues of Shares under the Directors’ Share Plan to a person referred to under ASX Listing Rule 10.14 will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 4 to 7 for the issue of Shares to its Directors pursuant to the Directors’ Share Plan.

Terms and conditions of Directors’ Share Plan

A summary of the terms and conditions of the Directors’ Share Plan is set out below:

(a) **Participants in the Directors’ Share Plan**

The Board may offer Shares to a Director of the Company or any Subsidiary, including Non-executive Directors (**Eligible Participant**).

Subject to Shareholder approval, the Board may offer to Eligible Participants the opportunity to subscribe for Shares in lieu of Directors’ fees owing by the Company to the Eligible Participant and upon such additional terms and conditions as the Board determines (including, without limitation, that an Eligible Participant continues to be a Director of the Company at the relevant time).

An Eligible Participant will not be required to make any payment in return for the Shares as they will be issued in satisfaction of Directors’ fees owing by the Company at the time of issue of the Shares, calculated on a quarterly basis.

(b) **Limitations of Offers**

If the Company makes an offer of Shares where:

- (i) the total number of Shares the subject of that offer, exceeds the limit set out in ASIC Class Order 14/1000; or
- (ii) the offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 14/1000,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(c) **Issue of Shares**

Shares issued under the Directors’ Share Plan will rank equally in all respects with the then issued class of fully paid ordinary shares of the Company.

The Company will issue Shares under the Directors’ Share Plan on a quarterly basis, being 31 March, 30 June, 30 September and 31 December each year (**Quarter**).

The issue of Shares under the Directors’ Share Plan will be deemed to satisfy the relevant fees or salary owing by the Company to the Eligible Participant.

Shares issued to an Eligible Participant under the Directors’ Share Plan will have no restrictions on their transfer.

(d) **Deemed issue price of Shares**

The Shares issued pursuant to the Directors' Share Plan will be issued for nil cash consideration as they will be issued in satisfaction of fees and salary owing by the Company to the Eligible Participant. The Shares will be deemed to have an issue price as determined by the Board at the time of issue of the Shares but such deemed issue price will be no less than the VWAP of Shares sold on ASX during the 90 days prior to the expiration of the relevant Quarter.

(e) **Shareholder Approval**

All Shares issued pursuant to the Directors' Share Plan will be subject to prior Shareholder approval under the Listing Rules and the Corporations Act (if required).

(f) **Amendments**

Subject to the Listing Rules, the Board may at any time by resolution amend all or any of the provisions of the Directors' Share Plan, or the terms or conditions of any Shares issued under the Directors' Share Plan, provided that as soon as reasonably practicable after making any amendment, the Board gives notice in writing of that amendment to any Eligible Participant affected by the amendment.

(g) **Non-residents of Australia**

The Board may adopt additional rules of the Directors' Share Plan applicable in any jurisdiction outside Australia under which rights offered under the Directors' Share Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Eligible Participant or to the Company in relation to the rights. Any additional rule must conform to the basic principles of the Directors' Share Plan.

Shareholder Approval under Resolution 3

If Resolution 3 is passed, the Company will have the ability to issue Shares to Eligible Participants under the Directors' Share Plan over a period of 3 years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

The main terms of the Directors' Share Plan are summarised above and a full copy of the Plan is available for inspection at the Company's registered office until the date of the Annual General Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 3, as the Directors' Share Plan gives the Company the flexibility to retain its cash reserves during the current uncertain economic and financial environment. The Directors' Share Plan will also give Eligible Participants (being full or part time employees of the Company or Directors) the opportunity to share in any success of the Company, which will likely encourage them in carrying out their respective roles for the Company.

5. Resolution 4 to 7 – Issue of Shares to Directors

5.1 General

In September 2015 all Directors agreed to reduce their salaries / fees in order to maximise the availability of cash for the Company's exploration, appraisal and development expenditure. Mr Tchacos and Mr Childs reduced their directors' fees by 50% (annual reduction equivalent to \$25,000 and \$20,000 respectively) and Mr Fink and Dr Zimmer waived their fees in its entirety (annual reduction of \$30,000 and \$40,000 respectively). Dr Zimmer agreed to a reduction in his consultancy fee of \$10,000 per month and Mr Tchacos and Mr Fink also both entered into new consultancy contracts in October 2015 to be paid partly in shares, subject to Shareholder approval. Further information is set out in the Company's ASX announcement dated 7 October 2015.

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue Shares (**Related Party Shares**) to Mr Tchacos, Mr Fink, Mr Childs and Dr Zimmer (**Related Parties**) on the terms and conditions set out below. The purpose of the proposed issue of the Related Party Shares is to provide a retention incentive to the Related Parties in light of the salary and fee reductions described above.

For a public company or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The issue of the Related Party Shares constitutes giving a financial benefit and Mr Tchacos, Mr Fink, Mr Childs and Dr Zimmer are related parties of the Company by virtue of being Directors.

Whilst the exception set out in section 211 of the Corporations Act may apply as the Company believes the proposed issue of the Related Party Shares constitutes reasonable remuneration, the Directors consider it prudent to seek Shareholder approval for the issue of Related Party Shares to the Related Parties for the purpose of section 208 of the Corporations Act.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

5.2 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.14)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Related Party Shares:

- (a) the Related Parties are Mr Ian Tchacos, Mr Paul Fink, Mr Andrew Childs and Dr Wolfgang Zimmer and they are related parties by virtue of being Directors;
- (b) the number of Related Party Shares to be issued to each Related Party will be determined by dividing the Directors' fees that the Company has agreed to pay the Related Parties by the deemed issue price of the Related Party Shares calculated in accordance with paragraph (d) below, provided that the maximum number of Related Party Shares to be issued to the Related Parties pursuant to Resolutions 4 to 7 shall be as follows:

Related Party	Maximum Number of Shares*
Ian Tchacos	6,900,000
Paul Fink	10,600,000
Andrew Childs	4,000,000
Wolfgang Zimmer	9,100,000
Total	30,600,000

* The maximum number of shares has been determined based on the directors' reduction of remuneration from 1 September 2015 up to 31 March 2017. As noted in (d) and (j) below, the Related Party Shares will be issued on a quarterly basis according to the Directors' fees owing to each of the Related Parties at that time at an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the Directors' fees were incurred.

- (c) the value of the maximum number of Related Party Shares that could potentially be issued to the Related Parties pursuant to Resolutions 4 to 7 (being the nature of the financial benefit being provided) is set out below. The basis of the valuation is the last trading price of Shares on 8 April 2016 of \$0.008:

Related Party	Value of Related Party Shares based on closing price on 8 April 2016
Ian Tchacos	\$55,200
Paul Fink	\$84,800
Andrew Childs	\$32,000
Wolfgang Zimmer	\$72,800

- (d) the Related Party Shares will be issued for nil cash consideration as they will be issued in satisfaction of Directors' fees agreed to be paid by the Company to the Participating Directors at quarterly intervals. The Director Shares will be deemed to have an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the Directors' fees were incurred;
- (e) a voting exclusion statement is included in the Notice in connection with Resolutions 4 to 7;

- (f) no Shares have previously been issued under the Directors' Share Plan as it is being put up for approval at this Meeting.;
- (g) the Related Party Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) all current Directors of the Company are eligible to participate in the Directors' Share Plan. This includes Mr Tchacos, Mr Fink, Mr Childs and Dr Zimmer;
- (i) no loan has been provided to any of the Related Parties in relation to the issue of the Related Party Shares;
- (j) the Related Party Shares will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and will be issued on a quarterly basis according to the Directors' fees owing to each of the Related Parties at that time (other than in relation to Directors' fees incurred prior to 31 March 2016, in relation to which the Related Party Shares will be issued as soon as practicable following the Meeting).
- (k) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Ian Tchacos	11,660,849	-
Paul Fink	9,706,666	-
Andrew Childs	13,931,980	-
Wolfgang Zimmer	8,154,321	-

- (l) the remuneration and emoluments, including the value of share based payments) from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year (2016)*	Previous Financial Year (2015)
Ian Tchacos	133,000	63,029
Paul Fink	240,000	190,152
Andrew Childs	47,000	33,773
Wolfgang Zimmer	54,000	289,555

* Includes the estimated value of Related Party Shares to be issued for the period 1 September 2015 to 31 December 2016, assuming Shareholder approval.

- (m) if the maximum permitted number of Related Party Shares are issued to the Related Parties, a total of 30,600,000 Shares would be issued. This will increase the number of Shares on issue from 656,478,273 to 687,078,283 (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.45%, comprising 22.55% by Ian Tchacos, 34.64% by Paul Fink, 13.07% by Andrew Childs and 29.74% by Wolfgang Zimmer.
- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.011	17/3/2016
Lowest	\$0.003	16/2/2016
Last	\$0.007	12/4/2016

- (o) Mr Tchacos declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that Mr Tchacos is to be issued Related Party Shares in the Company should Resolution 4 be passed. However, in respect of Resolutions 5 to 7, Mr Tchacos recommends that Shareholders vote in favour of those Resolutions for

the following reasons:

- (i) the issue of the Related Party Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Shares upon the terms proposed;
- (p) Mr Fink declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that Mr Fink is to be issued Related Party Shares in the Company should Resolution 5 be passed. However, in respect of Resolutions 4 and Resolutions 6 to 7, Mr Fink recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (q) Mr Childs declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that Mr Childs is to be issued Related Party Shares in the Company should Resolution 6 be passed. However, in respect of Resolutions 4 to 5 and 7, Mr Childs recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (r) Dr Zimmer declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that Dr Zimmer is to be issued Related Party Shares in the Company should Resolution 7 be passed. However, in respect of Resolutions 4 to 6, Dr Zimmer recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (s) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares and the current market practices when determining the number of Related Party Shares to be issued; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. Resolution 8 – Approval of 10% Placement Capacity – Shares

6.1 Introduction

The Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period pursuant to ASX Listing Rule 7.1A. ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity, see section 6.2 below for further details.

If Shareholders approve Resolution 8, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 6.2 below).

The effect of Resolution 8 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

ASX Listing Rule 7.1A requires this Resolution 8 to be passed as a special resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to ASX Listing Rule 7.1A, no

Equity Securities will be issued until and unless this special resolution is passed at the Meeting.

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 8.

6.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (1) is not included in the S&P/ASX 300 Index; and
- (2) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$4.595 million.

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

ASX Listing Rule 7.1A.2 provides that an Eligible Entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after which the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) - E

Where:

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

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the previous 12 months with approval of holders of ordinary securities under ASX Listing Rules 7.1 and 7.4. [Note: this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval]; and
- (4) less the number of fully paid ordinary securities cancelled in the previous 12 months.

D is 10 percent (10%).

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

6.3 Technical Information required by ASX listing Rule 7.1A.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

(a) Minimum Issue Price

The minimum issue price for the Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in that class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (2) If the Equity Securities are not issued within 5 ASX trading days of the date in Section 6.3(a)(1) above, the date on which the Equity Securities are issued.

(b) Date of Issue

Assuming Resolution 8 is passed, the Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (1) 12 months after the date of this Meeting; and
- (2) the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

If approval is given for the issue of the Equity Securities then the approval will expire on 26 May 2017, unless Shareholder approval is granted pursuant to ASX Listing Rules 11.1.2 or 11.2 prior to that date.

(c) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will have a dilutive effect on the interests of existing Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Issued Share Capital (# of Shares)	50% decrease in current Market Price \$ 0.004		Current Market Price \$ 0.008		100% increase in current Market Price \$ 0.016	
	10% Voting Dilution	Capital Raised \$	10% Voting Dilution	Capital Raised \$	10% Voting Dilution	Capital Raised \$
Present Share Capital 656,478,273	65,647,827	262,591	65,647,827	525,183	65,647,827	1,050,365
50% Increase in Share Capital 984,717,410	98,471,741	393,887	98,471,741	787,774	98,471,741	1,575,548
100% Increase in share capital 1,312,956,546	131,295,655	525,183	131,295,655	1,050,365	131,295,655	2,100,730

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

Assumptions and explanations

- The current shares on issue are the Shares on issue as at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 8 April 2016.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a specific risk that:

- (1) the market price for the Company's Shares may be significantly lower on the date of the issue than it is on the date of the Meeting; and
- (2) the Shares may be issued at a price that is at a discount to the market price for those Shares on the issue date.

(d) Purpose of issue of 10% Placement Capacity

The Company may issue Equity Securities:

- (1) to raise cash consideration, in which case the funds raised from the issue of Equity Securities, if undertaken, would be applied towards funding expenditure associated with the exploration and development of oil and gas permits, acquisitions of new assets or investments and/or general working capital; or
- (2) as non-cash consideration, such as for the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Equity Securities complies with ASX Listing Rule 7.1A.3.

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

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Equity Securities. The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the purpose of the issue;
- (2) the alternative methods for raising funds available to the Company at that time, including but not limited to, rights issue or other offer where existing Shareholders may participate;
- (3) the effect of the issue of the Equity Securities on the control of the Company;
- (4) the circumstances of the Company, including but not limited to, the financial situation and solvency of the Company;
- (5) prevailing market conditions; and
- (6) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments for which placement securities are issued as consideration, it is possible that the allottees of some of the placement securities will be the vendors of the new assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A.

The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 26 May 2015. There have been no issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (1) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (2) the information required by ASX Listing Rule 3.10.5A for release to the market.

6.4 Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting. At the date of this Notice, the proposed allottees of any Equity Securities are not as yet known or identified and the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Therefore, no existing Shareholders will be excluded from voting on Resolution 8.

7. Resolution 9 – Adoption of Employee Incentive Option Plan

Resolution 9 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Incentive Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to issue Incentive Options 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.

Shareholders should note that 5,500,000 Incentive Options have previously been issued under the Plan since it was approved on 14 February 2014.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Incentive Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Incentive Options under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 1. 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.

Recommendations

The Board believes that the Resolutions to be proposed at the Company's Annual General Meeting are in the best interests of the Company and (except where otherwise stated) unanimously recommends that Shareholders vote in favour of each Resolution.

Enquiries

Shareholders are invited to contact the Chairman, Mr Ian Tchacos, on (08) 9381 4266 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 6 of this Notice.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors 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.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means ADX Energy Ltd (ABN 50 009 058 646).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Directors' Share Plan means the ADX Directors' Share Plan the subject of Resolution 3.

Eligible Entity means an entity that, at the date of the relevant general meeting is not included in the S&P/ASX 300 Index; and has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option which enables the holder to subscribe for one Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the period ended 31 December 2015.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Variable A means "A" as set out in the calculation in section 6.2 of this Notice.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – KEY TERMS AND CONDITIONS OF EMPLOYEE INCENTIVE OPTION PLAN

(a) Eligibility and Grant of Employee Options

The Board may grant Incentive Options to any full or part time employee or director of the Company or an associated body corporate.

(b) Consideration

Each Incentive Option issued under the scheme will be issued free of charge.

(c) Exercise Price and Expiry Date

The exercise price and expiry date for Incentive Options granted under the scheme will be determined by the Board prior to the grant of Incentive Options. If the Company is listed on the ASX the exercise price must be no less than a 30% premium to the VWAP for Shares on the ASX over the five (5) trading days ending on the day an offer is made.

(d) Exercise Restrictions

The Incentive Options granted under the scheme may be subject to such other restrictions on exercise as may be fixed by the Directors prior to grant of the Incentive Options including, without limitation, length of service by eligible participant, contributions and potential contributions by the eligible participant and any other matters considered by the Board to be relevant. Any restrictions imposed by the Directors must be set out in the Incentive Option certificate.

(e) Incentive Period

An Incentive Option may be made subject to an incentive period as determined by the Board in its discretion and as specified in the offer for the Incentive Option.

(f) Share Restriction Period

A Share issued on exercise of an Incentive Option may be made subject to a restriction period as determined by the Board and as specified in the offer for the Incentive Option.

(g) Lapsing of Incentive Options

An unexercised Incentive Option will lapse:

- (i) on its Expiry Date;
- (ii) if any Exercise Condition is unable to be met; and
- (iii) subject to certain exceptions, where the eligible participant ceases to be a Director or employee of the Company during an incentive period in relation to the Incentive Option, and the Incentive Option is not exercised within thirty (30) days of ceasing to be a Director or employee of the Company.

(h) Disposal of Options

Incentive Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.

(i) Trigger Events

The Company may permit Incentive Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.

(j) Participation in Rights Issues and Bonus Issues

- (i) There are no participating rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.
- (ii) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.
- (iii) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (iv) In the event of a bonus issue of Shares being made pro-rata to Shareholders (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

(k) Reorganisation

The terms upon which Incentive Options will be granted will not prevent the Incentive Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.

(l) Limitations on Offers

The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Incentive Options offered under an offer when aggregated with:

- (i) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under the Plan or any other employee share scheme of the Company were to be exercised or accepted; and
- (ii) the number of Shares issued during the previous three (3) years from the exercise of Incentive Options issued under the Plan (or any other employee share plan of the Company extended only to Eligible Participants),

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with ASIC Class Order 14/1000.

The issue of Incentive Options to Directors will require Shareholder approval in accordance with the ASX Listing Rules and the Corporations Act.



ADX Energy Ltd
ABN 50 009 058 646

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

Lodge your vote:

By Mail:
ADX Energy Ltd
PO Box 63
SUBIACO WA 6904

Alternatively you can fax your form to
(within Australia) (08) 9381 4766
(outside Australia) +61 8 9381 4766

Or email your form to
admin@adxenergy.com.au

For all enquiries call:

(within Australia) 1300 798 297
(outside Australia) +61 3 9415 4828

Proxy Form

XX

For your vote to be effective it must be received by 4.00pm (WST) Tuesday, 24 May 2016

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

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.

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

www.adxenergy.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



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

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

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



I 9999999999

IND

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 ADX Energy Ltd 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 ADX Energy Ltd to be held at the office of Stavely Minerals, 168 Stirling Highway, Nedlands, Western Australia on Thursday, 26 May 2016 at 4.00pm (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, 3 - 7 and 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3 - 7 and 9 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, 3 - 7 and 9 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	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Dr Wolfgang Zimmer as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares to Director – Mr Ian Tchacos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares to Director – Mr Paul Fink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Director – Mr Andrew Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares to Director – Dr Wolfgang Zimmer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Capacity - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Adoption of Employee Incentive Option 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. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 / /

ADX

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Computershare