



NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10.00 am (AEST)

DATE: 8th July 2022

PLACE: Suite 10.04, Level 10, 56 Pitt Street, Sydney NSW 2000

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Extraordinary General Meeting, please do not hesitate to contact the Company Secretary on **+61 2 9251 3311** or k2energylimited@outlook.com

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Extraordinary General Meeting of Shareholders to which this Notice of Meeting relates will be held at 10:00am (AEST) on 8th July 2022 at Suite 10.04, Level 10, 56 Pitt Street, Sydney NSW 2000.

YOUR VOTE IS IMPORTANT

The business of the Extraordinary General Meeting affects your Shareholding and your vote is important.

VOTING IN PERSON

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

Members or proxies wishing to attend in person must be fully vaccinated and should advise their intention to attend by email to k2energylimited@outlook.com by Monday 4th July 2022.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- online at www.boardroomlimited.com;
- in person at Level 12, 225 George Street, Sydney, NSW 2000;
- by post to PO Box 3993 Sydney NSW 2001;
- by facsimile to +9290 9655; or
- by following the directions on the Proxy Form.

Please note that the Proxy Form must be received by the Company no later than **10:00am** (AEST) on **6th July 2022**.

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Extraordinary General Meeting.

The Company’s Directors have determined that all Shares of the Company that are quoted on NSX at **7pm** (AEST) on **6th July 2022** shall, for the purposes of determining voting entitlements at the Extraordinary General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

PROXIES

Please note that:

- (a) a Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form can be obtained by via the Company's share registry website –

<https://boardroomlimited.com.au/wordpress/wp-content/uploads/2021/05/Appointment-of-Corporate-Representative.pdf>

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Terry Flitcroft at k2energylimited@outlook.com if they have any queries in respect of the matters set out in this document.

BUSINESS

ITEM 1 RESOLUTION 1 – ADOPTION OF NEW CONSTITUTION

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

That pursuant to section 136 of the Corporations Act, the constitution contained in the draft produced to this meeting and signed by the Chairman for identification be approved and adopted as the constitution of the Company in substitution for and to the exclusion of the existing Constitution of the Company.

Dispatch of Notice of Meeting

In accordance with modifications to the Corporations Act the Company will not be mailing physical copies of this Notice of Meeting to Shareholders. This Notice of Meeting will be despatched to Shareholders in the following manner:

- If the Share Registry has a record of a Shareholders email address, the Company will send an email to that Shareholder which will contain this Notice of Meeting; or
- If the Share Registry does not have a record of a Shareholders email address, the Company will mail a letter to that Shareholder's registered address, containing a URL website address by which that Shareholder can access and download a copy of this Notice of Meeting electronically.

How to participate in the Extraordinary General Meeting

To participate in the meeting or vote in person, shareholders or their proxies may attend the Extraordinary General Meeting on the date and at the place set out above.

Members or proxies wishing to attend in person must be fully vaccinated and should advise their intention to attend by email to k2energylimited@outlook.com by Friday 1st July 2022.

All resolutions will be conducted and determined on a poll. The Company's auditors will scrutineer the poll.

Appointment of Proxy

- (a) A member who is unable to attend and vote at the meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below. The proxy need not be a member of the Company.
- (b) If a member wishes to appoint a proxy, and is entitled to cast 2 or more votes, then the member may appoint 2 proxies, and may specify the proportion or number of votes each proxy may cast.
- (c) A proxy form (and the power of attorney (if any) under which it is signed) must be received at the registered office of the Company not less than 48 hours before the time of the holding of the meeting:
 - By hand: Boardroom Pty Limited – Level 12 Grosvenor Place, 225 George Street, Sydney, NSW, 2000
 - By mail: Boardroom Pty Limited – GPO Box 3993, Sydney NSW, 2001
 - By facsimile: (02) 9290 9655

Corporate Representatives

Corporate members must either:

- appoint a proxy as set out above; or
- appoint a body corporate representative in accordance with the Corporations Act.

The appointment of a body corporate representative must be produced at the meeting.

Entitlement to Vote

For the purpose of the meeting, those members holding shares at 7pm AEST on 4th July 2022 will be voting members at the meeting.

Further Information

This Notice should be read in conjunction with the Explanatory Note.

By the Order of the Board of Directors.

A handwritten signature in black ink, consisting of a stylized 'T' and 'A' followed by a long horizontal stroke.

T. A. Flitcroft
Company Secretary

Dated: 3rd June 2022

EXPLANATORY STATEMENT ON ITEMS OF BUSINESS

Please see the Glossary of Terms at the end of this Explanatory Statement for details defined Terms.

Resolution 1 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (New Constitution) which is of the type required for a public company limited by Shares updated to ensure it reflects the current provisions of the Corporations Act and NSX Listing Rules.

There have been a number of significant developments in the Corporations Act, NSX Listing Rules, corporate governance principles and general corporate and commercial practice for public companies since the Company adopted its original constitution. Accordingly, the Company's current constitution requires substantial updates. The Board has determined that it is more appropriate to adopt a new constitution, which reflects these changes, rather than make each of the necessary amendments to the current constitution.

A summary of the main provisions of the New Constitution is set out at Annexure A.

Copies of the current and proposed New Constitution are available for perusal by Shareholders via the internet at: <https://www.k2energy.com.au>.

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

Under section 136 of the Corporations Act, Shareholders must pass a special resolution to adopt a new constitution. Accordingly, Resolution 1 is a special resolution, requiring approval of 75% of the votes cast by Shareholders entitled to vote on the resolution in order to be passed.

Recommendation

The Board recommends that Shareholders vote IN FAVOUR of Resolution 1.

ANNEXURE A

The rights attaching to Shares pursuant to the new Constitution are summarised as follows. Rights are affected by the Corporations Act, the NSX Listing Rules and statute and general law.

Voting

Subject to any rights and restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders:

- each Shareholder is entitled to vote in person or by proxy, attorney or representative; and
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share but in respect of partly paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

General meetings

Each shareholder is entitled to receive notice of and to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the NSX Listing Rules.

A shareholder may requisition meetings in accordance with the Corporations Act and the Constitution.

Dividends

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend.

Subject to the rights of the holders of any Shares created or raised under any special arrangement as to dividends, the dividend as declared shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares in accordance with Part 2.5 of Chapter 2H of the Corporations Act. The Directors may from time to time pay to the shareholders any interim dividends that they may determine.

No dividend shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive.

No dividend shall carry interest as against the Company.

In addition, the Company must comply with section 254T of the Corporations Act when declaring a dividend.

Transfer of Shares

Subject to the Constitution, Shareholders may transfer any Share held by them by an:

- ASX Settlement Operating Rules Transfer or any other method of transferring or dealing in Shares introduced by NSX or operated in accordance with the ASX Settlement Operating Rules or NSX Listing Rules and in any such case recognised under the Corporations Act; or
- instrument in writing in any usual or common form or in any other form that the Directors approve.

Issue of Shares

Unissued Shares shall be under the control of the Directors and, subject to the Corporations Act, the NSX Listing Rules, and the Constitution, the Directors may at any time issue such number of Shares either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) at the issued price that the Directors determine and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors shall, in their absolute discretion, determine.

Issue of Options

Subject to the NSX Listing Rules, the Directors may at any time and from time to time issue options in the Company on such terms and conditions as the Directors shall, in their absolute discretion determine.

Issue of Preference Shares

Subject to the NSX Listing Rules and the Corporations Act, the Company may at any time and from time to time issue preference Shares, that are liable to be redeemed whether at the option of the Company or otherwise.

Entitlement to Share certificate

A person whose name is entered as a Shareholder in the Register of Shareholders is entitled without payment to receive a Share certificate or notice (as the case may be) in respect of the Share under seal in accordance with the Corporations Act.

If the securities of the Company are CHESS approved securities and held in uncertificated mode; then the Company shall allot such CHESS approved Securities and enter them into the Shareholder's uncertificated holding in accordance with the NSX Listing Rules and the ASX Settlement Operating Rules. In these circumstances, the Shareholder will not receive a Share certificate.

Where the Directors have determined not to issue share certificates or to cancel existing Share certificates, a Shareholder shall have the right to receive such statements of holdings of the Shareholder as are required to be distributed to a Shareholder under the Corporations Act or the NSX Listing Rules.

Where a Share certificate is lost, worn out or destroyed, the Company shall issue a duplicate certificate in accordance with the requirements of section 1070D of the Corporations Act and the NSX Listing Rules.

Variation of rights

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of the class. Any variation of rights shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act. The provisions of the Constitution relating to general meetings shall apply so far as they are capable of application and with necessary alterations to every such separate meeting except that a quorum is constituted by two persons who together hold or represent by proxy not less than one-third of the issued Shares of the class.

Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different class of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

NSX Listing Rules

If the Company is listed on the official list of NSX, notwithstanding anything in the Constitution, if the NSX Listing Rules prohibit an act being done, then that act must not be done. If the NSX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if a provision is required in the Constitution by the NSX Listing Rules, the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the NSX Listing Rules, the Constitution will be treated as not containing that provision to the extent of the inconsistency.

GLOSSARY

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| AEST | Australian Eastern Standard Time |
| ASIC | Australian Securities and Investments Commission |
| NSX | NSX Limited (ACN 000 902 063) or, where the context requires, the National Stock Exchange operated by NSX Limited |
| NSX Listing Rules | The Official Listing Rules of NSX |
| Board | Board of directors of the Company |
| Company or KTE | K2 Energy Limited ABN 99 106 609 143 |
| Constitution | The existing constitution of the Company |
| Corporations Act | Corporations Act 2001 (Cth) |
| Director | A director of the Company |
| General Meeting or Extraordinary General Meeting | The Extraordinary General Meeting of the Company to be held on Wednesday 6 July 2022 at 10:00am AEST. |
| Notice of Meeting or Notice of Extraordinary General Meeting | The notice of Extraordinary General Meeting to which this Explanatory Memorandum is attached |
| Share | A fully paid ordinary share in the Company |
| Shareholder | A person who holds Shares in the Company |
| Share Registry | Boardroom Pty Limited |
| Resolution | Means a resolution contained in this Notice of Meeting |