EnergyAction®

Notice of 2013

Annual General Meeting and Explanatory Memorandum

For a meeting to be held on
Thursday, 31 October 2013
at the Radisson Blu Hotel
27 O'Connell Street
Sydney NSW at 2.30pm (AEDT)

Contents

Separate Attachment

Proxy Form and Questions for the Chairman or the external auditor

This is an important document. Please read it carefully.

If you are unable to attend the Meeting please complete the proxy form and return it in accordance with the instructions.

Energy Action Limited
Level 5, 56 Station Street
Parramatta NSW 2150
Phone: 02 9633 6400
Fax: 02 9475 0954
Web: www.energyaction.com.au

30 September 2013

Dear Shareholder,

Energy Action Limited – Annual General Meeting

It is with pleasure that I invite you to the 2013, and second Annual General Meeting (***the Meeting***) of Energy Action as a publicly listed entity. The Meeting is an opportunity for Shareholders to talk to the directors and the senior management team about Energy Action and I encourage you to attend.

The Meeting will be held on Thursday, 31 October 2013 at 2.30pm (AEDT) at the Radisson Blu Hotel (Marble Room), 27 O'Connell Street, Sydney NSW.

Please find enclosed the Notice of Meeting, Explanatory Memorandum, proxy form, question form and business reply envelope.

If you are attending the Meeting, please bring the attached proxy form with you as the barcode will assist in the registration process. If you are unable to attend, please complete and return your proxy form to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000, or to Energy Action at Level 5, 56 Station Street Parramatta NSW 2150 or by facsimile to +612 9287 0309 or online at www.linkmarketservices.com.au to be received no later than 2.30pm (AEDT) on Tuesday, 29 October 2013.

Enclosed is a question form to give you the opportunity to submit questions and/or to address questions to me (as Chairman) and/or our external auditor, Ernst & Young, prior to the Meeting. Ernst & Young will be present at the Meeting to respond to any questions received and to answer any additional questions. Please note that written questions for Ernst & Young must be sent to Link Market Services or Energy Action and received no later than 5.00pm on Thursday, 24 October 2013.

If you require further information or have questions, please contact Energy Action's Registry on 1800 451 641 (within Australia) or +61 2 8280 7786 (outside Australia).

I look forward to your attendance at the Meeting.

Yours sincerely

Dr Ronald Watts
CHAIRMAN

Location of the Annual General Meeting

Venue

The Meeting of the Shareholders of Energy Action will be held at:

Radisson Blu Hotel
27 O'Connell Street
Sydney (Marble Room)

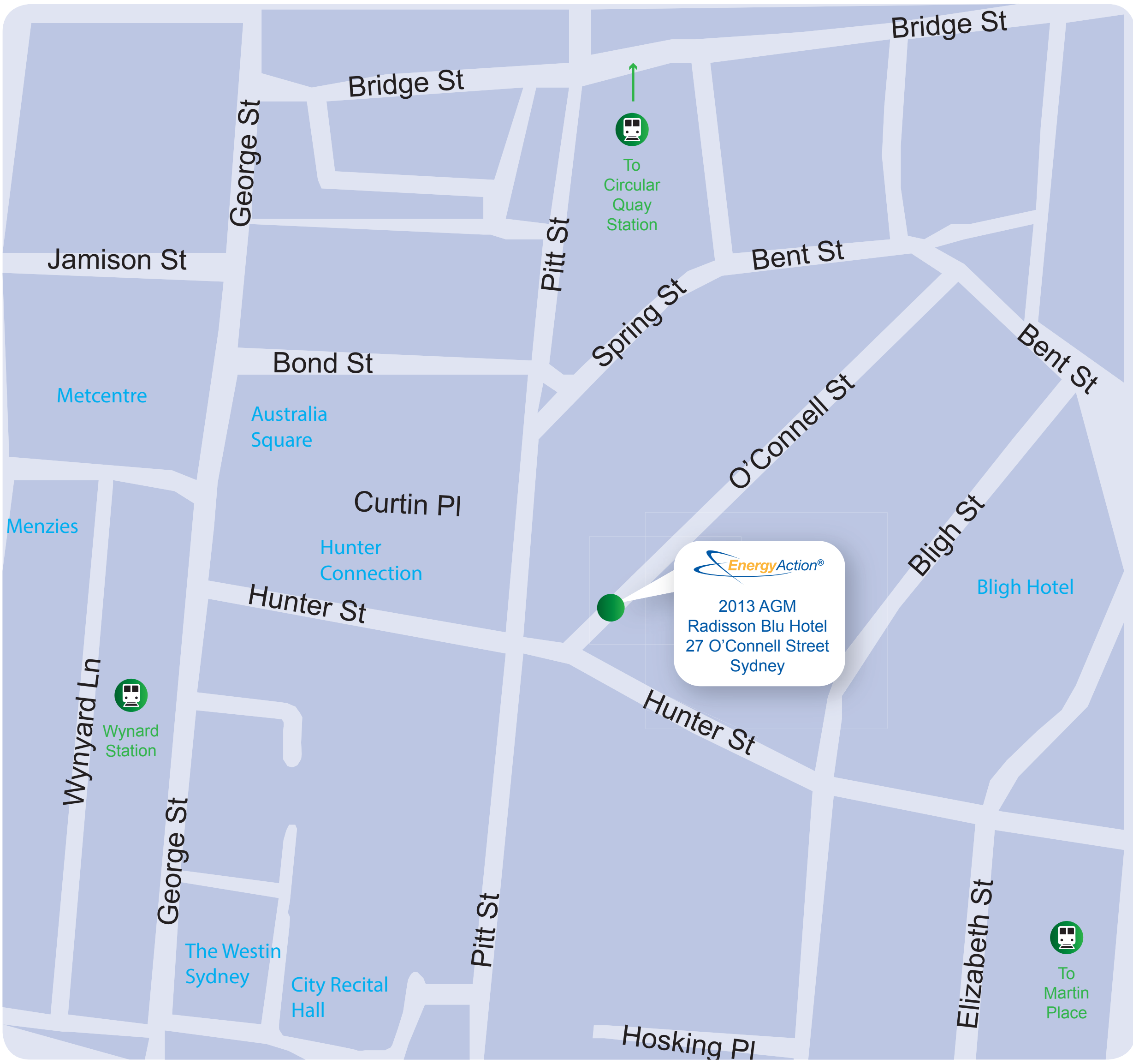
Commencing

2.30 pm, Thursday, 31 October 2013

Annual General Meeting Agenda

Thursday 31 October 2013

1.30pm	Registration begins
2.00pm	Light refreshments
2.30pm	Annual General Meeting commences
	Welcome to Shareholders – Chairman
	Managing Director presentation
	Items of Business



How business will be conducted at the meeting

The Annual General Meeting is an important event and we encourage Shareholders to actively participate.

Important information about the conduct of the Meeting is set out below.

Discussion and asking questions

Discussion will take place on all the items of business as set out on pages 5-7.

The Explanatory Memorandum also provides further information relating to the items of business.

Shareholders will have the opportunity to ask questions at the Meeting (including an opportunity to ask questions of the Auditor).

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following guidelines:

- Please keep questions as brief as possible and relevant to the matters being discussed.
- If you have more than one question, please ask all questions at the one time.

Shareholders who are unable to attend the Meeting or who may prefer to register written questions in advance are invited to do so. A question form is enclosed.

An opportunity for discussion will be provided on each item of business prior to Shareholders being asked to vote.

Webcast and photography

For those that may not be able to attend the Meeting we expect to make a live and a recorded broadcast available via a webcast viewable at www.energyaction.com.au.

For the safety and security of all those present at the Meeting, cameras and recording devices are not permitted.

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Energy Action Limited Shareholders will be held on Thursday, 31 October 2013 at 2.30pm (AEDT) at the Radisson Blu Hotel (Marble Room), 27 O'Connell Street, Sydney NSW.

Important Information:

1) **The Resolutions should be read in conjunction with the Explanatory Memorandum which follows.**

2) **Certain terms and abbreviations used below are defined in the Glossary at page 16 of this Notice of Meeting.**

3) **As explained in the 'voting exclusion' paragraphs below, certain Shareholders are excluded from voting in relation to particular Resolutions and Energy Action must disregard votes cast by those Shareholders. Please do not vote if your vote must be disregarded or if you must not vote as outlined in the paragraphs below.**

The business of the Meeting is as follows:

Ordinary Business

Item 1. Receipt of Annual Financial Report

Receipt of the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2013.

Note: There is no requirement for Shareholders to approve these reports.

Item 2. Adoption of Remuneration Report (Resolution 1)

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

> *"That for the purpose of Section 250R(2) of the Corporations Act 2001, and for all other purposes, approval is given for the adoption of the Remuneration Report for the year ended 30 June 2013."*

Note: The vote on this resolution is advisory only and does not bind the Company or the Directors.

Voting Exclusion Statement for Resolution 1

In accordance with section 250R of the Corporations Act 2001 (Cth) ("**Corporations Act**"), a vote must not be cast, and the Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of:

(a) a member of the Company's Key Management Personnel whose remuneration details are included in the Remuneration Report for the year ended 30 June 2013; or

(b) a Closely Related Party of those persons,

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in (a) or (b) above, and either:

(a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or

(b) the person is the Chairman of the Meeting and the appointment as proxy (using the proxy form circulated with this Notice of Meeting):

   (i) does not specify how the proxy is to vote on Resolution 1; and

   (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company.

Item 3. Re-election of Dr. Ronald Watts (Resolution 2)

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

> *"That Dr Ronald Watts, who retires and being eligible offers himself for re-election, be re-elected as a Director of the Company."*

Special Business

Item 4. Approval of Additional Placement Capacity (Resolution 3)

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

> *"That pursuant to and in accordance with Listing Rule 7.1A of the ASX Listing Rules and for all other purposes, the Shareholders of the Company approve and authorise the Company to issue by way of placements, up to 10% of the issued capital of the Company (**Additional Placement Capacity**):*

(a) calculated:

   (i) at the time of the issue; and

   (ii) in accordance with the formula prescribed in Listing Rule 7.1A.2; and

(b) on the terms and conditions in the Explanatory Memorandum accompanying the Notice of Meeting."

Voting Exclusion Statement for Resolution 3

The Company will disregard any votes cast on Resolution 3 by:

(a) a person who may participate in the Additional Placement Capacity; and

(b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 3 is passed; and

(c) an associate of a person (or persons) described in (a) and (b) above.

However, the Company need not disregard a vote if:

(a) 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

(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.

Item 5. Approval of Performance Rights and Options Plan (Resolution 4)

To consider, and if thought fit, pass the following ordinary resolution:

> *"That, for the purposes of ASX Listing Rule 7.2 (Exception 9b) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme, being the Performance Rights and Options Plan (**Plan**) and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

Voting Exclusion Statement for Resolution 4

The Company will disregard any votes cast on Resolution 4 by:

(a) any director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to Energy Action); and

(b) any associate of any such director,

However, the company need not disregard a vote cast on Resolution 4 if:

(a) 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

(b) it is cast by the Chairman of the AGM 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 addition, a vote must not be cast for this resolution by any Key Management Personnel or a Closely Related Party of such Key Management Personnel, acting as a proxy, if their appointment does not specify the way the proxy is to vote on the resolution. However, this voting exclusion does not apply if the Chairman of the AGM is acting as a proxy for a person who is entitled to vote and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of a member of the Key Management Personnel.

Please refer to the accompanying Explanatory Memorandum attached to this Notice of 2013 Annual General Meeting in relation to agenda items 1 to 5.

Shareholders who are entitled to vote

For the purposes of this Meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that a person's entitlement to vote at Meeting will be the entitlements of that person set out in the register of members as at 7.00pm (AEDT) on 29 October 2013.

At the Meeting, each Shareholder in entitled to:

(a) 1 vote on a show of hands; and

(b) 1 vote for each Share they hold, on a poll.

Voting by Proxy

A Shareholder is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. A proxy need not be a Shareholder of Energy Action and may be an individual or body corporate.

Shareholders wishing to appoint a Director (including the Chairman of the Meeting) or other member of the Key Management Personnel of Energy Action as their proxy should read carefully the instructions on the proxy form and mark the relevant box to ensure their votes are not disregarded.

A Shareholder entitled to cast two or more votes at the Meeting may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, then each proxy may exercise half of the votes. Where two proxies are appointed, neither proxy may vote on a show of hands. A Shareholder wishing to appoint a second proxy can obtain an additional proxy form by contacting Link Market Services Limited, or can copy the proxy form, and return them together.

A proxy form is enclosed with this Notice of Meeting. To be valid proxy forms and any authority (or certified copy of that authority) under which any proxy form is signed, must be received:

1. by facsimile number to Link Market Services Limited +61 2 9287 0309; or

2. by mail to Locked Bag A14 Sydney South NSW 1235; or

3. by hand delivery to 1A Homebush Bay Drive, Rhodes NSW 2138; or

4. at the registered office of Energy Action on Level 5, 56 Station Street, Parramatta (facsimile number +61 2 9475 0954),

by no later than 2.30pm (AEDT) on Tuesday, 29 October 2013.

Alternatively, a Shareholder may vote online at www.linkmarketservices.com.au, by entering their holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" (Shareholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).

If you return your proxy form but do not nominate a representative, the Chairman of the Meeting will be your proxy and will vote on your behalf as you direct on the proxy form. If your nominated representative does not attend the Meeting then your proxy will revert to the Chairman of the Meeting and he may vote as he thinks fit in relation to any motion or resolution other than those (if any) in respect of which an indication of the manner of voting is given on your proxy form.

Key Management Personnel – Undirected Proxies

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

If a Shareholder appoints the Chairman as their proxy (or the Chairman becomes the Shareholder's proxy by default) but does not complete any of the boxes "For", "Against" or "Abstain" opposite Resolution 1 and 4 on the proxy form, the Shareholder will be giving express authority for the Chairman to vote on Resolution 1 and 4 in accordance with the Chairman's stated voting intention, even though the resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company. The Chairman intends to cast all such proxies **FOR** Resolution 1 and 4.

If a Shareholder wishes to appoint the Chairman as proxy with a direction to vote ***against***, or ***abstain from voting*** on Resolution 1 and 4, the Shareholder must specify this by ticking the "Against" or "Abstain" boxes opposite Resolution 1 and 4 on the proxy form.

If a Shareholder appoints a member of Key Management Personnel (other than the Chairman of the Meeting) or a Closely Related Party of any such member of Key Management Personnel, as its proxy and such Shareholder does not direct that person how to vote on Resolution 1 and 4 (by marking the appropriate "For", "Against" or "Abstain" box), that Shareholder's proxy will not be able to vote on their behalf on Resolution 1 and 4.

Voting by Attorney

A Shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by Energy Action at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the Meeting.

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of sections 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to Energy Action. A form for this purpose may be obtained from Link Market Services Limited (refer also to the "Corporate Representatives" section of the Proxy Form).

By order of the Board

Nathan Francis
Company Secretary
30 September 2013

Explanatory Memorandum

The information below is an explanation of the business to be considered at the Meeting.

Ordinary business

Item 1. Financial Report, Directors' Report and Auditor's Report

As required by the Corporations Act 2001 (Cth) ("**Corporations Act**"), the Financial Report, the Directors Report and the Auditor's Report for the year ended 30 June 2013 will be laid before the Meeting. There is no requirement for a formal resolution on this item. However, the Chair of the Meeting will allow a reasonable opportunity for the shareholders as a whole at the Meeting to ask questions about, or make comments on, those reports.

A copy of the Company's 2013 Financial Report (which includes the Financial Statements, the Directors' Report and the Auditor's Report) is available at www.energyaction.com.au. A copy of the 2013 Annual Report will be sent to those Shareholders that requested one. Shareholders who wish to receive a hard copy of the 2013 Annual Report should contact Link Market Services.

During this item of business an opportunity will be given to Shareholders to ask questions about, or make comments on, the 2013 Annual Report and management of Energy Action.

Similarly, a reasonable opportunity will be given to Shareholders, as a whole, to ask the Company's auditor, Ernst & Young, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by Energy Action in relation to the preparation of its financial statements and the independence of the auditor in relation to the audit for the year ended 30 June 2013.

Shareholders may also submit written questions directed to Ernst & Young using the form enclosed. Relevant written questions for Ernst & Young must be received by no later than 5.00pm (AEDT) on Thursday, 24 October 2013.

Item 2. Adoption of Remuneration Report (Resolution 1)

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption.

The Resolution is advisory only and does not bind the Directors. However, under changes to the Corporations Act which came into effect on 1 July 2011 (known generally as the 'two strikes rule'), if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the Meeting, and then again at the 2014 Annual General Meeting, Energy Action will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the re-election of Directors of Energy Action (**Spill Resolution**).

Under the Corporations Act, if more than 50% of those present and voting at the 2014 Annual General Meeting vote in favour of a Spill Resolution, Energy Action must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the 2014 Annual General Meeting. All of the Directors who were in office when the 2014 Directors' Report was approved, other than the Managing Director, 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 is approved will be the Directors of Energy Action.

The Remuneration Report provides Shareholders with an understanding of:

- The Company's remuneration policies as they relate to Key Management Personnel as defined under the Corporations Act;
- The link between remuneration and the Company's performance; and
- Individual outcomes for the Company's executives and Directors.

A copy of the Remuneration Report, which is part of the 2013 Financial Report, lodged with the ASX on 20 August 2013, is available on the Company's website.

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

Item 3. Re-election of Dr Ronald Watts as a director (Resolution 2)

Dr Ronald Watts co-founded Energy Action, and has been the non-executive Chairman since 2003. He has worked at chief executive and board level across a range of technology based enterprises and at senior levels in government. He is currently a Director of cancer therapy biotech company Biosceptre Limited. Dr Watts' management experience spans the software and telecommunications industries, and as a consultant, he has worked with companies on strategy and fund-raising in biotechnology, utilities, food processing and energy.

Dr Watts has a Bachelor of Science (Honours) from the University of New South Wales and a PhD from Cambridge University. He has also completed a Graduate Diploma in Business, majoring in Finance. He has held academic posts of Associate Professor and Adjunct Research Fellow, and now works on occasional voluntary projects training young people in Pacific Island nations.

Dr Watts is an independent non-executive Director and is the Chair of the Nomination Committee and a member of the IT Committee.

Directors' recommendation

The Directors (other than Dr Ronald Watts) unanimously recommend you vote in favour of Resolution 2.

Item 4. Approval of Additional Placement Capacity (Resolution 3)

ASX Listing Rule 7.1A

Subject to Shareholder approval at a company's annual general meeting, Listing Rule 7.1A enables an 'eligible entity' to issue Equity Securities totalling up to 10% of its issued share capital through placements in the 12 month period following the receipt of Shareholder approval (the **Additional Placement Capacity**).

The Company is currently an 'eligible entity' for the purposes of Listing Rule 7.1A as the Company:

(a) has a market capitalisation of less than $300 million; and

(b) is not included in S&P/ASX 300 Index.

Equity Securities issued must be in the same class as an existing class of quoted Equity Securities, and as a result the Company will only issue fully paid ordinary Shares, ranking equally with the Company's existing Shares. The Company will apply for any Shares issued under the 10% Additional Placement Capacity to be quoted on the ASX.

The exact number of Equity Securities to be issued under the Additional Placement Capacity will be determined at the time of issue taking into consideration the formula prescribed in Listing Rule 7.1A.2.

ASX Listing Rule 7.1A.2 provides that in addition to issues under rule 7.1, an Eligible Entity which has obtained the approval of the holders of its ordinary securities under 7.1A may issue or agree to issue during the period of the approval a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A = The number of fully paid ordinary securities on issue 12 months before the date of issue or agreement,

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in rule 7.2,
- plus the number of partly paid ordinary securities that became fully paid in the 12 months,
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under rule 7.1 or rule 7.4,
- less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = The number of equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under rule 7.1 or 7.4.

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

If Resolution 3 is approved, the Additional Placement Capacity will operate in addition to the ability of the Company to issue 15% of its issued Share capital without Shareholder approval under Listing Rule 7.1 (the **15% Placement Capacity**). If the Company meets the Listing Rule requirements, Shares may be placed by the Company using part of the Additional Placement Capacity and part of the 15% Placement Capacity.

Notice requirements for approval under 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 3:

(a) Minimum Issue Price

The Company will only issue Equity Securities under the Additional Placement Capacity at an issue price of not less than 75% of the volume weighed average price (VWAP) for the Company's Shares calculated over the 15 ASX trading days (on which trades in Shares are conducted) immediately before either:

a) the date on which the price at which the Equity Securities are to be issued is agreed; or

b) if the Shares are not issued within 5 ASX trading days of the date in paragraph (a) above, the date on which the Shares are issued.

(b) Risk of economic and voting dilution

If Resolution 3 is approved by the Shareholders and the Company issues Shares under the Additional Placement Capacity, the voting power of Shareholders in the Company may be diluted.

There is a risk that:

a) the market price for the Company's Shares may be significantly lower on the date of the issue of the Shares than on the date of approval under Listing Rule 7.1A (being the date of this Meeting); and

b) the Shares may be issued at a price that is a discount to the market price for the Company's Shares on the issue date.

If the Shares are issued as part of consideration for the acquisition of a new business or asset, the Company will not receive the deemed issue price in immediately available funds but instead will acquire one or more assets to the value of the deemed issue price.

In accordance with Listing Rule 7.3A.2, the table below depicts the value of a placement made under the Additional Placement Capacity on the basis of:

(i) three different assumed issue prices, including:

(A) using the current market price, at 20 September 2013, being $3.71 (Current Market Price);

(B) where the Current Market Price has fallen by at least 50%; and

(C) where the Current Market Price has increased by 50%; and

(ii) three different values for the variable "A" in the formula in rule 7.1A.1, including:

(A) using the current number of Shares on issue at the date of this Notice (the Current Variable A);

(B) where there is 50% increase in the Current Variable A; and

(C) where the Current Variable A has doubled (ie 100% increase).

(c) Final date for issue

The Company will only be capable of issuing and allotting Shares under the approval provided by Resolution 3 from the date of this Meeting until the earlier of:

a) the anniversary of this Meeting, being 31 October 2014; or

b) the date the Company's Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) Purpose of issue of Additional Placement Capacity

The ability to issue Equity Securities under the Additional Placement Capacity will provide the Company with greater flexibility to fund (or partially fund) potential acquisitions or raise additional funds as and when the Company requires. This will enable the Company to continue to grow organically as well as consider the acquisition of complementary businesses. This may result, by way of example, in the issue of Shares using the Additional Placement Capacity for cash consideration or for non-cash consideration.

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.

		Variable issue price^		
Variable A	**10% of Variable A^**	**50% decrease to Current Market Price - $1.86**	**Current Market Price - $3.71^^**	**50% increase to Current Market Price - $5.57**
Current Variable A (25,106,921 Shares)	2,510,692 Shares	$4,657,334 placement	$9,314,667 placement	$13,972,001 placement
50% increase to Current Variable A (37,660,381 Shares)	3,766,038 Shares	$6,986,000 placement	$13,972,001 placement	$20,958,001 placement
100% increase to Current Variable A (50,213,842 Shares)	5,021,384 Shares	$9,314,667 placement	$18,629,335 placement	$27,944,002 placement

^ number of Shares rounded down, and raising amount rounded up to nearest dollar, where applicable
^^ as at 20 September 2013

Assumptions and explanations:

- This table assumes the Company issues the maximum number of Shares permitted under the Additional Placement Capacity although this may not actually occur;
- This table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of this Meeting; and
- This table does not take into account any dilution as a result of placements under the 15% Placement Capacity.

(e) Allotment under the Additional Placement Capacity

The Company's allotment policy is to assess the market conditions at the time of issue of any Shares under the Additional Placement Capacity. The identity of one or more allottees and the number of Shares to be issued in a particular allotment will be determined on a case-by-case basis by the Board of the Company, having regard to:

a) the amount of cash then held by the Company;

b) the dilution effect of the issue of Shares and any subsequent effect on control of the Company; and

c) advice from corporate, financial and broking advisers (as required).

For an allotment of Shares under the Additional Placement Capacity to one or more vendors in an acquisition, the Company will also consider the value and nature of the business or asset being acquired following a thorough due diligence process. The Company will release a valuation of any non-cash consideration (ie an asset or business) to the market.

At this stage the Company is not able to anticipate the expected timing of an issue of Shares under the Additional Placement Capacity. The Company has no current intention to undergo a placement (whether for cash or non-cash consideration) and is therefore not in a position to determine whether it will issue Shares to existing and/or new Shareholders.

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its 2012 Annual General Meeting held on 22 November 2012.

In the 12 months period preceding the date of the proposed 2013 Annual General Meeting, the Company has issued 200,000 Shares on 7 November 2012, and will (by the date of the Meeting) have issued a further 518,764 Shares on 30 September 2013 based on estimates made as at 20 September 2013 being the date of finalisation of this Notice of Meeting.

The total number of Shares issued by the Company is estimated to be 718,764 Shares, which represents 2.9% of the total number of Shares on issue at the commencement of the 12 month period (being 31st October 2012).

Details of all issues of equity securities 12 months preceding 31 October 2013

Date of Issue	7 November 2012	Anticipated to be 30 September 3013
Number of equity securities issued	200,000	518,764*
The class of equity securities issued and terms	Fully paid ordinary shares	Fully paid ordinary shares
The names of the persons to whom the entity issued the securities	Moss Capital Pty Limited pursuant to the Call Option Deed dated September 2011.	Jennifer Ward pursuant to the Sale & Purchase Agreement dated 27 July 2012.
Issue price and discount to market price (if any)	$1.20	$3.53*
Total cash consideration and use	$240,000 Used in the general course of business as working capital	N/A
Total non cash consideration that was paid and the current value of that non-cash consideration	N/A	The value of the non cash consideration for the issue is $1,831,236.74 which relates to part payment for the business Ward Consulting Services.
Total non cash consideration that was paid and the current value of that non-cash consideration	N/A	The value of the non cash consideration for the issue is $1,831,236.74 which relates to part payment for the business Ward Consulting Services.

* based on a shortened VWAP period commencing on 2 September to 20 September 2013 (inclusive) instead of the 20 day VWAP from 2 September to 27 September, as the anticipated issue date is on the despatch of this Notice of Meeting.

(g) Voting exclusion statement

Please see the voting exclusion statement which follows Resolution 3. At the date of this Notice of Meeting, the Company has not approached and does not intend to approach any particular existing Shareholder or security holder or an identifiable class of existing Shareholders to participate in an issue of Shares under Listing Rule 7.1A. The ASX has issued guidance that in such circumstances no shareholder's votes will generally be excluded as no shareholder would have an interest in the outcome of Resolution 3 that is potentially different from that of any other shareholder. As at the date of this Notice of Meeting, the Company expects that no existing Shareholder's votes are likely to be excluded under the voting exclusion in this Notice of Meeting.

Directors' recommendation

The Directors unanimously recommend that you vote in favour of Resolution 3.

Item 5. Approval of the Performance Rights and Options Plan (Resolution 4)

Background

Resolution 4 seeks Shareholder approval for the issue of Equity Securities under the Company's Performance Rights and Options Plan (the **Plan**) for the next three years.

The Plan is designed to reward senior executive personnel for the effective implementation of strategies that deliver sustained growth in Shareholder wealth and to attract and retain talented personnel. The ASX Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to and commensurate with the company's circumstances and goals.

A full copy of the Energy Action Limited Employee Equity Plan is available for inspection at the Company's registered office until the date of the Meeting and is available on the Company website at www.energyaction.com.au/investors/corporate-governance.

Listing Rules

Approval of the Plan would remove issues of Equity Securities under the Plan from the 15% limit imposed under the Listing Rules, thus providing Energy Action with more flexibility to raise capital in the future.

Listing Rule 7.1 provides that, in summary, a listed entity must not issue or agree to issue a number of Equity Securities in any 12 month period that exceeds 15% of the number of Equity Securities of the entity on issue at the commencement of the 12 month period, except with the prior approval of security holders of the entity in general meeting, unless one of the exceptions contained in ASX Listing Rule 7.2 applies.

Exception 9 to ASX Listing Rule 7.2 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 Equity Securities under the scheme as an exception to ASX Listing Rule 7.1

If Resolution 4 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years after the Meeting without impacting on the Company's 15% Placement Capacity or Additional Placement Capacity (if approved under Resolution 3) thereby enhancing the Company's flexibility to raise capital.

This exception does not apply to issues to Directors (and their associates) or related parties (and their associates) as any issues to such persons will require separate approval under ASX Listing Rules 10.14 and 10.11 respectively.

For the purposes of Exception 9(b) of the Listing Rule 7.2, the directors advise that:

(a) a summary of the terms of the Plan (including the terms and conditions of the Energy Action Limited Employee Equity Plan which are incorporated into the terms of the Plan) is set out in the table below;

(b) this is the first time that approval is being sought for the issue of Shares under the Plan; and

(c) no Performance Rights or Options have been issued under the Plan as at the date of this Notice.

Summary of the key terms	
Plan overview	The Board may, from time to time, in its absolute discretion, make or cause to be made invitations to Eligible Persons to participate in the Plan or make offers of Performance Rights or Options to those Eligible Persons.
Eligible Persons	An employee or director of the Company's Group (other than a non-executive Director) or any other person whom the Board determined to be eligible to participate in the Plan from time to time. An Eligible Person who accepted an offer under the Plan will be referred to below as a ***Participant*** under the Plan.
Securities offered	Performance Rights and Options may be offered by the Board under the Plan. Each Performance Right or Option will on exercise equate to one Share (ranking equally with all existing Shares).
Source of Shares	On exercise: • new Shares may be issued; and/or • existing Shares may be transferred and/or purchased on market, by the Company.
Consideration for grant	For each offer made under the Plan, the Board will determine the amount (if any) payable by the Participant to acquire the Performance Rights or Options.
Consideration for exercise of Shares	For each offer made under the Plan, the Board will determine the amount (if any) of the exercise price payable to acquire the Company's Shares.
Conditions to vesting	Vesting of securities shall occur in accordance with the terms of the relevant offer of the Performance Rights or Options which the Board has the discretion to determine. The Board may waive, amend or replace any condition attaching to a Performance Right or Option if the Board determined the original condition is no longer appropriate or applicable provided the interests of the relevant Participant is not (in the Board's opinion) materially prejudiced or in a superior position to that at the date of grant.
Lapsing of Performance Rights and Options	A Performance Right or Option, issued under the Plan, but subject to disposal restrictions (if any), will lapse at the earlier of: • the expiry date (if any); • failure to meet a condition to vesting within the applicable performance period; • the occurrence of a forfeiture condition (if any); and • the Participant is determined by the Board, to have acted fraudulently or dishonestly or is in breach of his or her obligations to the Company Group; • cessation of employment with the Company Group (unless the Board determines otherwise); • the Participant commits an act of an act or omission justifying summary dismissal in relation to the Company Group. Where due to reasons of death, permanent disability or bona fide redundancy, a Participant ceases to be employed by the Group before any conditions to vesting are achieved, the Board has an absolute discretion to accelerate and vest any unvested Performance Rights or Options.
Plan Limit	The maximum number of Performance Rights and/or Options that may be offered under the Plan (or any other plan or similar arrangement) will not, when aggregated with the number of Shares on issue, exceed the 5% threshold set out in ASIC Class order 03/184, such that the Company would need to create and lodge a prospectus or offer information statement with ASIC in order to offer or issue the securities.
Assignment	Unless the Board determines otherwise, a Participant must not assign to any other person any of their legal or equitable rights to securities, except a Participant's legal personal representative to be delivered Shares upon vesting of Performance Rights or exercise of Options.
Administration	The Plan will be administered by the Board, which has absolute discretion to determine appropriate procedures for the Plan's administration, resolve any questions of fact or interpretation, determine matters falling for determination and delegate to any person (including to appoint an administrator).

Summary of the key terms	
Change of control	If there is a control event, the Board may in its discretion: • vest all or any of the Performance Rights whether or not the Vesting Conditions have been met; and/or • permit the exercise of some or all Options whether or not the Vesting Conditions have been met; and/or • remove any disposal restrictions whether or not all requirements have been met. Control event means any person: • acquiring 50% or more of the votes in the Company; • acquiring the right to appoint or remove directors who possess 50% or more of the votes exercisable by all directors of the entity; • acquiring the right to 50% or more of the profits or distributions of the entity or its net liquidation proceeds; or • any other event which the Board reasonable considers should be regarded as a control event.
Amendments	The Board may at any time amend the Plan (in a manner which does not materially prejudice the rights of the Plan's Participants in respect of their Performance Rights or Options issued under the Plan (unless otherwise agreed) or the terms and conditions on which Performance Rights or Options have been issued under the Plan.
Termination or suspension of the Plan	The Board may terminate or suspend the operation of the Plan at any time provided that the termination or suspension does not affect or prejudice the existing rights of Participants at that time.

Directors' recommendation

The Directors unanimously recommend that you vote in favour of Resolution 4.

Glossary

Annual Report	means the annual report of Energy Action that includes the financial report, the Directors' report and the independent audit report for the period ended 30 June 2013.
ASX	means ASX Limited or the Australian Securities Exchange, as the context required.
Board	means Board of Directors of Energy Action Limited.
Closely Related Party	In relation to a member of the Key Management Personnel, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealing with Energy Action (or the Energy Action Group), and any company the member controls.
Company or Energy Action	means Energy Action Limited (ACN 137 363 636).
Company Group	means any of the Company or any subsidiary (as defined in the section 46 of the Corporations Act).
Constitution	means the constitution of Energy Action Limited.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the Directors of the Company.
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.
Key Management Personnel	means those persons having authority and responsibility for planning, directing or controlling the activities of the Company, whether directly or indirectly including any director (whether executive and non-executive) of the entity.
Listing Rules	means Listing Rules of ASX.
Meeting	means the meeting the subject of this Notice of Meeting to be held on Thursday, 31 October 2013 at the Radisson Blu Hotel 27 O'Connell Street, Sydney NSW at 2.30pm (AEDT).
Notice of Meeting	this notice of Meeting and any notice of any adjournment of the Meeting.
Option	means an option to acquire fully paid Shares in the Company in accordance with the terms on which they are issued (including service and vesting conditions) under the Plan.
Performance Right	means a right granted by the Board to receive fully paid Shares in the Company in accordance with the terms on which they are issued (including service and vesting conditions) under the Plan.
Share	means an ordinary share in the Company.
Shareholder	a registered holder of one or more Shares.

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www.energyaction.com.au

Energy Action®
GIVING YOU THE POWER®

Energy Action Limited
ACN 137 363 636

LODGE YOUR VOTE

ONLINE www.linkmarketservices.com.au

By mail:
Energy Action Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

All enquiries to: Telephone: +61 1800 451 641

SHAREHOLDER PROXY FORM

I/We being a member(s) of Energy Action Limited ("Company") and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

☐ **the Chairman of the Meeting** ***(mark box)***

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

or if the person/body corporate does not attend the meeting, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally 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 the Company to be held at **2:30pm (AEDT) on Thursday, 31 October 2013, at the Radisson Blu Hotel, 27 O'Connell Street, Sydney NSW** and at any adjournment or postponement of the meeting.

Chairman authorised to exercise proxies on remuneration-related resolutions (1 and 4)

Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of resolutions 1 and 4 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy, even though resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

If the Chairman is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on resolutions 1 and 4 by marking the appropriate box in Step 2 below.

On a poll, the Chairman of the Meeting intends to vote undirected proxies in favour of all resolutions.

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

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

STEP 2 VOTING DIRECTIONS

Resolution	For	Against	Abstain*
Resolution 1 Adoption of Remuneration Report	☐	☐	☐
Resolution 2 Re-election of Dr. Ronald Watts	☐	☐	☐
Resolution 3 Approval of Additional Placement Capacity	☐	☐	☐
Resolution 4 Approval of Performance Rights and Options Plan	☐	☐	☐

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

STEP 3 SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

Votes on Resolutions – Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes next to the resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a resolution your vote on that resolution will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. 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 this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place and delete titles as applicable.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm (AEDT) on Tuesday, 29 October 2013,** being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).

by mail:

Energy Action Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

by fax:

+61 2 9287 0309

by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.