Energy Technologies Limited
ABN 38 002 679 469

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the members of Energy Technologies Limited (the **Company**) will be held at Bambach Wires and Cables, 102 Old Pittwater Road, Brookvale New South Wales on Wednesday 13 February 2019 at 10:30am.

BUSINESS OF THE MEETING

Address by the Chairman

1. Removal of Auditor (Resolution 1):

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

"That Nexia Sydney Audit & Assurance (formerly known as Russell Bedford NSW) and/or that firm's partners be removed as auditors of the Company effective from the date of the Meeting."

2. Appointment of replacement Auditor (Resolution 2)

If Resolution 1 is passed, to consider and if thought fit, pass the following resolution as a special resolution:

"That Grant Thornton Audit Pty Ltd be appointed as statutory auditor of the Company effective from the date of the Meeting and the Directors be authorised to agree the remuneration of the auditor."

The Recapitalisation Proposal

All Resolutions 3 to 14 are **"Inter-conditional Resolutions"**. If any one of Resolutions 3 to 14 is not passed, it will be deemed that none of Resolutions 3 to 14 are passed.

3. Conversion of secured debentures issued by the Company into ordinary shares (Resolution 3)

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

"That, subject to each of Resolutions 4 to 14 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the Company to issue up to 2,925,119,611 (on a pre-consolidation basis) ordinary shares at $0.002 per share to holders of secured debentures issued by the Company in full satisfaction of the Company's obligations under the secured debentures (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

4. Conversion of first-ranking secured convertible notes issued by the Company into ordinary shares (Resolution 4)

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

"That, subject to each of Resolutions 3 and 5 to 14 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the Company to issue up to 1,033,329,093 (on a pre-consolidation basis) ordinary shares at $0.002 per share to holders of first-ranking secured convertible notes issued by the Company in full satisfaction of the Company's obligations under the secured convertible notes (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

5. Conversion of unsecured convertible notes issued by the Company into ordinary shares (Resolution 5)

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

"That, subject to each of Resolutions 3 and 4, and 6 to 14 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the Company to issue up to 209,305,113 (on a pre-consolidation basis) ordinary shares at $0.002 per share to the holders of unsecured convertible notes issued by the Company in full satisfaction of the Company's obligations under the unsecured convertible notes (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

6. Conversion of unsecured loans to Bambach Wires and Cables Pty Ltd into ordinary shares (Resolution 6)

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

"That, subject to each of Resolutions 3 to 5 and 7 to 14 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the Company to issue up to 233,752,840 (on a pre-consolidation basis) ordinary shares at $0.002 per share to lenders of unsecured loans made to Bambach Wires and Cables Pty Ltd in full satisfaction of Bambach Wires and Cables Pty Ltd's obligations under the unsecured loans (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

7. Conversion of debt obligations owed to director Alfred J Chown or his associated entities into ordinary shares (Resolution 7)

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

"That, subject to each of Resolutions 3 to 6 and 8 to 14 being passed, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the Company to issue up to 373,696,749 (on a pre-consolidation basis) ordinary shares at $0.002 per share to Alfred J Chown or his associated entities in full satisfaction of obligations under unsecured loans made to Bambach Wires and Cables Pty Ltd and unsecured convertible notes issued by the Company (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

8. Conversion of debt obligations owed to director Yulin Hu or his associated entities into ordinary shares (Resolution 8)

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

"That, subject to each of Resolutions 3 to 7 and 9 to 14 being passed, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the Company to issue up to 259,759,773 (on a pre-consolidation basis) ordinary shares at $0.002 per share to Yulin Hu or his associated entities in full satisfaction of obligations under unsecured loans made to Bambach Wires and Cables Pty Ltd and unsecured convertible notes issued by the Company (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

9. Conversion of second-ranking secured convertible notes held by director Philip W Dulhunty or his associated entities into ordinary shares (Resolution 9)

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

"That, subject to each of Resolutions 3 to 8 and 10 to 14 being passed, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the Company to issue up to 119,024,217 (on a pre-consolidation basis) ordinary shares at $0.002 per share to Philip W Dulhunty or his associated entities in full satisfaction of the Company's obligations under second-ranking secured convertible notes (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

10. Conversion of second-ranking secured and unsecured convertible notes held by director Gary A Ferguson or his associated entities into ordinary shares (Resolution 10)

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

"That, subject to each of Resolutions 3 to 9 and 11 to 14 being passed, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the Company to issue up to 68,137,914 (on a pre-consolidation basis) ordinary shares at $0.002 per share to Gary A Ferguson or his associated entities in full satisfaction of the Company's obligations under second-ranking secured and unsecured convertible notes (including any interest obligations) as described in the Explanatory Notes accompanying this Notice of Meeting."

11. Issue of ordinary shares to subscribers under placement agreement (Resolution 11)

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

"That, subject to each of Resolutions 3 to 10 and 12 to 14 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the Company to issue up to 150,000,000 shares (on a pre-consolidation basis) at $0.002 per share to 40 clients of Shaw and Partners Limited that have paid subscription monies totalling $300,000 as described in the Explanatory Notes accompanying this Notice of Meeting."

12. Consolidation of ordinary shares (Resolution 12)

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

"That, subject to each of Resolutions 3 to 11 and 13 to 14 being passed, for the purposes of section 254H of the Corporations Act 2001 (Cth) and for all other purposes, approval is given to the Company for the consolidation of every 100 ordinary shares on issue at 5pm (AEDT) on the date that is three business days following approval by members at the Meeting (being the Consolidation Record Date and which will be after conversion of all notes and loans as approved by members at the Meeting) into one ordinary share, as described in the Explanatory Notes accompanying this Notice of Meeting".

13. Issue of shares as consideration for Advance Cables acquisition (Resolution 13)

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

"That, subject to each of Resolutions 3 to 12 and 14 being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given to the Company to issue up to 5,000,000 (on a post-consolidation basis) ordinary shares at $0.20 per share as consideration under the terms of sale and purchase agreements for the acquisition of Advance Cables Pty Ltd assets, buying commitments and transition assistance) as described in the Explanatory Notes accompanying this Notice of Meeting."

14. The issue of ordinary shares under proposed capital raising to sophisticated and professional investors (Resolution 14)

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

"That, subject to each of Resolutions 3 to 13 being passed, for the purpose of ASX Listing Rule 7.1 and 10.11.and for all other purposes, approval is given to the Company to issue up to 25,000,000 (on a post-consolidation basis) ordinary shares at $0.20 per share pursuant to a capital raising to sophisticated and professional investors as described in the Explanatory Notes accompanying this Notice of Meeting."

By order of the Board and Directors of the Company

Gregory Knoke
Company Secretary
11 January 2019

Notes:

Entitlement to Vote

For the purposes of the Corporations Regulation 7.11.37, the Board has determined that in relation to the Extraordinary General Meeting being convened by this Notice shares will be taken to be held by the persons who are registered holders at 7.00 pm (Sydney time) on 11 February 2019.

Accordingly share transfers registered after that date will be disregarded in determining entitlements to attend and vote at the meeting.

Corporate Representation

If your holding is registered in a company name and you would like to attend the meeting (and do not intend to return a proxy form), please bring with you to the meeting a duly completed Appointment of Corporate Representative Form to enable you to attend and vote at the Extraordinary General Meeting. Alternatively contact the Company's share registry, Computershare Investor Services Pty Limited, investor enquiries 1300 850 505, who will forward to you a form for completion.

Proxies

1. A member entitled to attend and vote is entitled to appoint a proxy.
2. A person who is entitled to cast two or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy appointed is entitled to exercise.
3. Appointment of a proxy by a member who is a corporation must be under its common seal or the hand of its attorney or the hand of a person duly authorised by the corporation.
4. A proxy need not be a member of the Company.
5. To be effective, the proxy form must be received by the Company at 102 Old Pittwater Road, Brookvale NSW 2100 or received by facsimile on (02) 9939 9812 not less than forty-eight (48) hours prior to the time for holding the meeting.

Directing your proxy

When appointing a proxy, members can direct the proxy as to how to vote on each item of business by marking either For, Against or Abstain on the proxy form for that item of business (i.e. a directed proxy), and the proxy must vote in that manner.

If a member does not direct the proxy as to how to vote (i.e. an undirected proxy), the proxy appointed by the member may vote as he or she thinks sees fit. However, undirected proxies held by any parties (other than the Chairman) who are the subject of a voting exclusion in respect of a resolution will not be voted on that resolution.

Appointing the Chairman as proxy

Members entitled to vote on a resolution in Resolutions 1 to 14 who appoint as their proxy the Chairman of the Extraordinary General Meeting, can direct the Chairman how to vote by marking either "For", "Against" or "Abstain" on the proxy voting form.

Undirected proxies held by the Chairman will be voted **in favour** of that resolution. Undirected proxies held from any parties who are the subject of a voting exclusion in respect of a resolution **will not** be voted on that resolution. Undirected proxies held by any parties (other than the Chairman) who are the subject of a voting exclusion in respect of a resolution will not be voted on that resolution.

Members are therefore encouraged, should they chose to appoint a proxy, to direct that proxy as to how to vote on each of the Resolutions by marking either ***For***, ***Against*** or ***Abstain*** on the proxy form for that item of business.

Voting Exclusion Statements

Resolution 3 - Conversion of secured debentures issued by the Company into ordinary shares

The Company will disregard any votes cast in favour of the resolutions by any person who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of those persons. 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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 4 - Conversion of first-ranking secured convertible notes issued by the Company into ordinary shares

The Company will disregard any votes cast in favour of the resolutions by any person who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of those persons. 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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 5 - Conversion of unsecured convertible notes issued by the Company into ordinary shares

The Company will disregard any votes cast in favour of the resolution by or on behalf of Edmunds Janis Lacis, or any person(s) who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of that person."

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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 6 - Conversion of unsecured loans to Bambach Wires and Cables Pty Ltd into ordinary shares

The Company will disregard any votes cast in favour of the resolution by or on behalf of Edmund Janis Lacis, Min Huang, or any persons who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of those persons. 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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 7 - Conversion of debt obligations owed to director Alfred J Chown or his associated entities into ordinary shares

The Company will disregard any votes cast in favour of the resolution by or behalf of Alfred J Chown or any other person who may obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) or any associates of those persons.

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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 8 - Conversion of debt obligations owed to director Yulin Hu or his associated entities into ordinary shares

The Company will disregard any votes cast in favour of the resolution by or behalf of Yulin Hu and Auster Holdings Pty Ltd or any other person who may obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) or any associates of those persons.

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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 9 - Conversion of second-ranking secured convertible notes held by director Philip W Dulhunty or his associated entities into ordinary shares

The Company will disregard any votes cast in favour of the resolution by or behalf of Philip Dulhunty, Philip Dulhunty Pty Ltd and Jaspero Pty Ltd or any other person who may obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) or any associates of those persons.

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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 10 - Conversion of second-ranking secured and unsecured convertible notes held by director Gary A Ferguson or his associated entities into ordinary shares

The Company will disregard any votes cast in favour of the resolution by or behalf of Gary A Ferguson and Richlake Pty Ltd or any other person who may obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) or any associates of those persons.

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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 11 - Issue of ordinary shares to subscribers under placement agreement

The Company will disregard any votes cast in favour of the resolutions by any person who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of those persons .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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 13 - Issue of shares as consideration for Advance Cables acquisition

The Company will disregard any votes cast in favour of the resolution by or behalf of Advance Cables Pty Ltd or any other person who may obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) or any associates of those persons.

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 the direction on the Proxy Form to vote as the proxy decides.

Resolution 14 - The issue of ordinary shares under proposed capital raising to sophisticated and professional investors

Listing Rule 7.1 voting exclusion statement

The Company will disregard any votes cast in favour of the resolutions by any person who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of those persons .

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 the direction on the Proxy Form to vote as the proxy decides.

Listing Rule 10.11 voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or behalf of the following persons or any other person who may obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities):

- Alfred Chown, Yulin Hu, Gary Ferguson, Philip Dulhunty and Matthew Driscoll; or
- any associates of those persons.

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 the direction on the Proxy Form to vote as the proxy decides.

Explanatory Notes

These are the Explanatory Notes for the members of Energy Technologies Limited (**Company**) for the Extraordinary General Meeting to be held on Wednesday 13 February 2019 at 10:30am. The Explanatory Notes explain the items of business to be considered at the meeting and are provided to assist members in their consideration of the proposed Resolutions 1 to 14 inclusive, contained in the Notice of Meeting, and form part of that Notice of Meeting.

Resolutions 1 and 2: Removal and appointment of auditor

Resolution 1

The Company's longstanding auditor is Russell Bedford NSW (which is now known as Nexia Sydney Audit & Assurance) which merged with Nexia Sydney Audit Pty Ltd (**Nexia**), an authorised audit company in 2016.

Under Section 329 of the *Corporations Act 2001* (Cth) (**Corporations Act**) an auditor of the a company may be removed from office by resolution at general meeting of which 2 months notice of intention to move the resolution has been given. It should be noted that under this section, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

A notice to remove Nexia has been given to the Company and the notice is provided to members with this Notice of Meeting in Annexure A.

The Company notes there is no dispute with the audit firm or its partners at Nexia.

Resolution 2

Under Section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act.

Matthew Driscoll, a member of the Company, director and Chairman of the Audit Committee, has nominated Grant Thornton Audit Pty Ltd as auditor of the Company if Nexia Sydney Audit Pty Ltd is removed under Resolution 1. The notice to appoint Grant Thornton Audit Pty Ltd is provided to members with this Notice of Meeting in Annexure B.

Grant Thornton Audit Pty Ltd has given written consent to act as the Company's auditor in accordance with Section 328A(1) of the Corporations Act.

If Resolutions 1 and 2 are passed, the appointment of Grant Thornton Audit Pty Ltd as the Company's auditor will take effect at the close of the Meeting.

Section 327D(5) of the Corporations Act provides that the appointment of Grant Thornton Audit Pty Ltd at the meeting lasts until the next Annual General Meeting.

The Recapitalisation Proposal

Resolutions 3 to 14 are "**Inter-conditional Resolutions**". If any one of Resolutions 3 to 14 is not passed, it will be deemed that none of Resolutions 3 to 14 are passed.

The Recapitalisation Proposal

For the preceding several years, the Company's wholly owned subsidiary Bambach Wires and Cables Pty Ltd (**BWC**) has been successful in achieving strong growth in sales despite the significant constraints resulting from the high cost of its manufacturing facility in central Sydney, expensive rent, restricted capacity and inefficient equipment and lack of sufficient working capital and funding.

The Board holds the firm view that significantly changing market dynamics are creating a substantial opportunity for a well-funded and resourced, Australian owned and operated, cable manufacturer to drive strong returns in the near and mid-term. Therefore, the Board proposes to acquire the assets and selected employees of Advance Cables Pty Ltd (**Advance Cables**), a large Victorian based cable manufacturer, to not only increase the scale of BWC's operations, but also to harness much needed efficiencies and synergies resulting from such an acquisition.

The acquisition of assets and selected employees of Advance Cables will allow BWC to:

- relocate to an unconstrained large manufacturing facility in Gippsland Victoria to facilitate the combined scale of manufacturing operations;
- take advantage of the Regional Jobs and Investment Package (**RJIP**) grant of $2.9m to support the transition; and
- become a low-cost and high-margin strategic "supplier of choice" to Australian industry, thus benefitting from the significant tail winds currently being witnessed in the cable manufacturing industry.

In order to take advantage of this significant opportunity, the Board has formulated a recapitalisation proposal consisting of multiple working parts (the **Recapitalisation Proposal**). The main purpose of this Meeting is to seek member approval for the multiple resolutions, each of which are required to be passed in order to allow the Board to execute on the Recapitalisation Proposal.

Although the Company and BWC has maintained a steady level of turnover in recent years, the Group has sustained continued losses. The Group's continued ability to operate has largely been due to significant debt and equity funding and government grants. In particular, it has been vital that the Group ensures the continued support of its creditors. The balance sheet has ultimately not been appropriately funded and has severely compromised management's operating decision making and strategic initiatives. As of 30 September 2018, the Company's consolidated debt included approximately $15.8 million due to the following types of debt:

- secured debentures issued by the Company;
- secured and unsecured convertible notes issued by the Company; and
- unsecured loans to BWC from mainly related parties.

The Board, together with holders of debentures and notes issued by the Company, and lenders to BWC have agreed to take the significant step to convert all of their existing unredeemed and unconverted debt into ordinary shares in the Company and thereby allowing the Company to raise additional funding and acquire the assets and selected employees of Advance Cables, and to relocate the combined manufacturing operation to an unconstrained large manufacturing facility in Gippsland Victoria.

Since May 2018, certain funds have been advanced to BWC in order to meet short term working capital requirements on the understanding that those funds would not be subject to any discount on conversion under a recapitalisation proposal. Otherwise, all of the abovementioned debt holders have agreed to a conversion of between 44.7% to 73.1% of their unredeemed and unconverted debts (conversion rate based on the nature of the debt) into ordinary shares of the Company and to write off any un-converted debt, in order to ensure the success of the Recapitalisation Proposal, and ultimately the future of the Company. The recent funding will convert at 100%. The full satisfaction of liabilities owing to consenting lenders is conditional on similar conversions by the other lenders and all the other inter-conditional Resolutions being approved by members to facilitate the Recapitalisation Proposal.

More details of the conversion are described below in notes to Resolutions 3 to 14.

<u>**Latrobe Valley project and Regional Jobs and Investment Package grant**</u>

As announced in April 2018, BWC has secured a $2.9 million grant under the Federal Government Regional Jobs and Investment Package (**RJIP Grant**), which will assist BWC in the development of a manufacturing facility project in the Latrobe Valley of Victoria for the manufacture and sale of specialist industrial cables. The project will include the refurbishment of an existing factory building, equipment installation, establishment of a test laboratory, and recruitment and training of personnel to enable production of newly developed cables for use in infrastructure and defence related projects.

The project will benefit BWC by increasing its manufacturing capacity and efficiency and in turn this will provide long term sustainable employment to a workforce of approximately 40 to 50 people over the project timeframe and more as the company grows. The new facility will reduce manufacturing costs, improve capability and enable the company to compete globally in export markets.

The project is estimated to require the cash investment of $5.8 million, with $2.9 million contributed by the RJIP Grant (paid quarterly in arrears and subject to the conditions of the RJIP agreement) and the remaining to be paid by BWC. The Company has entered into an agreement to lease the site of the factory building which will be refurbished under the project. This agreement is conditional on the Recapitalisation Proposal being approved by members at the Meeting. In addition, the owner of the site has also agreed in principle to grant BWC an option to acquire the site.

Acquisition of assets from Advance Cables Pty Ltd

Advance Cables is a large Victorian-based cable manufacturer that has been in existence since the 1950's.

Advance Cables has a large efficient factory located in Dandenong (south-east Victoria) capable of processing 250 tonnes of finished product per month with its strong production engineering capability supported by many years of experience amongst key personnel. BWC is capable of processing only 30 tonnes per month.

The product focus of Advance Cables has been the production of high volume and very low margin general cables for the residential and commercial building construction industry. However, the general construction segment of the low voltage cable market typically sold via wholesalers has been severely impacted by low priced imported cable from China and India due to commoditisation and volume efficiencies.

Advance Cables has been impacted by loss of margin within its product mix and reliance on wholesaler customers, lack of strategic direction to pursue more profitable products and an under resourced sales force.

In financial year (**FY**) 2018, the business achieved approximately $39m of revenue with unaudited EBITDA of ($0.01) million.

The Company considers that significant opportunity exists to set the business of Advance Cables on a profitable path by combining assets with BWC, which has developed new products to meet high demand, growing and high margin segments.

The Company has entered into sale and purchase agreements for BWC to acquire assets of Advance Cables, details of the material terms and parties to the sale and purchase agreements are set out in more detail in the section "Further Details of Recapitalisation Proposal" below.

Importance of proceeding with the Recapitalisation Proposal

The Board is of the view that the Company's future lies in the successful execution of the Recapitalisation Proposal. Should the Recapitalisation Proposal not be approved by members:

- the Company will not be able to raise much needed fresh capital to grow its business;
- the Company will not be able to take advantage of the increased efficiency and capacity otherwise obtained from acquiring the assets of Advance;
- the Company will likely be unable to complete the project the subject of the RJIP Grant; and
- the Company's continued debt profile will continue to significantly restrict the development of the Company's business and burden the Company's ability to raise capital.

The directors of the Company (**Directors**) are of the opinion that the Recapitalisation Proposal is in the best interests of, and will result in the best outcome for the Company, its members and its creditors.

ASX determination under Listing Rule 11.1

The ASX has determined that the Recapitalisation Proposal will not result in a change to the scale of the Company's activities.

ASX has also confirmed that it does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

FURTHER DETAILS OF RECAPITALISATION PROPOSAL

More details of the Recapitalisation Proposal is provided in this section.

As at 30 September 2018, the Company's consolidated debt (that have not been redeemed or converted by the debt holders) included approximately $15.8 million of the following types of debt:

- secured debentures issued by the Company;
- secured and unsecured convertible notes issued by the Company; and
- unsecured loans to BWC from mainly related parties.

Deeds of conversion

The Board, holders of debentures and convertible notes, and lenders under loan agreements have agreed to take the significant step to convert all of their existing unredeemed and unconverted debt into ordinary shares in the Company by entering into individual deeds of conversion with the Company, and BWC where relevant (**Deeds of Conversion**).

The material terms of the Deeds of Conversion are:

- a percentage of the outstanding loan amounts (including accrued interest) under the relevant facility agreements convert into shares in the Company, with the remaining amount owing being forgiven;
- the release of any security interests registered under the relevant facility agreement; and
- a moratorium on all interest payments from 30 September 2018 (on the condition that the conversion occurs); and
- the conversion is conditional on the following being satisfied or waived:
    - all outstanding unconverted and unredeemed secured debentures, secured and unsecured convertible notes and unsecured loans converting into shares on terms consistent with the Recapitalisation Proposal and otherwise on terms acceptable to the Company or BWC (as applicable);
    - the Company and BWC entering into agreements with various parties to acquire plant, equipment, machinery, inventory and brand name in connection with establishing a manufacturing site in the Latrobe Valley on terms consistent with the Recapitalisation Proposal and otherwise on terms acceptable to the Company or BWC (as applicable);
    - the Company receiving binding commitments from investors to raise at least $4.5 million in equity by way of placement; and
    - members of Company approving the issue of shares upon the conversion for the purposes of ASX Listing Rules and all other purposes.

Recent funding

In May and June 2018, Edmunds Janis Lacis and Auster Holdings Pty Ltd (a related party of the Company) agreed to provide funding to BWC on the understanding the loan amounts would convert into shares at an issue price of $0.002 per share.

Given the nature of the funding, the Company has agreed that the outstanding debts will be converted at a rate of 100%. The Company considers this to be commercially reasonable given the risk profile assumed by the lenders in advancing the funding.

The Board has determined that the conversion of the funding loans at 100% is reasonable in the circumstances and is no more favourable to the lenders than if similar arrangements were entered into with alternative lenders.

The tables below sets out the relevant debt holders and the different types of debt (including amounts owing as at 30 September 2018):

Table 1: First ranking secured debentures issued by the Company
• There are approximately 110 noteholders who hold debenture notes under managed discretionary accounts with Shaw and Partners Limited (**Shaw**) and a representative of Shaw acts as "Group Leader" under the finance facility deed. The total amount owing to the noteholders under the debentures is $8,003,063 (including accrued interest).

Table 2 : First ranking secured convertible notes issued by the Company

- There are 72 noteholders who hold first ranking secured convertible notes under managed discretionary accounts with Shaw and a representative of Shaw acts as "Group Leader" under the finance facility deed. The total amount owing to the 72 noteholders under the convertible notes is $2,412,929 (including accrued interest).
- Zask Pty Ltd holds first ranking convertible notes with total amount owing of $177,530 (including accrued interest).
- Sisug Pty Ltd holds first ranking convertible notes with total amount owing of $177,530 (including accrued interest).
- Daniel James Brown holds first ranking convertible notes with total amount owing of $59,177 (including accrued interest).

Table 3: Second ranking secured convertible notes issued by the Company

- Richlake Pty Ltd holds second ranking convertible notes with total amount owing of $197,754 (including accrued interest). Richlake Pty Ltd is a related party of the Company.
- Jaspero Pty Ltd holds second ranking convertible notes with total amount owing of $76,418 (including accrued interest). Jaspero Pty Ltd is a related party of the Company.
- Philip Dulhunty Pty Ltd holds second ranking convertible notes with total amount owing of $76,418 (including accrued interest). Philip Dulhunty Pty Ltd is a related party of the Company.

Table 4: Unsecured convertible notes issued by the Company

- Gary Ferguson holds unsecured convertible notes with total amount owing of $52,698 (including accrued interest). Gary Ferguson is a related party of the Company.
- Jaspero Pty Ltd holds unsecured convertible notes with total amount owing of $305,125 (including accrued interest). Jaspero Pty Ltd is a related party of the Company.
- Philip Dulhunty Pty Ltd holds unsecured convertible notes with total amount owing of $32,530 (including accrued interest). Philip Dulhunty Pty Ltd is a related party of the Company.
- Edmunds Janis Lacis holds unsecured convertible notes with total amount owing of $936,488 (including accrued interest).
- Alfred Chown holds unsecured convertible notes with total amount owing of $285,024 (including accrued interest). Alfred Chown is a related party of the Company.
- Auster Holdings Pty Ltd's unsecured convertible notes has been converted, however unpaid interest amounts to $12,205. Auster Holdings Pty Ltd is a related party of the Company.

Table 5: Unsecured loan agreement entered into by BWC
• $1,386,997 (including accrued interest) is due to Alfred Chown pursuant to unsecured loan agreements entered into with BWC. Alfred Chown is a related party of the Company. • $574,658 (including accrued interest) is due to Yulin Hu pursuant to an unsecured loan agreement entered into with BWC. Yulin Hu is a related party of the Company. • $561,370 (including accrued interest) is due to Min Huang pursuant to an unsecured loan agreement entered into with BWC.

Note: The figures in the above tables are current as at 30 September 2018, and is due to the agreed moratorium between the creditors and the Company (and where relevant, BWC) pursuant to the Deeds of Conversion. This means that interest owing on the debts ceases to accrue past 30 September 2018, subject to the Recapitalisation Proposal being approved by members.

The table below sets out the persons and entities that have provided more recent funding (including amounts owing as at 30 September 2018)

Table 6: Unsecured loans recently provided to BWC
• US$156,041 (including accrued interest) is due to Edmunds Janis Lacis pursuant to an unsecured loan to BWC on the understanding that the loan amounts would convert into shares in the Company at an issue price of $0.002 per share. ($216,573 calculated by spot exchange rate as at 30 September 2018 of 0.7205) • $257,192 (including accrued interest) is due to Auster Holdings Pty Ltd pursuant to an unsecured loan to BWC on the understanding that the loan amounts would convert into shares in the Company at an issue price of $0.002 per share. Auster Holdings Pty Ltd is a related party of the Company.

The table below shows the key metric of the debt to equity conversion of debts described in the tables above:

Table 7

Type of debt	**Amount owing as at 30/9/18**	**Discount rate (ie: % of debt that will be converted, with remaining debt forgiven)**	**Conversion price per share**	**Number of shares upon conversion (per 30/09/18 figures)**
First ranking secured debentures	$8,003,063	73.1%	$0.002	2,925,119,611
First ranking secured c-notes	$2,827,166	73.1%	$0.002	1,033,329,093
Second ranking secured c-notes	$350,590	57%	$0.002	99,918,141
Unsecured c-notes	$1,624,071	44.7%	$0.002	362,979,886
Unsecured recent funding loans to BWC	$473,765	100%	$0.002	236,882,566
Unsecured loan agreements entered into by BWC	$2,523,025	44.7%	$0.002	563,896,012
Total debt (including accrued interest)	**$15,801,680**	**Total number of new shares issued upon conversion**		**5,222,125,309**

Note: The figures in the above table is current as at 30 September 2018, and is due to the agreed moratorium between the creditors and the Company (and where relevant, BWC) pursuant to the Deeds of Conversion. This means that interest owing on the debts ceases to accrue past 30 September 2018, subject to the Recapitalisation Proposal being approved by members.

The table below sets out the parties to the acquisition by the Company and BWC of assets and selected employees of Advance Cables, and the material terms of the acquisition:

Table 8

<table>
<tr><th>Parties</th><th>Material terms</th></tr>
<tr><td>Energy Technologies Ltd
Bambach Wireless & Cables Ltd
Advance Cables Pty Ltd or nominee(s)</td><td>
<u>Background</u>
In April 2018, BWC was awarded the RJIP Grant of $2.9 million to establish a cable manufacturing plant in the Latrobe Valley in Victoria.
The award of this grant led to discussions between Advance Cables and BWC to combine their businesses, reduce costs and maximise synergies.
Sale and purchase agreements have been entered into by the parties with the key terms below.
<u>The key terms of the proposed combination are summarised below:</u>

BWC will acquire agreed plant, machinery and equipment from Advance Cables.
The Company will acquire certain inventory and other assets from Advance Cables.
Advance Cables (or its nominees) will invest into the Company's capital raising.
Separately, the owner of Advance Cables will commit to support BWC's business by maintaining the current buying patterns of its related entities.

The consideration of the acquisition will be:

From funds raised by the Company, BWC will pay Advance Cables $2.9 million for the acquired plant and equipment to be settled in two payments. The first payment will be a non-refundable deposit of $2 million to be paid on or shortly after the Extraordinary General Meeting and the balance of $0.9 million paid progressively on collection of all purchased equipment by BWC by the target date of 31 March 2019.
The Company will provide new equity up to the value of $500,000 to Advance Cables (or its nominee) in consideration for the sale of inventory (subject to adjustment), and the Company will provide new equity with a value of $500,000 to Advance (or its nominee) in consideration for the Advance Cables brand name, for the commitment to maintain established buying patterns, and for assistance in securing key personnel to transition to BWC.
Advance Cables (or its nominee) will invest $1.5 million into the Company's capital raising, with the placement shares held in escrow for 12 months.

The conditions precedent to the sale and purchase agreements include:

Commitment letters entered into by investors committing to invest in at least $3 million under the Company's capital raise.
Commitment letters from short and long term lenders and debt holders to convert existing unconverted and unredeemed debt and loans into shares in the Company.
Term sheet evidence that the Company or BWC has secured the Latrobe Valley site.
The approval of the Company's shareholders of the Resolutions 3 to 14.

</td></tr>
</table>

	The Company intends to pay the $2.9 million cash consideration partially by using funds advanced under the RJIP Grant and partially by using funds raised under the proposed capital raising.

The table below sets out the parties and material terms of the leasing agreement with the landlord of the Rosedale site in Latrobe Valley:

Table 9

Parties	**Material terms**
• Energy Technologies Ltd • Bambach Wires and Cables Pty Ltd • Howe Automotive Limited	***Background*** In order to take advantage of the RJIP Grant of $2.9 million, BWC will require a site located in the Latrobe Valley. The acquisition of assets and selected employees from Advance Cables means that BWC will also require a facility that is significantly larger than the existing Sydney Brookvale site, and in order to enable significant increases in production capacity, efficiency and a reduction in logistic complexity. The existing Brookvale site has severely restricted growth and gross profit margins of the Company. The significant power, access and layout of the site enables scale efficiencies not present at the current Brookvale site. Upon member approval of the Recapitalisation Proposal, BWC will relocate to Rosedale, located between the towns of Traralgon and Sale in Gippsland Victoria. The population catchment of approximately 180,000 provides a significant source of local skilled tradespersons and machine operators. The site chosen by the Company is a 122 acre site with a factory area of 9000 sqm. The property is owned by Howe Automotive Limited. The Rosedale site will also have significantly reduced rent ($330,000 per annum) than compared to the existing rent paid by BWC ($750,000 per annum) or Advance Cables ($500,000). The site requires relatively little refurbishment work to accommodate the expanded business of BWC and allows for future expansion. The local community has shown significant loyalty and support. The significantly greater floor space enables installation of larger and more efficient equipment which in turn dramatically reduces labour inputs to enable improved gross margin of an estimated average 12 to 15%. The increased capacity enables reduction in lead times to within four weeks, a significant advantage over competitors who are limited to 6 to 8 week lead times locally, 8 to 10 weeks ex Asia and 10 to 16 weeks ex Europe. Howe Automotive Limited has indicated its overall support for the Recapitalisation Proposal by indicating an intention (via a nominee) to subscribe for $500,000 in the Company's proposed capital raising. Early refurbishment and site works have commenced.

	Key terms of the lease are summarised below: • BWC will enter into a triple net lease with 10 year term with the owners of the Rosedale site. The Company will act as guarantor. • Initial rent is $330,000 per annum with 3% p.a. rent escalation. • The lease includes use of the full site inclusive of ancillary buildings, water rights and pastured area. Finally, the parties have agreed in principle for an option to allow BWC to buy the Rosedale site for $3.2m throughout the term of the lease with a 3% p.a. price escalation.

Effect on the Company and any changes to the Company's business

The Recapitalisation Proposal seeks to address certain historical manufacturing difficulties encountered by the Company and BWC and will have the following effects on the Company:

Scale and production:

- superior plant and equipment is estimated to deliver a 15% improvement in margins on the existing range of BWC manufactured products (to give 40%+ average margin);
- Advance Cables equipment will allow production of cables up to 400mm, whereas BWC is currently limited to 120mm;
- improved production and inventory efficiencies due to economies of scale;
- 6x uplift in production capacity from 30 to 250 tonnes per month; and
- lower cost site with scope for large scale expansion.

Sales and diversification:

- selling synergies and greater sales channels for combined product ranges;
- larger, more diversified customer base with strong cross selling potential;
- focus on higher margin and specialised direct-to-customer product range, but with "one stop shop" large scale project capability;
- maximization of existing BWC warehouse/sales branch network for both sales and inventory market proximity; and
- margin improvement on Advance product lines by offering cut to order from stock.

Financial:

- releasing the Company (and BWC) from a total of $15.8 million of debt;
- achieve a significant reduction in overhead costs by combining two factories, two management and sales teams into one, thus expected savings to be greater than $5.0 million per annum;
- on conservative operating ramp achieve $20 million of Revenue and EBITDA pre-one off items of ~$2.3 million in FY19, rising to $44 million and $5.8 million respectively in FY20; and
- improvement to cash flow, procurement and buying power, including more favourable supplier terms for tools and software.

Strategic and operational:

- focus on higher margin and specialised direct-to-customer products;
- aim for position as premier manufacturer of specialised and industrial cables in Australia, leveraging growing Australian-made tailwinds in the sector;
- superior advantage for Department of Defence contracts reliant on local specialised manufacturing;
- superior advantage for infrastructure projects requiring local content, a wide range of cables, and fast and reliable delivery; and
- ability to build and maintain direct end-user customer relationships.

The table below sets out an assessment of the pro-forma financial effect of the Recapitalisation Proposal on the balance sheet of the Company:

Table 10

BALANCE SHEET	Jun-18	Feb-19
CURRENT ASSETS		
Cash & Equivalents	0.19	2.25
Trade Receivables	-	0.85
Other Receivables	3.29	2.12
Inventories	4.56	4.74
Other	0.12	-
TOTAL CURRENT ASSETS	**8.16**	**9.96**
NON-CURRENT ASSETS		
Property, Plant and Equipment	3.03	6.36
Intangible Assets	2.72	3.30
Deferred tax assets	0.18	0.18
Other Debtors	0.08	0.09
TOTAL NON-CURRENT ASSETS	**6.01**	**9.93**
TOTAL ASSETS	**14.17**	**19.89**
CURRENT LIABILITIES		
Trade Creditors	-	1.23
Payables	5.88	1.95
Accrued Rent	-	0.08
Deferred Equipment	-	-
Interest bearing liabilities	7.36	1.00
Director and Other Loans	2.75	-
Current tax liabilities	-	-
Provisions	0.66	0.69
TOTAL CURRENT LIABILITIES	**16.65**	**4.96**
NON-CURRENT LIABILITIES		
Interest bearing liabilities	3.97	-
Provisions - Employee Entitlements	0.12	0.14
Other	0.31	0.24
TOTAL NON-CURRENT LIABILITIES	**4.40**	**0.38**
TOTAL LIABILITIES	**21.05**	**5.34**
NET ASSETS	**(6.88)**	**14.55**
SHAREHOLDERS' EQUITY		
Contributed equity	9.50	26.17
Reserves	(1.05)	(1.05)
Retained Earnings	(11.64)	(16.69)
Current Period Result	(3.11)	6.70
Total parent entity interest	(6.30)	15.14
Outside equity interests	(0.58)	(0.58)
TOTAL EQUITY	**(6.88)**	**14.55**

Effect on the shareholders – Chronological order

As at the date of this Notice, there are 348,245,332 ordinary shares on issue in the Company.

Upon the Recapitalisation Proposal being approved at the Meeting but prior to the consolidation of the Company's shares, there will be 5,720,370,641 number of ordinary shares on issue in the Company, taking into account:

- the conversions of $15.8 million of debt; and
- issue of shares to investors that have committed $300,000 under existing placement agreement;

Upon consolidation of the Company's shares on ratio of 100 for 1, the number of shares in the Company will be 57,203,707.

Upon issue of shares (post-consolidation):

- to investors under a maximum capital raise of $5 million at $0.20 per share; and
- in payment of $1 million via consideration shares in accordance with the Advance acquisition, at $0.20 per share,

the maximum number of shares that will be on issue will be 87,203,707 upon completion of the Recapitalisation Proposal.

Changes to management and the Board

All Directors intend to remain on the Board, and changes to the senior management of BWC/Company will include the on-boarding of Advance Cables' current General Manager.

Indicative Timetable

The table below sets out the indicative timetable for the key events under the Recapitalisation Proposal:

Event	Indicative Date
Date of Extraordinary General Meeting	13 February 2019
Shares issued upon conversion of debt	By 15 February 2019
Shares issued to investors under $300,000 placement	By 15 February 2019
Record date for share consolidation	18 February 2019
Consolidation	25 February 2019
Completion of capital raise	Week commencing 25 February 2019
BWC relocation to Rosedale site	Target completion date of 31 March 2019
Issue of shares for Advance Cables consideration	Date on which BWC relocates to Rosedale site

Please note: the timetable above is indicative and may be subject to change at the Company's discretion (subject to the ASX Listing Rules).

Members should take particular attention to the inter-conditional Resolutions 3 to 14 at the meeting. These resolutions 3 to 14 are each required to be passed by members in order for the Company to successfully execute the Recapitalisation Proposal. For this reason, each of Resolutions 3 to 14 are inter-conditional on each other, meaning if any of Resolutions 3 to 14 are not approved by members, the Recapitalisation Proposal will not proceed.

Resolution 3: Conversion of secured debentures issued by the Company into ordinary shares

Background

In FY 2017 the Company issued debentures to raise $6,816,000 from a group of investors represented by a representative of Shaw and Partners Limited (**Group Leader**).

The debentures have a redemption date of 31 July 2018 and a maturity date of 31 December 2020, and accrue interest at 12% paid monthly in arrears. The debentures are secured by General Security Agreements given by the Company as borrower and BWC as guarantor under a Deed of Guarantee and Indemnity. The General Security Agreements grant noteholders a first-ranking registered security interest over all the presently and after acquired rights, assets and undertakings of the Company and of BWC.

The Company is in arrears on its interest commitments under the debenture note facility. The total amount of interest accrued on the debentures as at 30 September 2018 was $1,187,063. The Company is also in arrears on its accrued interest commitments on convertible notes issued by it to investors who are also noteholders (see notes to Resolution 4 below).

As disclosed in the notes to the Company's 30 June 2018 financial statements (Note 17), the Group Leader has tolerated the Company's failure to meet interest commitments. However, should the Group Leader lose confidence in the company's ability to meet product development and revenue growth targets, any interest in arrears would be called upon. If interest in arrears were called upon to be paid, and if the Company does not make payment, this would constitute a material adverse event under the debenture deed poll and the Group Leader may call for full repayment of the debentures and/or the convertible notes.

The Group Leader has indicated that unless the Recapitalisation Proposal proceeds, all interest accruing will be called for immediate repayment by the Company. The Company is highly unlikely to be in a position to satisfy the interest in arrears, and will not be in a position to repay investors upon redemption of the debentures and the convertible notes.

Conversion

The Group Leader, on behalf of each noteholder has entered into a Deed of Conversion to convert 73.1% of the principal and interest outstanding on the debentures into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion will be 2,925,119,611 (on a pre-consolidation basis). This Resolution 3 seeks member approval to issue these shares.

Pursuant to the Deed of Conversion, all principal and interest obligations under the debentures will be deemed to be fully satisfied upon conversion of the specified percentage of amounts owing, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

(a) The maximum number of securities to be issued – 2,925,119,611 (on a pre-consolidation basis).

(b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.

(c) The issue price of the securities - $0.002 per share.

(d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – the shares will be issued to clients of Shaw as described in Table 1 in the section titled "Further Details of Recapitalisation Proposal".

(e) The terms of the securities – the shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(f) The intended use of the funds raised – no funds will be raised from the conversion, the effect of the conversion is to reduce the Company's liabilities to debenture holders.

(g) The issue date – if members approve all inter-conditional Resolutions 3 to 14, all the shares will be issued contemporaneously and in accordance with the timetable in the section titled "Further Details of Recapitalisation Proposal".

(h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section of this Notice.

Members should note that this Resolution 3 is inter-conditional on each of Resolutions 4 to 14 being approved by members.

Directors' recommendation

The Directors recommend that members vote in favour of the Resolution, as they consider the Recapitalisation Proposal to be in the best interests of members.

Resolution 4: Conversion of first-ranking secured convertible notes issued by the Company into ordinary shares

Background

During FY 2014 and FY 2015, the Company raised $2,800,000 by the issue of 2,800 secured convertible notes. Noteholders of unconverted and unredeemed notes have agreed to extend the maturity date of the convertible notes with $2,700,000 of notes to mature on 31 December 2020.

Under a Deed of Priority, secured convertible noteholders for $2,550,000 of notes have security ranked equally with the first ranking secured debenture noteholders (see above in notes to Resolution 3).

Of the note on issue, $2,100,000 worth of notes were issued to certain investors of the debentures (see notes to Resolution 3) and thus certain convertible noteholders are also represented by the Group Leader.

Each secured convertible note has a face value of $1,000 and each investor is paid a commitment fee at the rate of 1% per annum on the amount of their commitment, and each secured convertible note bears interest at the rate which is 8% points higher than the RBA Cash Rate from time to time, from subscription until conversion. Interest is payable monthly in arrears.

As noted above in relation to Resolution 3, the Company is also in arrears on its interest commitments under the convertible notes facility.

The Group Leader and other noteholders have tolerated the Company's failure to meet interest commitments. However, if interest in arrears were called upon to be paid, and if the Company does not make payment, this would constitute an event of default under the secured convertible note agreement and the noteholders may call for full repayment of the convertible notes.

The Group Leader has indicated that unless the Recapitalisation Proposal proceeds, all interest accruing will be called for immediate repayment by the Company. The Company is highly unlikely to be in a position to satisfy the interest in arrears, and will not be in a position to repay investors upon redemption of the convertible notes.

For a summary of the amounts owing on the first ranking notes please see Table 2 in the section titled "Further Details of Recapitalisation Proposal".

Second ranking secured convertible notes issued to related parties

Due to the Deed of Priority, the remaining $250,000 of secured convertible notes are secured by a second ranking charge, and are held by related parties of the Company. Given the existence of related party noteholders, and in compliance with ASX Listing Rules, members are asked to approve the issue of shares upon conversion under separate Resolutions 9 and 10 in relation to each of the related parties.

Conversion

Holders of unredeemed and unconverted first ranking notes including the Group Leader on behalf of its represented noteholders, have entered into Deeds of Conversion to convert 73.1% of the principal and interest outstanding on the secured convertible notes into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion will be 1,033,329,093 (on a pre-consolidation basis). This Resolution 4 seeks member approval to issue these shares.

Pursuant to the Deeds of Conversion, all principal and interest obligations under the first ranking secured convertible notes will be deemed satisfied upon conversion of the specified percentage of amounts outstanding, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

(a) The maximum number of securities to be issued – 1,033,329,093 (on a pre-consolidation basis)

(b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.

(c) The issue price of the securities - $0.002 per share.

(d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – For a summary of the holders of first ranking convertible notes please see Table 2 in the section titled "Further Details of Recapitalisation Proposal".

(e) The terms of the securities – the shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(f) The intended use of the funds raised – no funds will be raised from the conversion, the effect of the conversion is to reduce the Company's liabilities to noteholders.

(g) The issue date – if members approve all inter-conditional Resolutions 3 to 14, all the shares will be issued contemporaneously and in accordance with the timetable in the section titled "Further Details of Recapitalisation Proposal".

(h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section of this Notice.

Members should note that this Resolution 4 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' recommendation

The Directors recommend that members vote in favour of the Resolution, as they consider the Recapitalisation Proposal to be in the best interests of members

Resolution 5: Conversion of unsecured convertible notes issued by the Company into ordinary shares

Background

During FY 2016, the Company raised $1,270,000 by the issue of 1,270 unsecured convertible notes which mature on 31 December 2020. Of the six noteholders, five are related parties to the Company.

Each unsecured convertible note has a face value of $1,000 and each investor is paid a commitment fee at the rate of 1% per annum on the amount of their commitment, and each unsecured convertible note bears interest at the rate which is 8% points higher than the RBA Cash Rate from time to time, from subscription until conversion. Interest is payable monthly in arrears.

As noted above in relation to Resolutions 3 and 4, the Company is also in arrears on its interest commitments under the convertible notes facility. The total amount of interest accruing on the debentures and convertible notes as at 30 September 2018 is set out in Table 4 in the section titled "Further Details of Recapitalisation Proposal".

The convertible noteholders have tolerated the Company's failure to meet interest commitments. However, should they lose confidence in the company's ability to meet product development and revenue growth targets, any interest in arrears would be called upon. If interest in arrears were called upon to be paid, and if the Company does not make payment, this would constitute an event of default under the unsecured convertible note agreement and the noteholders may call for full repayment of the convertible notes.

The noteholders have indicated that unless the Recapitalisation Proposal proceeds, all interest accruing will be called for immediate repayment by the Company. The Company is highly unlikely to be in a position to satisfy the interest in arrears, and will not be in a position to repay investors upon redemption of the convertible notes.

Related party holders

Included in the unsecured convertible notes on issue are notes issued to Directors and related parties of Directors, Gary A Ferguson, Philip Dulhunty, Alfred Chown and Yulin Hu. For a summary of the amounts owing on the notes to the related parties please see Table 4 in the section titled "Further Details of Recapitalisation Proposal".

Given the existence of related party noteholders, and in compliance with ASX Listing Rules, members are asked to approve the issue of shares upon conversion under separate Resolutions 7, 8 and 10 to each of the related parties.

Conversion

This Resolution 5 seeks member approval to issue conversion shares to the party that is not related to the Company.

As described in the section titled "Further Details of Recapitalisation Proposal", the noteholders have agreed under Deeds of Conversion to convert 44.7% of the principal and interest outstanding on the unsecured convertible notes into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion to the unrelated party will be 209,305,113 (pre-consolidation).

Under the Deeds of Conversion, all principal and interest obligations under the unsecured convertible notes will be deemed satisfied upon conversion of the specified percentage of amounts outstanding, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

(a) The maximum number of securities to be issued – 209,305,113 (pre-consolidation)

(b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.

(c) The issue price of the securities - $0.002 per share.

(d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – the shares will be issued to Edmunds Janis Lacis or his nominee.

(e) The terms of the securities – the shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(f) The intended use of the funds raised – no funds will be raised from the conversion, the effect of the conversion is to reduce the Company's liabilities to noteholders.

(g) The issue date – if members approve all inter-conditional Resolutions 3 to 14, all the shares will be issued contemporaneously and in accordance with the timetable in the section titled "Further Details of Recapitalisation Proposal".

(h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section of this Notice

Members should note that this Resolution 5 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' recommendation

The Directors recommend that members vote in favour of the Resolution, as they consider the Recapitalisation Proposal to be in the best interests of members.

Resolution 6: Conversion of unsecured loans to Bambach Wires and Cables Pty Ltd into ordinary shares

Unsecured loan from Min Huang

In February 2017, BWC entered into an unsecured loan agreement with Min Huang for $500,000. The outstanding amount owing to Min Huang (including accrued interest) at 30 September 2018 is $561,370.

The lender has agreed under a Deed of Conversion to convert 44.7% of the principal and interest outstanding on the unsecured loan into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion will be 125,466,164 (pre-consolidation).

Under the Deed of Conversion, all principal and interest obligations under the unsecured loan will be deemed satisfied upon conversion of the specified percentage of amounts outstanding, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

More recent unsecured loans

In May and June 2018 Edmunds Janis Lacis and Auster Holdings Pty Ltd (a related party of the Company) agreed to provide funding to BWC on the understanding the loan amounts would convert into shares at an issue price of $0.002 per share.

Given the nature of the funding, the Company has agreed that the outstanding debts will be converted at a rate of 100%. The Company considers this to be commercially reasonable given the risk profile assumed by the lenders in advancing the funding.

The Board has determined that the conversion of the recent unsecured funding loans at 100% is reasonable in the circumstances and is no more favourable to the lenders than if similar arrangements were entered into with alternative lenders.

For a summary of the amounts owing by BWC under the recent unsecured loans, please see Table 6 in the section titled "Further Details of Recapitalisation Proposal".

Related party holders

Given the existence of related party lender Auster Holdings Pty Ltd, and in compliance with ASX Listing Rules, members are asked to approve the issue of shares upon conversion under separate Resolution 8 for the related party.

Conversion

This Resolution 6 seeks member approval to issue shares upon conversion of unsecured loans to the parties (Edmunds Janis Lacis and Min Huang) that are not related to the Company.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

(a) The maximum number of securities to be issued – 233,752,840 (on a pre-consolidation basis)

(b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.

(c) The issue price of the securities - $0.002 per share.

(d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – the shares will be issued to Edmunds Janis Lacis and Min Huang or their nominees.

(e) The terms of the securities – the shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(f) The intended use of the funds raised – no funds will be raised from the conversion, the effect of the conversion is to reduce the Company's liabilities to lenders.

(g) The issue date – if members approve all inter-conditional Resolutions 3 to 14, all the shares will be issued contemporaneously and in accordance with the timetable in the section titled "Further Details of Recapitalisation Proposal".

(h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section in this Notice.

Members should note that this Resolution 6 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' recommendation

The Directors recommend that members vote in favour of the Resolution, as they consider the Recapitalisation Proposal to be in the best interests of members.

Resolution 7: Conversion of debt obligations owed to director Alfred J Chown or his associated entities into ordinary shares

As described in the Explanatory Statement in the tables in the section titled "Further Details of Recapitalisation Proposal", director Mr Alfred Chown has the following amounts, including interest, due to him (or his associated entities):

- unsecured convertible notes issued by the Company with a value of $285,024; and
- unsecured loan agreements entered into with BWC for $1,386,997.

Mr Chown has agreed under Deeds of Conversion to convert 44.7% of the principal and interest outstanding on the unsecured convertible notes and unsecured loans into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion to Mr Chown will be 373,696,749 (pre-consolidation).

Under the Deeds of Conversion, all principal and interest obligations under the unsecured convertible notes and unsecured loans will be deemed satisfied upon conversion of the specified percentage of amounts outstanding, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

Approval of members is sought for the purposes of Listing Rule 10.11 for the Company to issue shares to Mr Chown (or **Relevant Person**) pursuant to the Deeds of Conversion entered into with respect to unsecured convertible notes issued by the Company and unsecured loans made to BWC.

The shares issued upon conversion will rank equally with all ordinary shares currently on issue.

Chapter 2E

Chapter 2E of the Corporations Act regulates the provision by a public company of a "financial benefit" to a "related party". Section 208 of the Corporations Act prohibits:

- a public company giving a financial benefit to a related party; or
- a company which is controlled by the public company giving a financial benefit to a related party, unless one of a number of exceptions applies, or member approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a company issuing shares. A "related party" includes a director, an entity over which a director has control and an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future. For the purposes of Chapter 2E of the Corporations Act, the Relevant Person is a related party of the Company.

The Directors, other than the Relevant Person (given their material personal interests in the Resolution), consider that member approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the shares under this Resolution because the financial benefit is, in accordance with section 210 of the Corporations Act:

- provided on arm's length terms as the conversion price is the same, or not more favourable than for all other debts of the Company and BWC; and
- the proportion of debt agreed to be forgiven is greater than that forgiven by all other non-related party creditors of the Company and BWC.

ASX Listing Rule 10.11

Listing Rule 10.11 provides that the Company must not issue "equity securities" to a related party unless one of a number of exceptions applies, or member approval is obtained. Accordingly, the effect of Resolution 7 is to permit the Company to issue the shares (upon conversion of debt) to the Relevant Person as described above in compliance with Listing Rule 10.11.

Information for members in accordance with Listing Rule 10.13

The following information is provided in relation to Resolution 7 in accordance with Listing Rule 10.13:

(a) Name of the person – Alfred J Chown or his nominee.

(b) Maximum number of securities to be issued – 373,696,749 (pre-consolidation)

(c) Date by which the Company will issue the securities – the shares will be granted and issued as soon as possible after the date of the meeting and in any event no later than 1 month after the date of the meeting.

(i) Issue price of the securities and the terms of issue – the Shares will be issued at $0.002 per share. The shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(d) Use of funds: no funds will be raised from the conversion, the effect of the conversion is to reduce the Company and BWC's liabilities to noteholders and unsecured lenders.

(j) Voting exclusion statements – Please refer to the Voting Exclusion Statements section of this Notice.

(e) Approval under Listing Rule 7.1 is not required for the issue of shares under this Resolution as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of shares to the Relevant Person will not be included in the use of the Company's 15% restriction under Listing Rule 7.1.

Members should note that this Resolution 7 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' Recommendation

The Directors (other than Mr Chown) unanimously recommend that the members vote in favour of this Resolution.

Resolution 8: Conversion of debt obligations owed to director Yulin Hu or his associated entities into ordinary shares

As described in the Explanatory Statement in the tables in the section titled "Further Details of Recapitalisation Proposal", director Mr Yulin Hu has the following amounts, including interest, due to him (or his associated entities):

- accrued interest on unsecured convertible notes issued by the Company with a value of $12,205; and
- unsecured loan agreement entered into with BWC for $574,658; and
- unsecured funding loans more recently provided to BWC for $257,192.

Deeds of Conversion

Mr Hu has agreed under Deeds of Conversion to convert 44.7% of the principal and interest outstanding on the unsecured convertible notes and unsecured loans (that are not the more recent unsecured funding loans) into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion to Mr Hu will be 131,163,883 (pre-consolidation).

Under the Deeds of Conversion, all principal and interest obligations under the unsecured convertible notes and unsecured loans will be deemed satisfied upon conversion of the specified percentage of amounts outstanding, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

Recent funding

As discussed in relation to Resolution 6, Mr Hu (via wholly owned entity Auster Holdings Pty Ltd) agreed to provide funding to BWC on the understanding the loan amounts would convert into shares at an issue price of $0.002 per share.

Given the nature of the funding, the Company has agreed that the outstanding debts will be converted at a rate of 100%. The Company considers this to be commercially reasonable given the risk profile assumed by the lenders in advancing the funding.

The Board has determined that the conversion of the funding loans at 100% is reasonable in the circumstances and is no more favourable to the lenders than if similar arrangements were entered into with alternative lenders.

The total number of fully paid ordinary shares issued upon conversion to Mr Hu will be 128,595,890 (pre-consolidation).

Approval of members is sought for the purposes of Listing Rule 10.11 for the Company to issue shares to Mr Hu (**Relevant Person**) pursuant to the Deeds of Conversion and in respect of the funding loan.

The shares issued upon conversion will rank equally with all ordinary shares currently on issue.

Chapter 2E

Chapter 2E of the Corporations Act regulates the provision by a public company of a "financial benefit" to a "related party". Section 208 of the Corporations Act prohibits:

- a public company giving a financial benefit to a related party; or
- a company which is controlled by the public company giving a financial benefit to a related party, unless one of a number of exceptions applies, or member approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a company issuing shares. A "related party" includes a director, an entity over which a director has control and an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future. For the purposes of Chapter 2E of the Corporations Act, the Relevant Person is a related party of the Company.

The Directors, other than the Relevant Person (given their material personal interests in the Resolution), consider that member approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the shares under this Resolution because the financial benefit is, in accordance with section 210 of the Corporations Act:

- (*in relation to debts other than the recent unsecured funding loans*) provided on arm's length terms as the conversion price is the same, or not more favourable than for all other debts of the Company and BWC; and the amount of debt agreed to be forgiven is greater than that forgiven by all other creditors of the Company and BWC; and
- (*in relation to the recent unsecured loans*) are provided on arm's length terms as the conversion price is the same, or not more favourable than for all other debts of the Company and BWC; and the reason for 100% conversion of outstanding debt takes into consideration the higher level of risk (at time of funding) that those debts will not be repaid, thus would be reasonable in the circumstances if the Company and the related party were dealing at arm's length.

ASX Listing Rule 10.11

Listing Rule 10.11 provides that the Company must not issue "equity securities" to a related party unless one of a number of exceptions applies, or member approval is obtained. Accordingly, the effect of Resolution 8 is to permit the Company to issue the shares (upon conversion of debt) to the Relevant Person as described above in compliance with Listing Rule 10.11.

Information for members in accordance with Listing Rule 10.13

The following information is provided in relation to Resolution 8 in accordance with Listing Rule 10.13:

(f) Name of the person – Yulin Hu or his nominee.

(g) Maximum number of securities to be issued – 259,759,773 (pre-consolidation)

(h) Date by which the Company will issue the securities – the shares will be granted and issued as soon as possible after the date of the meeting and in any event no later than 1 month after the date of the meeting.

(i) Issue price of the securities and the terms of issue – the Shares will be issued at $0.002 per share. The shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(j) Use of funds: no funds will be raised from the conversion, the effect of the conversion is to reduce the Company and BWC's liabilities to noteholders and unsecured lenders.

(k) Voting exclusion statements – Please refer to the Voting Exclusion Statements section of the Notice.

(k) Approval under Listing Rule 7.1 is not required for the issue of shares under this Resolution as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of shares to the Relevant Person will not be included in the use of the Company's 15% restriction under Listing Rule 7.1.

Members should note that this Resolution 8 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' Recommendation

The Directors (other than Mr Hu) unanimously recommend that the members vote in favour of this Resolution.

Resolution 9: Conversion of debt obligations owed to director Philip Dulhunty or his associated entities into ordinary shares

As described in the Explanatory Statement in the tables in the section titled "Further Details of Recapitalisation Proposal", director Mr Philip Dulhunty has the following amounts, including interest, due to him (or his associated entities):

- secured second ranking convertible notes issued by the Company to Philip Dulhunty Pty Ltd with a value of $76,418;
- unsecured convertible notes issued by the Company to Philip Dulhunty Pty Ltd with a value of $32,530;
- secured second ranking convertible notes issued by the Company to Jaspero Pty Ltd with a value of $76,418; and
- unsecured convertible notes issued by the Company to Jaspero Pty Ltd with a value of $305,125.

Mr Dulhunty has agreed under Deeds of Conversion to convert 57% of the principal and interest outstanding on the secured convertible notes and 44.7% of the principal and interest outstanding on the unsecured convertible notes into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion to Mr Dulhunty will be 119,024,217 (pre-consolidation).

Under the Deeds of Conversion, all principal and interest obligations under the convertible notes will be deemed satisfied upon conversion of the specified percentage of amounts outstanding, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

Approval of members is sought for the purposes of Listing Rule 10.11 for the Company to issue shares to Mr Dulhunty or his nominees (**Relevant Person**) pursuant to the Deeds of Conversion entered into with respect to the convertible notes issued by the Company.

The shares issued upon conversion will rank equally with all ordinary shares currently on issue.

Chapter 2E

Chapter 2E of the Corporations Act regulates the provision by a public company of a "financial benefit" to a "related party". Section 208 of the Corporations Act prohibits:

- a public company giving a financial benefit to a related party; or
- a company which is controlled by the public company giving a financial benefit to a related party, unless one of a number of exceptions applies, or member approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a company issuing shares. A "related party" includes a director, an entity over which a director has control and an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future. For the purposes of Chapter 2E of the Corporations Act, the Relevant Person is a related party of the Company.

The Directors, other than the Relevant Person (given their material personal interests in the Resolution), consider that member approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the shares under this Resolution because the financial benefit is, in accordance with section 210 of the Corporations Act:

- provided on arm's length terms as the conversion price is the same, or not more favourable than for all other debts of the Company; and
- the proportion of debt agreed to be forgiven reflects the convertible notes' security being second ranking in nature, and thus would be reasonable in the circumstances if the Company and the related party were dealing at arm's length.

ASX Listing Rule 10.11

Listing Rule 10.11 provides that the Company must not issue "equity securities" to a related party unless one of a number of exceptions applies, or member approval is obtained. Accordingly, the effect of Resolution 9 is to permit the Company to issue the shares (upon conversion of debt) to the Relevant Person as described above in compliance with Listing Rule 10.11.

Information for members in accordance with Listing Rule 10.13

The following information is provided in relation to Resolution 9 in accordance with Listing Rule 10.13:

(l) Name of the person – Philip Dulhunty or his nominee/s.

(m) Maximum number of securities to be issued – 119,024,217 (pre-consolidation)

(n) Date by which the Company will issue the securities – the shares will be granted and issued as soon as possible after the date of the meeting and in any event no later than 1 month after the date of the meeting.

(l) Issue price of the securities and the terms of issue – the Shares will be issued at $0.002 per share. The shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(o) Use of funds: no funds will be raised from the conversion, the effect of the conversion is to reduce the Company and BWC's liabilities to noteholders and unsecured lenders.

(m) Voting exclusion statements – Please refer to the Voting Exclusion Statements section of the Notice.

(p) Approval under Listing Rule 7.1 is not required for the issue of shares under this Resolution as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of shares to the Relevant Person will not be included in the use of the Company's 15% restriction under Listing Rule 7.1.

Members should note that this Resolution 9 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' Recommendation

The Directors (other than Mr Dulhunty) unanimously recommend that the members vote in favour of this Resolution.

Resolution 10: Conversion of debt obligations owed to director Gary A Ferguson or his associated entities into ordinary shares

As described in the Explanatory Statement in the tables in the section titled "Further Details of Recapitalisation Proposal", director Mr Gary Ferguson has the following amounts, including interest, due to him (or his associated entities):

- secured second ranking convertible notes issued by the Company to Richlake Pty Ltd with a value of $197,754 and
- unsecured convertible notes issued by the Company to Mr Ferguson with a value of $52,698.

Mr Ferguson has agreed under Deeds of Conversion to convert 57% of the principal and interest outstanding on the secured convertible notes and 44.7% of the principal and interest outstanding on the unsecured convertible notes into ordinary shares of the Company at $0.002 per share. The total number of fully paid ordinary shares issued upon conversion to Mr Ferguson will be 68,137,914 (pre-consolidation).

Under the Deeds of Conversion, all principal and interest obligations under the convertible notes will be deemed satisfied upon conversion of the specified percentage of amounts outstanding, meaning any remaining unconverted outstanding debt will be fully forgiven. The conversion will only occur if the Recapitalisation Proposal proceeds meaning all inter-conditional Resolutions 3 to 14 are approved.

Approval of members is sought for the purposes of Listing Rule 10.11 for the Company to issue shares to Mr Ferguson or his nominees (**Relevant Person**) pursuant to the Deeds of Conversion entered into with respect to the convertible notes issued by the Company.

The shares issued upon conversion will rank equally with all ordinary shares currently on issue.

Chapter 2E

Chapter 2E of the Corporations Act regulates the provision by a public company of a "financial benefit" to a "related party". Section 208 of the Corporations Act prohibits:

- a public company giving a financial benefit to a related party; or
- a company which is controlled by the public company giving a financial benefit to a related party, unless one of a number of exceptions applies, or members approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a company issuing shares. A "related party" includes a director, an entity over which a director has control and an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future. For the purposes of Chapter 2E of the Corporations Act, the Relevant Person is a related party of the Company.

The Directors, other than the Relevant Person (given their material personal interests in the Resolution), consider that member approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the shares under this Resolution because the financial benefit is, in accordance with section 210 of the Corporations Act:

- provided on arm's length terms as the conversion price is the same, or not more favourable than for all other debts of the Company; and
- the proportion of debt agreed to be forgiven is reflective of both the secured (second ranking) and unsecured nature of the convertible notes, and thus would be reasonable in the circumstances if the Company and the related party were dealing at arm's length.

ASX Listing Rule 10.11

Listing Rule 10.11 provides that the Company must not issue "equity securities" to a related party unless one of a number of exceptions applies, or members approval is obtained. Accordingly, the effect of Resolution 10 is to permit the Company to issue the shares (upon conversion of debt) to the Relevant Person as described above in compliance with Listing Rule 10.11.

Information for members in accordance with Listing Rule 10.13

The following information is provided in relation to Resolution 11 in accordance with Listing Rule 10.13:

(q) Name of the person – Gary Ferguson or his nominee/s.

(r) Maximum number of securities to be issued – 68,137,914 (pre-consolidation)

(s) Date by which the Company will issue the securities – the shares will be granted and issued as soon as possible after the date of the meeting and in any event no later than 1 month after the date of the meeting.

(n) Issue price of the securities and the terms of issue – the Shares will be issued at $0.002 per share. The shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(t) Use of funds: no funds will be raised from the conversion, the effect of the conversion is to reduce the Company and BWC's liabilities to noteholders and unsecured lenders.

(o) Voting exclusion statements – Please refer to the Voting Exclusion Statements section in the Notice.

(u) Approval under Listing Rule 7.1 is not required for the issue of shares under this Resolution as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of shares to the Relevant Person will not be included in the use of the Company's 15% restriction under Listing Rule 7.1.

Members should note that this Resolution 10 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' Recommendation

The Directors (other than Mr Ferguson) unanimously recommends that the members vote in favour of this Resolution.

Resolution 11: Issue of ordinary shares to subscribers under placement agreement

On or around 5 June 2018 , Shaw agreed on behalf of approximately 40 clients under managed discretionary accounts to enter into a placement subscription agreement for an amount of $300,000 at $0.002 per share.

The funds were raised under special circumstances as short-term funding to support the working capital requirements of the Company and BWC. The Company has not yet issued the shares subscribed for under the placement. The number of shares to be issued is 150,000,000.

Resolution 11 seeks member approval to issue the shares to the subscribers for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

(a) The maximum number of securities to be issued – 150,000,000 (pre-consolidation)

(b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.

(c) The issue price of the securities - $0.002 per share.

(d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – the shares will be issued to approximately 40 clients of Shaw.

(e) The terms of the securities – the shares will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(f) The intended use of the funds raised – the funds were raised as short-term funding for the Company to meet working capital needs.

(g) The issue date – upon members approving the Recapitalisation Proposal by passing all Resolutions 3 to 14, the shares will be issued in accordance with the timetable in the section titled "Further Details of Recapitalisation Proposal".

(h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section in the Notice.

Members should note that this Resolution 11 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' recommendation

The Directors recommend that members vote in favour of the Resolution, as they consider the Recapitalisation Proposal to be in the best interests of members

Resolution 12: Consolidation of ordinary shares

Summary

The Company proposes to consolidate its share capital through the conversion of every 100 ordinary shares in the Company into one ordinary share in the Company.

Under section 254H of the Corporations Act, a company may consolidate its shares into a larger or smaller amount if the consolidation is approved by an ordinary resolution of its members at a general meeting.

The Company currently has 348,245,332 ordinary shares on issue and will have 5,715,384,759 upon approval of Resolutions 3 to 11 above. For a company of this size this is a significant number of shares which has a pressing effect on the Company's share price. The Directors believe the consolidation will increase the share price to a more appropriate value.

Effect of the consolidation

Effect on the capital structure

Number of shares on issue upon passing all Resolutions 3 to 11	Number of shares on issue post-consolidation
5,720,370,641	57,203,707 (subject to rounding)

Treatment of fractional entitlements

Where the consolidation results in an entitlement to a fraction of a share, the fraction will be rounded up to the next whole number of shares.

Treatment on any convertible securities

All convertible securities will convert into ordinary shares prior to the consolidation, as such the consolidation will have no effect on these securities.

Timetable for consolidation

If approved by members, it is proposed the consolidation will occur in accordance with the timetable in the section titled "Further Details of Recapitalisation Proposal" which sets out important dates for the consolidation. Such dates are indicative and subject to change at the board's discretion (subject to the ASX Listing Rules).

Tax implications for members

The Company anticipates that a capital gains tax event will not occur as a result of the consolidation and therefore there will be no taxation implication arising for members.

Members are advised to seek their own tax advice on the effect of the consolidation and neither the Company nor the Directors (or the Company's advisers) accept any responsibility for individual taxation implication arising from the consolidation.

The consolidation will be undertaken in accordance with section 254H of the Corporations Act. Subject only rounding, there will be no change to the proportionate interests held by each member as a result of the consolidation.

Members should note that this Resolution 12 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' recommendation

The Directors recommend that members vote in favour of the Resolution, as they consider the Recapitalisation Proposal to be in the best interests of members.

Resolution 13: Issue of shares as consideration for Advance Cables acquisition

As described in this Explanatory Statement, a key component of the Recapitalisation Proposal is the acquisition of assets from Advance Cables.

As set out in the table of key terms of the Advance Cables acquisition at Table 8 in the section titled "Further Details of Recapitalisation Proposal", the consideration for the acquisition includes the Company providing new equity up to the value of $500,000 to Advance Cables (or its nominee) in consideration for inventory, and new equity with a value of $500,000 to Advance Cables (or its nominee) in consideration for the Advance Cables brand name, for the commitment to maintain established buying patterns for nominated Advance Cables products, and for assistance in securing key personnel to transition to BWC.

The Company has decided that the consideration shares would be issued post consolidation (see notes in relation to Resolution 12 above) at $0.20 per share.

Resolution 13 seeks member approval for the issue of the consideration shares. The Recapitalisation Proposal will only proceed if the vendors under the Advance Cables acquisition receive the consideration pursuant to the terms of the sale and purchase agreements, and thus all Resolutions 3 to 14 are inter-conditional on this Resolution being approved.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

(a) The maximum number of securities to be issued – 5,000,000 (post-consolidation)

(b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.

(c) The issue price of the securities - $0.20 per share.

(d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – the shares will be issued to Advance Cables Pty Ltd (or its nominee)

(e) The terms of the securities – the shares issued upon conversion will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(f) The intended use of the funds raised – no funds will be raised from the issue of the shares as these shares are issued as consideration under the terms of the acquisition of assets from Advance Cables Pty Ltd.

(g) The issue date – if members approve all inter-conditional Resolutions 3 to 14, the shares will be issued upon completion of the agreement as described at Table 8 in the section titled "Further Details of Recapitalisation Proposal", which at the date of this Notice is expected to be no later than 28 February 2019.

(h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section in the Notice.

Members should note that this Resolution 13 is inter-conditional on each of Resolutions 3 to 14 being approved by members.

Directors' recommendation

The Directors recommend that members vote in favour of the Resolution, as they consider the Recapitalisation Proposal to be in the best interests of members.

Resolution 14: The issue of ordinary shares under proposed capital raising to sophisticated and professional investors

As described in this Explanatory Statement, a key component of the Recapitalisation Proposal is the raising of up to an additional $5 million from placements to sophisticated and professional investors. It is likely that Directors will participate in the capital raise.

The funds raised will be used to partially satisfy the acquisition of assets from Advance Cables, and to ensure the Company (and BWC) has sufficient capital to:

- successfully implement the transition from its Brookvale site to the new site in the Latrobe Valley;
- harness the production and manufacturing efficiencies gained from the Advance Cables acquisition and the relocation of BWC's business;
- take advantage of the promising growth of BWC's business upon the successful implementation of the Recapitalisation Proposal;
- meet the capital contribution requirements of the RJIP Grant; and
- to pay the costs of the Recapitalisation Proposal.

The shares issued to placement investors will be issued post consolidation (see in relation to Resolution 12 above) at $0.20 per share.

Pursuant to the Advance Cables sale and purchase agreements as described in Table 8 in the section titled "Further Details of Recapitalisation Proposal", Advance Cables (or its nominee) has committed to participate in the capital raise by subscribing for $1.5 million in shares, which will be held in escrow for a period of 12 months.

In addition, Schaffer Corporation Limited (the parent of Howe Automotive Limited, the landlord of the Rosedale site) has indicated its overall support for the Recapitalisation Proposal by indicating its intention to subscribe for $500,000 in the capital raise.

As of the date of this Notice, binding commitments for $2.5 million has also been received from Shaw and Partners Limited (on behalf of various of its clients), Director Alfred Chown and other sophisticated and professional investors. Under the terms of these binding commitments, the committed parties will subscribe for $2.5 million unless other sophisticated and professional investors subscribe for up to that amount (in which case the amount subscribed by the committed parties will be reduced).

Resolution 14 seeks member approval for the issue of shares under the capital raising for the purposes of:

- ASX Listing Rule 7.1 to investors that are not related parties of the Company; and
- ASX Listing Rule 10.11 purposes to allow the Directors (or their related parties) to participate in the capital raising of up to $3 million.

The Recapitalisation Proposal will only proceed if the Company is able to raise the requirement amount of new capital, and thus all Resolutions 3 to 14 are inter-conditional on this Resolution being approved.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

(a) The maximum number of securities to be issued – 25,000,000 (post-consolidation)

(b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.

(c) The issue price of the securities - $0.20 per share.

(d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – the shares will be issued to professional and sophisticated investors (as these terms are defined in section 708 of the Corporations Act), and includes Advance Cables Pty Ltd (or its nominee), Schaffer Corporation Limited and investor clients of Shaw and Partners Limited (subject to reduction if other investors subscribe under the placement).

(e) The terms of the securities – the shares issued under the placement will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(f) The intended use of the funds raised – the funds raised will be used to partially satisfy the acquisition of assets from Advance Cables, and to ensure the Company (and BWC) has sufficient capital to:

  - successfully implement the transition from its Brookvale site to the new site in the Latrobe Valley;
  - harness the production and manufacturing efficiencies gained from the Advance Cables acquisition and the relocation of BWC's business;
  - take advantage of the promising growth of BWC's business upon the successful implementation of the Recapitalisation Proposal;
  - meet the capital contribution requirements of the RJIP Grant; and
  - to pay the costs of the Recapitalisation Proposal.

(g) The issue date – if members approve all inter-conditional Resolutions 3 to 14, the shares will be issued upon consolidation of shares and the payment of subscription monies by investors.

(h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section in the Notice.

ASX Listing Rule 10.11

Listing Rule 10.11 provides that the Company must not issue "equity securities" to a related party unless one of a number of exceptions applies, or member approval is obtained. Accordingly, the effect of Resolution 14 will permit the Company to issue placement shares to Directors that wish to participate in the capital raising, as described above in compliance with Listing Rule 10.11.

Information for members in accordance with Listing Rule 10.13

The following information is provided in relation to Resolution 14 in accordance with Listing Rule 10.13:

(a) Name of the person – Alfred Chown, Yulin Hu, Gary Ferguson, Philip Dulhunty and Matthew Driscoll or their respective nominee/s.

(b) Maximum number of securities to be issued – up to 15,000,000 (post-consolidation) and the exact number of shares issued to related parties will depend on their respective participation amount in the placement.

(c) Date by which the Company will issue the securities – if members approve all inter-conditional Resolutions 3 to 14, then the shares will be issued upon participation by any of the Directors listed above and in any event no later than 1 month after the date of the meeting.

(d) Issue price of the securities and the terms of issue – the shares will be issued at $0.20 per share. The shares issued under the placement will be issued fully paid and will rank equally in all respects with the Company's other ordinary shares on issue.

(e) Use of funds: the funds raised will be used to partially satisfy the acquisition of assets from Advance Cables, and to ensure the Company (and BWC) has sufficient capital to:

- successfully implement the transition from its Brookvale site to the new site in the Latrobe Valley;
- harness the production and manufacturing efficiencies gained from the Advance Cables acquisition and the relocation of BWC's business;
- take advantage of the promising growth of BWC's business upon the successful implementation of the Recapitalisation Proposal;
- meet the capital contribution requirements of the RJIP Grant; and
- to pay the costs of the Recapitalisation Proposal.

(f) Voting exclusion statements – Please refer to the Voting Exclusion Statements section of the Notice.

(g) Approval under Listing Rule 7.1 is not required for the issue of shares under this Resolution (if those shares are issued the parties in (a)) as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of shares to the Relevant Person will not be included in the use of the Company's 15% restriction under Listing Rule 7.1.

Members should note that this Resolution 14 is inter-conditional for each of Resolutions 3 to 13 being approved. If Resolution 14 is not passed, the Recapitalisation Proposal will not proceed.

ANNEXURE A – Notice to remove auditor

10 January 2019

Gregory Knoke
Company Secretary
Energy Technologies Limited
ABN 38 002 679 469

Dear Gregory,

In accordance with the provisions of s329(1A) of the Corporations Act 2001, Matthew Driscoll, a Director of the Company, intends to convene a General Meeting of the Company on 11 March 2019 to consider and, if thought fit, pass the resolution:

"That Nexia Sydney Audit & Assurance (formerly known as Russell Bedford NSW) and/or that firm's partners be removed as auditors of the Company effective from the date of the meeting".

Signed:

Matthew Driscoll
Director

10 January 2019

ANNEXURE B – Notice to appoint auditor

10 January 2019

Gregory Knoke
Company Secretary
Energy Technologies Limited
ABN 38 002 679 469

Dear Gregory

Nomination of Auditor

In accordance with the provisions of s327D and s328B of the Corporations Act 2001, I, Matthew Driscoll being a member and director of Energy Technologies Limited ABN 38 002 679 469 (**Company**) hereby nominate Grant Thornton Audit Pty Ltd for appointment as auditor of the Company.

Please distribute copies of this notice of nomination as required by ss328B(3) and (4) of the Corporations Act 2001.

Yours sincerely

Matthew Driscoll

239 Castlemaine-Maldon Road, Muckleford VIC 3451