
ENERJI LTD

ABN 62 009 423 189

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (WST)

DATE: 21 May 2015

PLACE: BDO, Ground Floor
38 Station Street, Subiaco WA 6008

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6143 4100.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 21 May 2015 at:

BDO, Ground Floor
38 Station Street, Subiaco WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Registration 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 19 May 2015.

VOTING IN PERSON

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

VOTING BY PROXY

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

Further details in respect of appointing a proxy are set out in the "instructions for Completing 'Appointment of Proxy' Form" which forms part of the proxy form enclosed with this Notice. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from Link Market Services Limited's website – www.linkmarketservices.com.au Select the "Investor Services" tab and click on Forms.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10.00am (WST) on 21 May 2015 at BDO, Ground Floor 38 Station Street Subiaco WA 6008.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5:00pm (WST) on 19 May 2015.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

1. FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

To receive and consider the financial report of the Company for the year ended 31 December 2014, together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report thereon.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2014."

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

Voting Prohibition Statement:

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

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

However, a person described above may vote on this Resolution if:

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR STEVE FORMICA

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

"That, Mr Steve Formica who retires by rotation in accordance with clause 13.2 of the Company's Constitution, and being eligible offers himself for re-election, is hereby re-elected as a director of the Company."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PETER THOMAS

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

"That, Mr Peter Thomas who was appointed as a director of the company since the last Annual General Meeting and retires in accordance with clause 13.4 of the Company's Constitution, and being eligible offers himself for re-election, is hereby re-appointed as a director of the Company."

5. RESOLUTION 4 – APPROVAL OF PLACEMENT OF 10% PLACEMENT FACILITY

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 10 APRIL 2015

BY ORDER OF THE BOARD



**PETER TORRE
COMPANY SECRETARY
ENERJI LTD**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00am (WST) on 21 May 2015 at BDO, Ground Floor 38 Station Street, Subiaco Perth WA 6008.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2014 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 31 December 2014.

A reasonable opportunity will be provided for discussion of the remuneration report of the Annual General Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2012, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial

year was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

2.3 Previous voting results

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

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***by signing the proxy form, you are expressly authorising the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy:

You **do not** need to direct your proxy how to vote on the Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MR STEVE FOMICA

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 3 Non Executive Directors and accordingly 1 must retire.

Steve Formica retires as a Director of the Company in accordance with the annual rotation provisions of the Company's Constitution, and offers himself for re-election.

Steve is the Director and Chairman of Landscape Australia Pty Ltd, Director of the Formica Property Group and Redway Holdings Pty Ltd and acts as a consultant to property development projects in Australia and overseas. Steve's primary focus is on taking minority investments in operating businesses and works with boards on margin and profitability, ensuring good governance and company standards are maintained. Steve is a large shareholder of Enerji Ltd.

All Directors (except Mr Formica) recommend Resolution 2 be passed.

4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR – MR PETER THOMAS

Mr Peter Thomas was appointed as a Director of the Company after the last Annual General Meeting and retires as a Director of the Company in accordance with Clause 13.4 of the Company's Constitution, and offers himself for re-election.

Peter has a broad international business background encompassing 20 years of finance and natural resources experience. Most recently, he was a senior executive at Fortescue Metals Group where he held the roles of CFO (TPI), General Manager Rail, Project Director, General Manager Christmas Creek and Director of Shared Services over a 10 year period. Prior to that Peter was an investment banker in New York and London working for Lehman Brothers. He has served on boards for listed and unlisted companies. Peter holds an MBA from Harvard University, a BEc (finance, actuarial studies) and BSc (mathematics) from Macquarie University. He is a Graduate of the Australian Institute of Company Directors.

All Directors (except Mr Thomas) recommend Resolution 3 be passed.

5. RESOLUTION 4 – APPROVAL OF PLACEMENT OF 10% PLACEMENT FACILITY

5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of their issued share capital through placements over a 12 month period after approval at an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An Eligible Entity for the purposes of Listing Rule 7.1A is an entity that:

- (i) is not included in the S&P/ASX 300 Index; and
- (ii) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

For the purpose of point (i) and (ii) above, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300 million.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement

Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. Further information on the formula is set out in Section 5.2 (iii) below.

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Facility during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote at the Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) for it to be passed.

5.2 Explanation of Listing Rule 7.1A

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

- (i) Shareholder approval - the ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.
- (ii) Equity Securities - any Equity Securities issued must be in the same class as an existing quoted class of Equity Securities. The Company currently has three classes of Equity Securities on issue, being the Shares (ASX Code: ERJ), Options expiring 31 December 2016 (ASX: ERJO) and Options expiring 30 June 2015 (ASX: ERJOA).
- (iii) Formula for calculating 10% Placement Facility - the exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated in accordance with the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.

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

5.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility

- (i) Minimum Price - the minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
 - a) the date on which the price at which the Equity Securities are to be Issued is agreed; or
 - b) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
- (ii) 10% Placement Period - the Equity Securities may be issued under the 10% Placement Facility commencing on the date of the Meeting and expiring on the first to occur of the following:
 - a) 12 months after the date of this Meeting; and
 - b) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking)(after which date an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Period).

- (iii) Risk of voting dilution - any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in Table 1 at the bottom of this page.

Table 1 shows the dilution of existing Shareholders calculated in accordance with the formula in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

Table 1 also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

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

Table 1 uses the following assumptions:

- (i) There are currently 550,673,677 Shares on issue.
- (ii) The issue price set out in Table 1 is the closing price of Shares on ASX on 9 April 2015.
- (iii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.1.
- (v) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vi) This table does not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1
- (viii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the issue date

	Dilution			
Table 1 Number of Shares on Issue (Variable 'A' in Listing Rule 7.1 A.2)	Issue Price (per Share)	\$0.03 50% decrease in Issue Price	\$0.060 Issue Price	\$0.12 100% Increase in Issue Price
550,673,677 Shares Current Variable A	Shares issued – 10% voting dilution	55,067,368	55,067,368	55,067,368
	Funds raised	\$1,652,021	\$3,304,042	\$6,608,084
826,010,516 Shares 50% Increase in Current Variable A	Shares issued 10% voting dilution	82,601,052	82,601,052	82,601,052
	Funds raised	\$2,478,031	\$4,956,063	\$9,912,126
1,101,347,354 Shares 100% Increase in Current Variable A	Shares issued 10% voting dilution	110,134,735	110,134,735	110,134,735
	Funds raised	3,304,042	\$6,608,084	\$13,216,168

5.4 Purpose of Issue under 10% Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for securing further Waste Heat Power Solution projects and general working capital.

5.5 Allocation policy under the 10% Placement Facility

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Facility will be dependent on the prevailing market conditions at the time of any proposed placement(s).

The allottees under the 10% Placement Facility have not been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both).

The Company will determine the allottees at the time of the issue under the 10% Placement Facility, having regard to, but not limited to, the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company, including, but not limited to, rights issues or other offers in which existing Shareholders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

5.6 Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2014 Annual General Meeting. No shares were issued pursuant to such approval to the date of the Notice of Meeting.

5.7 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

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

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

5.8 Voting Exclusion

A voting exclusion statement is included in this Notice. At the date of the Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4 – approval of 10% placement facility

6. RECOMMENDATIONS

The Directors believe that the above proposals are in the best interest of the Company and, save where otherwise stated unanimously recommend that the shareholders vote for in favour of the resolutions to be proposed at the Company's annual general meeting.

7. ENQUIRIES

Shareholders may contact Mr Peter Torre on + 61 (08) 6143 4100 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting

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

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

Company means Enerji Ltd (ACN 60 009 423 189).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

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

GLOSSARY

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Option holder means the holder of a Related Party Option.

Remuneration Report means the remuneration report set out in a Director's report section of the Company's annual financial report for the year ended 31 December 2014.

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

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

Shareholder means a holder of a Share.

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

