

ASX ANNOUNCEMENT

19 September 2016

UPDATE ON CONDITIONS PRECEDENT TO ECM TRANSACTION

Enerji Ltd (ASX:ERJ) ('Enerji' or the 'Company') provides the following update in respect to the conditions precedent to the transaction with ECM Pty Ltd ('ECM') as detailed in an ASX announcement of 8 August 2016, and further updated on 9 August 2016, 5 September 2016 and 16 September 2016.

The Subscription Agreement remains subject to a number of conditions precedent including:

- **Enerji shareholders approving the issue of the placement shares and convertible notes to ECM, including any approvals required for the purposes of ASX Listing Rule 7.1, and under Section 611 of the Corporations Act 2001.**

As disclosed in the update of 5 September 2016, the Company has engaged an Independent Expert to provide an opinion on the transaction to shareholders of the Company. The Company has also engaged lawyers to draft the Notice of Meeting for the general meeting of shareholders to approve the transactions contemplated with ECM Pty Ltd.

The completion of both the Independent Experts Report and Notice of Meeting is awaiting final outcome of the resolution of the Opcon AB liabilities as outlined below.

- **A Consulting Services Agreement being executed between the Company and an entity related to Mr Adam Boyd that procures his services for his appointment as Chief Executive Officer & Managing Director of the Company; and**

Execution of a subscription agreement between Mr Adam Boyd and the Company whereby Mr Boyd (or his nominee) may participate in a placement of up to 16,666,667 Shares at a price of \$0.015 per Share.

The Consultancy Services Agreement between Mr Adam Boyd's nominee and the Company has been executed. A Subscription Agreement has been drafted, the execution of which is to occur on or before satisfactory resolution of the Opcon AB claim liabilities as outlined below.

- **The Company resolving any liabilities to Opcon AB (and associates) to the satisfaction of ECM.**

The recorded liabilities associated with the Opcon AB claim are potential obligations in Enerji Holdings Pty Ltd, a 100% owned subsidiary of Enerji Ltd. The Board of Enerji Holdings Pty Ltd, has resolved to appoint Mr Robert Kirman and Mr Matthew Caddy of McGrathNicol as Joint and Several Administrators of Enerji Holdings Pty Ltd.

The appointment of an Administrator follows the inability to resolve and/or settle the claim liabilities directly with Opcon AB. This is not expected to have any material adverse effect on the current operations or strategy of the Company, other than resolving the outstanding Opcon AB claim liability to the satisfaction of ECM.

An update in respect to the timing of the resolution of the Opcon AB claim will be provided upon receipt of advice from the Administrators.

-ENDS-

Further Information:

Adam Boyd
Acting Chief Executive Officer
+61 439 888 103