
BPH ENERGY LTD

ACN 095 912 002

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am WST

DATE: Wednesday, 23 November 2016

PLACE: 14 View Street
NORTH PERTH WA 6006

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, Ms Deborah Ambrosini on +61 8 6467 9505.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	6
Glossary	16
Schedule 1 – Terms of Related Party Options	17
Schedule 2 – Valuation of Related Party Options	18
Annexure A – Nomination of Auditor	18
Proxy Form	Attached

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am WST on Wednesday, 23 November 2016 at:

14 View Street
NORTH PERTH WA 6006

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 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 7:00pm Sydney time on Monday, 21 November 2016.

Voting in person

To vote in person, attend the Meeting at the time, date and 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.

In accordance with section 249L of the Corporations Act, Shareholder are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware of sections 250BB and 250BC of the Corporations Act, as they will apply to the Meeting. Broadly, these sections mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these proxy voting rules are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

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 purposes 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 30 June 2016."

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 either 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 (**voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the 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 GREG GILBERT

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

“That, for the purposes of clause 13.4 of the Constitution and for all other purposes, Mr Greg Gilbert, a Director who was appointed on 2 March 2016, retires, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Company’s issued capital 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.

5. RESOLUTION 4 – ISSUE OF OPTIONS TO A RELATED PARTY – MR GREG GILBERT

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

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Options exercisable at \$0.02 each on or before 30 November 2021 to Mr Greg Gilbert (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Greg Gilbert (or his nominee) and any of Mr Greg Gilbert’s associates. 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 a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – ADOPTION OF EMPLOYEE INCENTIVE OPTION SCHEME

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Directors to adopt and implement an employee incentive scheme titled “BPH Energy Limited Employee Incentive Option Scheme” (**Scheme**) and to issue securities under the Scheme on the terms and conditions in the Explanatory Statement.”*

Short Explanation: The Scheme is designed to be an incentive to key people who assist in the successful development and operation of the Company. Please refer to the Explanatory Statement for further details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – APPOINTMENT OF AUDITOR

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

“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, HLB Mann Judd, having consented in writing to act as auditors of the Company, be re-appointed as auditors of the Company.”

8. RESOLUTION 7 – RATIFICATION OF SHARE ISSUE

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 45,966,214 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and 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 a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – ISSUE OF OPTIONS TO A RELATED PARTY – MR DAVID BREEZE

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

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 6,000,000 Options exercisable at \$0.02 each on or before 30 November 2021 to Mr David Breeze (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr David Breeze (or his nominee) and any of Mr David Breeze’s associates. 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 a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 22 September 2016

By order of the Board



Deborah Ambrosini
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the Company's annual financial report for the financial year ended 30 June 2016 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 www.bphenergy.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires a resolution that the remuneration report be adopted be put to shareholders at a listed company's annual general meeting. However, such a resolution is advisory only and does not bind the company or the directors of 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 Company's annual financial report for the financial year ended 30 June 2016.

The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

2.2 Voting consequences

Under the Corporations Act, if, at consecutive annual general meetings:

(a) at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report; and

(b) at the first of those annual general meetings a Spill Resolution was not put to vote,

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 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 most recent 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 annual general meeting for the year ended 30 June 2015, 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:

- (a) 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.
- (b) If you appoint the Chair as your proxy (where the Chair 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, you **must** mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his or her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- (c) If you appoint any other person as your proxy: **you do not need to direct your proxy how to vote** on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR GREG GILBERT

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Greg Gilbert was appointed as a Director on 2 March 2016. Accordingly, Mr Gilbert will retire in accordance with clause 13.4 of the Constitution and, being eligible, seeks re-election.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). An approval under Listing Rule 7.1A remains valid until the earlier of:

- (a) the date falling 12 months after the date on which the approval is granted; and
- (b) the date shareholders approve a transaction under Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or 11.2 (for a disposal of the Company's main undertaking).

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

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

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 \$1,790,459.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 4.2 below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity 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 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A 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.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: BPH).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to 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:
- plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - plus the number of partly paid shares that became fully paid in the previous 12 months;
 - 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;
 - 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 ASX 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 ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

4.4 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 Section 4.4(a), the date on which the Equity Securities are issued.

4.5 Date of issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (a) 12 months after the date of the Meeting; and
- (b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (for a significant change to the nature or scale of the Company's activities) or 11.2 (for the disposal of the Company's main undertaking), after which date, an approval under Listing Rule 7.1A ceases to be valid,

(10% Placement Capacity Period).

4.6 Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX 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.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula at section 4.2 above) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)	Dilution				
	Number of Shares issued under 10% Placement Capacity	Dilutionary effect of issue of Shares under 10% Placement Capacity	Funds raised based on issue price of \$0.002 (50% decrease in current issue price)	Funds raised based on issue price of \$0.004 (current issue price based on current market price)	Funds raised based on issue price of \$0.006 (50% increase in current issue price)
358,091,777 (Current)	35,809,178	10%	\$71,618	\$143,237	\$214,855
537,137,666 (50% increase)*	53,713,767	10%	\$107,428	\$214,855	\$322,283
716,183,554 (100% increase)*	71,618,355	10%	\$143,237	\$286,473	\$429,710

*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 Shares issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at 22 September 2016.
2. The issue price set out above \$0.004 is the closing price of the Shares on the ASX on 19 September 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. 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 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do 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.
7. 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%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (a) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (b) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

4.7 Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (a) as cash consideration, in which case the Company intends to use funds raised for its ongoing expenditure requirements in respect of its existing assets (including the Company's investments in Cortical Dynamics Limited, Molecular Discovery Systems Limited and Advent Energy Ltd) and the acquisition of new assets and investments (including expenses associated with such an acquisition) and general working capital; or
- (b) as non-cash consideration for the acquisition of new assets and investments which will compliment the Company's existing projects and add value to the Company's Shareholders where the directors consider it appropriate to do so, in which case the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

4.8 Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

4.9 Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval under ASX Listing Rule 7.1A at its 2015 annual general meeting held on 27 November 2015. In the 12 months preceding the date of the Meeting, the Company has issued a total of 124,325,050 Equity Securities (representing approximately 52.73% of the total number of Equity Securities on issue as at 23 November 2015), details of which are set out below:

No of Equity Securities Issued	Class of Equity Securities Issued	Persons to whom the Equity Securities were issued	Price at which the Equity Securities were issued	Discount to closing market price on the date of issue	Cash Consideration*	Current value of non-cash consideration
5,628,518	Shares	Nominees of Stocks Digital	\$0.00533	11.12%	Nil – Shares issued in satisfaction of consultancy fees.	\$30,000
70,730,318	Shares	Eligible participants under the Company's Share Purchase Plan	\$0.00533	0.88%	\$376,993	N/A
45,966,214	Shares	Professional and sophisticated investors	\$0.00533	23.86%	\$245,000	N/A
2,000,000	Unquoted options exercisable at \$0.02 each on or before 30 November 2020	Thomas Fontaine (a Director)	Nil	N/A	Options issued as a Director incentive.	\$446

*Approximately \$50,000 has been spent to date on the continued development of investee companies, Advent Energy Ltd, Cortical Dynamics Ltd and Molecular Discovery Systems Ltd. The balance, when required, will be applied towards the same matters.

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

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

- (a) 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
- (b) the information required by Listing Rule 3.10.5A for release to the market.

4.11 Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. RESOLUTIONS 4 AND 8 – ISSUE OF OPTIONS TO RELATED PARTIES – MR GREG GILBERT AND MR DAVID BREEZE

5.1 General

The Company has agreed, subject to Shareholder approval, to allot and issue:

- (a) 2,000,000 Options exercisable at \$0.02 each on or before 30 November 2021 to Mr Greg Gilbert; and
 - (b) 6,000,000 Options exercisable at \$0.02 each on or before 30 November 2021 to Mr David Breeze,
- (together, the **Related Party Options**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Options to the Related Parties requires the Company to obtain Shareholder approval because it constitutes giving a financial benefit. As Directors, Mr Greg Gilbert and Mr David Breeze are related parties of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors consider that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Options to Mr Gilbert and Mr Breeze.

5.2 Shareholder approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Options:

- (a) The related parties are Mr Greg Gilbert and Mr David Breeze. They are related parties by virtue of being Directors.
- (b) The nature of the financial benefit being provided to:
 - (i) Mr Gilbert is the grant of 2,000,000 Options exercisable at \$0.02 each on or before 30 November 2021; and
 - (ii) Mr Breeze is the grant of 6,000,000 Options exercisable at \$0.02 each on or before 30 November 2021.
- (c) The Related Party Options will be granted to the Related Parties no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on one date.
- (d) The Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised.
- (e) The terms and conditions of the Related Party Options are set out in Schedule 1.
- (f) The value of the Related Party Options and the pricing methodology is set out in Schedule 2.
- (g) The Related Parties' relevant interest in the Company's securities as at the date of this Notice of Meeting is set out below:

Related Party	Shares	Options
Mr Greg Gilbert	Nil	Nil
Mr David Breeze	17,945,643	Nil

- (h) The remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Greg Gilbert	\$25,000	\$8,333
Mr David Breeze	\$148,000	\$148,000

- (i) If the Options are exercised, a further 8,000,000 Shares in total would be allotted and issued (assuming no other Shares are issued to third parties and no Options currently on issue are exercised or cancelled). This will increase the number of Shares on issue as at the date of this Notice from 358,091,777 to 366,091,777 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Shares held as at the date of this Notice of Meeting	Options to be issued	Total Shares held upon exercise of all Options	Dilutionary effect of issue of Options
Mr Greg Gilbert	Nil	2,000,000	2,000,000	0.55%
Mr David Breeze	17,945,643	6,000,000	23,945,643	6.54%
Total	17,945,643	8,000,000	25,945,643	7.09%

The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

- (j) The trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.012	23 June 2016
Lowest	\$0.003	29 December 2015
Last	\$0.004	19 September 2016

- (k) The Board acknowledges the grant of Options is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Related Party Options is reasonable in the circumstances for the reasons set out in paragraph (l) below.
- (l) The primary purpose of the grant of Related Party Options is to provide cost effective consideration for the Related Parties' ongoing commitment and contribution to the Company and a performance linked incentive component in their remuneration packages to motivate and reward their performance. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed.
- (m) The Related Parties decline to make a recommendation to Shareholders in relation to Resolutions 4 and 8 due to their material personal interest in the outcome of those Resolutions.
- (n) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 and 8.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options as approval is being sought under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 5 – ADOPTION OF EMPLOYEE INCENTIVE OPTION SCHEME

6.1 Background

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of directors and employees of a high calibre, the Company established an employee incentive option scheme known as the "BPH Energy Limited Employee Incentive Option Scheme" (**Scheme**).

Resolution 5 seeks Shareholder approval for the adoption of the Scheme and the issues of securities pursuant to the Scheme (**Incentive Options**).

The Directors consider the adoption of the Scheme and the future grant of Incentive Options under the Scheme will provide selected employees with the opportunity to participate in the Company's future growth. The Directors and employees of the Company have been, and will continue to be, instrumental in the Company's growth. The Directors consider the Scheme is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

Since it was last approved in 2013, a total of 11,967,500 Incentive Options have been issued under the Scheme, however as the Scheme was last approved by Shareholders 3 years ago, it must now be re-approved in order for the Company to continue relying on exception 9 of ASX Listing Rule 7.2 to issue Equity Securities under the Scheme outside the 15% rule under ASX Listing Rule 7.1.

The key terms of the Scheme are summarised in Section 6.2 below. A full copy of the Scheme is available for inspection at the Company's registered office until the date of the Meeting.

6.2 Key terms of the Scheme

The key terms of the Scheme are summarised below.

- (a) **Eligibility and grant of Incentive Options:** The Board may grant Incentive Options to any full or part time employee or Director of the Company or an associated body corporate, or any other persons working directly or indirectly for the Company on specified projects. Incentive Options may be granted by the Board from time to time as determined by the Board.
- (b) **Consideration:** Each Incentive Option issued under the Scheme will be issued for no cash consideration.
- (c) **Conversion:** Each Incentive Option is exercisable into one Share in the Company ranking equally in all respects with the existing issued Shares in the Company, except for entitlements which had a record date before the date of issue of that Share.
- (d) **Exercise price and expiry date:** The exercise price and expiry date for Incentive Options granted under the Scheme will be determined by the Board prior to the grant of the Incentive Options.
- (e) **Exercise restrictions:** The Incentive Options granted under the Scheme may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Incentive Options (Exercise Conditions). Any restrictions imposed by the Directors must be set out in the offer for the Incentive Options.
- (f) **Lapsing of Incentive Options:** Subject to the terms of the Offer made to a Participant, an unexercised Incentive Option will lapse:
 - (i) on its expiry date;
 - (ii) if any Exercise Condition is unable to be met; and
 - (iii) subject to certain exceptions, on the eligible participant ceasing employment with the Company.
- (g) **Share restriction period:** Shares issued on the exercise of Incentive Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the Incentive Options.
- (h) **Trigger events:** The Company may permit Incentive Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.

- (i) **Participation in rights issues and bonus issues:**
- (i) There are no participating rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.
 - (ii) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.
 - (iii) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Incentive Option Exercise Price shall be reduced according to the formula specified in the ASX Listing Rules.
 - (iv) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Incentive Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Incentive Option.
- (j) **Reorganisation:** The terms upon which Incentive Options will be granted will not prevent the Incentive Options being re-organised as required by the ASX Listing Rules on the re-organisation of the capital of the Company.
- (k) **Limitations on Offers:** The Company must comply with Chapter 6D of the Corporations Act if the Company makes an Offer where:
- (i) the total number of Shares that would be issued on exercise of the Incentive Options the subject of that Offer, exceed the limit set out in ASIC Class Order 14/1000 (or any amendment or replacement of that class order); or
 - (ii) the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 14/1000 (or any amendment or replacement of that class order).

6.3 Disclosure relief

ASIC Class Order 14/1000 provides that the Company is not required to issue a prospectus for the offer of Options to employees under the Scheme provided a number of conditions are satisfied, including without limitation:

- (a) the Options may not be exercised until the Shares have been quoted on ASX or an approved foreign exchange throughout the 12 month period immediately before the exercise of the Option without suspension for more than a total of 5 trading days during that period; and
- (b) the total number of Shares that would be issued under the Scheme, were each Option issued pursuant to the Scheme exercised, and the number of Shares issued by the Company pursuant to any employee share or option scheme implemented by the Company during the previous 3 years may not exceed 5% of the total number of Shares on issue as at the date any Options are offered pursuant to the Scheme.

7. RESOLUTION 6 – APPOINTMENT OF AUDITOR

On 23 May 2016, the Company's auditors, Nexia Perth Audit Services (**Nexia**) resigned as auditor of the Company with ASIC's consent in accordance with section 329(5) of the Corporations Act.

Section 327C(1) of the Corporations Act provides that if:

- (a) a vacancy occurs in the office of auditor of a public company; and
- (b) the vacancy is not caused by the removal of an auditor from office; and
- (c) there is no surviving or continuing auditor of the company,

the directors of the company must, within 1 month after the vacancy occurs, appoint an auditor to fill the vacancy unless the company at a general meeting has appointed an auditor to fill the vacancy.

Section 327C(2) of the Corporations Act further provides that any such auditor appointed to fill the vacancy holds office until the company's next annual general meeting. This is consistent with section 327B(1) of the Corporations Act, which provides that a public company must appoint an auditor of the company at its first annual general meeting and thereafter at each subsequent annual general meeting where an auditor is appointed by the company to fill any vacancy in the office of auditor.

Pursuant to section 327C(1) of the Corporations Act, the Directors appointed HLB Mann Judd to fill the vacancy in the office of auditor.

The Company has received:

- (a) a nomination under section 328B of the Corporations Act from a Shareholder for HLB Mann Judd to be re-appointed as the Company's auditor, a copy of which is annexed as Annexure A to this Explanatory Statement; and
- (b) a consent to act as auditor of the Company under section 328A(1) of the Corporations Act, duly executed by HLB Mann Judd and Mr Brad McVeigh, a registered company auditor.

The Company, pursuant to this Resolution 6, requests Shareholder approval pursuant to section 327B(1) of the Corporations Act to re-appoint HLB Mann Judd as the Company's auditor.

8. RESOLUTION 7 – RATIFICATION OF SHARE ISSUE

8.1 General

On 8 July 2016, the Company issued 45,966,214 Shares at an issue price of \$0.00533 per Share to raise approximately \$245,000.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 45,966,214 Shares were issued;
- (b) the issue price was \$0.00533 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional or sophisticated investors, none of whom is a related party of the Company; and
- (e) the funds raised from this issue will be used for working capital, including the matters set out in Section 4.9 above (namely the continued development of investee companies, Advent Energy Ltd, Cortical Dynamics Ltd and Molecular Discovery Systems Ltd).

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4.1 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means BPH Energy Ltd ACN 095 912 002.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share on the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party means Mr Greg Gilbert and/or Mr David Breeze (as applicable).

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

Resolutions means the resolutions set out in the Notice, 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.

SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

The Related Party Options entitle the holder or their nominee to subscribe for Shares on the following terms and conditions:

- (a) Each Related Party Option gives the optionholder the right to subscribe for one (1) Share. To obtain the right given by each Related Party Option, the optionholder must exercise the Related Party Options in accordance with the terms and conditions of the Related Party Options.
- (b) The Related Party Options are exercisable at any time on or prior to 5:00pm (WST) on 30 November 2021 (**Expiry Date**). Any Related Party Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (j), the amount payable upon exercise of each Related Party Option will be \$0.02 (**Exercise Price**).
- (d) The Related Party Options held by each optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An optionholder may exercise their Related Party Options by lodging with the Company, before the Expiry Date:
- (i) a written notice of exercise of Related Party Options specifying the number of Related Party Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Related Party Options being exercised, (**Exercise Notice**).
- (f) An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the payment of the Exercise Price for each Related Party Option being exercised in cleared funds (**Exercise Date**).
- (g) Within 15 Business Days after the later of the following:
- (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Related Party Options specified in the Exercise Notice and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- If a notice delivered under paragraph (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) The Related Party Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (i) All Shares allotted upon the exercise of Related Party Options will upon allotment rank equally in all respects with other Shares.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) The Company will not apply for quotation of the Related Party Options on ASX, however if admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Related Party Options.
- (l) There are no participating rights or entitlements inherent in the Related Party Options and optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Related Party Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give optionholders the opportunity to exercise their Related Party Options prior to the date for determining entitlements to participate in any such issue.
- (m) A Related Party Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Related Party Option can be exercised.

SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to Mr Greg Gilbert pursuant to Resolution 4 and to Mr David Breeze pursuant to Resolution 8 have been valued by internal management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed a value range, as follows:

Assumptions:	
Valuation date	22 September 2016
Market price of Shares	\$0.004
Exercise price of Related Party Options	\$0.02 each
Expiry date (length of time from issue)	30 November 2021
Risk free interest rate	1.00%
Volatility (discount)	75%
Indicative value per Related Party Option	\$0.001122
Total Value of Related Party Options	\$6,732

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options could be traded at and they are not automatically the market prices for taxation purposes.

ANNEXURE A

To: The Company Secretary
BPH Energy Ltd
14 View Street
NORTH PERTH WA 6006

Dear Madam

NOMINATION OF AUDITOR

For the purposes of section 328B(1) of the Corporations Act 2001 (Cth) (**Corporations Act**), I, David Leslie Breeze, being a member of BPH Energy Ltd ACN 095 912 002 (**Company**), nominate HLB Mann Judd of Level 4 130 Stirling Street, Perth, Western Australia for appointment as auditor of the Company at the Annual General Meeting of the Company convened for 11:00am WST on Wednesday, 23 November 2016 (or any adjournment thereof).

Please distribute copies of this notice of nomination as required by Section 328B(3) of the Corporations Act.



David Breeze
5 September 2016

APPOINTMENT OF PROXY

BPH ENERGY LTD
ACN 095 912 002

Annual General Meeting

STEP 1 Appoint a proxy to vote on your behalf:

I/We:

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint as my/our proxy:

Name of proxy:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to act on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting to be held at 11:00am WST on Wednesday, 23 November 2016 at 14 View Street North Perth, and at any adjournment thereof.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 1, 3, 4, 5 and 8 (except where I/we have indicated a different voting intention below) even though Items 1, 3, 4, 5 and 8 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy, you can direct the Chair to vote for or against or abstain from voting on Items 1, 3, 4, 5 and 8 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

*Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Greg Gilbert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% placement capacity – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Options to a related party – Greg Gilbert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Adoption of Employee Incentive Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Share issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Options to a related party – David Breeze	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

SIGN Signature of Securityholder(s) This section must be completed

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Date: _____ 2016

Contact name: _____ Contact ph (daytime): _____

E-mail address: _____ Consent for contact by e-mail: YES NO

Instructions for Completing 'Appointment of Proxy' Form

1 **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2 **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3 **(Signing instructions):**

- **(Individual):** Where the holding is in one name, the Shareholder must sign.
- **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
- **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

4 **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5 **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to BPH Energy Ltd, 14 View Street, North Perth, Western Australia, 6006; or
- facsimile to the Company on facsimile number +61 8 9328 8733; or
- email to the Company at deborah@grandbridge.com.au,
- so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.