

Energy Technologies Limited
ABN 38 002 679 469

Notice of Annual General Meeting

Notice is hereby given that the **Annual General Meeting** of the members of **Energy Technologies Limited** (the **Company**) will be held at Bambach Wires and Cables, 102 Old Pittwater Road, Brookvale NSW 2100 on **19 November 2015** at **10.30am**.

BUSINESS OF THE MEETING

ORDINARY BUSINESS

Address by the Chairman

Financial Statements and Reports

To receive and consider the Audited Financial Statements of the Company and the Reports of the Directors of the Company, and Russell Bedford NSW as the auditors of the Company, for the year ended 30 June 2015.

1. Remuneration Report (Resolution 1):

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

"That the remuneration report for the year ended 30 June 2015 be adopted.

2. Re-election of Director (Resolution 2):

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

"That Mr Phillip W Dulhunty, who retires by rotation in accordance with Article 10.03 of the Company's Constitution, and being eligible, offers himself for re-election, be elected as a director of the Company."

SPECIAL BUSINESS

3. The issue to and conversion of convertible notes by Auster Holdings Pty Ltd (Resolution 3)

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

That for the purposes of Section 611 of the Corporations Act, and for all other purposes, the issue of 500 secured convertible notes to Auster Holdings Pty Ltd and the conversion of those notes to 50,000,000 fully paid ordinary shares by Auster Holdings Pty Ltd, notwithstanding that the conversion would or may result in an increase in the voting power of Auster Holdings Pty Ltd to more than 20% of the Company, is approved.

4. The issue of convertible notes under an unsecured convertible note facility (Resolution 4)

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

That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to 1,400 unsecured convertible notes in the ordinary shares of the Company, in accordance with a Deed Poll containing the terms of the unsecured convertible note facility to be entered into for that purpose, potentially requiring an issue of ninety three million three hundred and thirty three thousand eight hundred (93,333,800) fully paid ordinary shares in the Company, is approved.

5. The issue of convertible notes under an unsecured convertible note facility to interests associated with Alfred J Chown (Resolution 5)

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

That for the purposes of ASX Listing Rule 10.11, and for all other purposes, the participation by Alfred J Chown, or interests associated with him, in the unsecured convertible note facility referred to in resolution 5 is approved, including the issue by the Company of fully paid ordinary shares to him or his associates who convert notes in accordance with terms of the unsecured convertible note facility.

6. The issue of convertible notes under an unsecured convertible note facility to interests associated with Gary A Ferguson (Resolution 6)

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

That for the purposes of ASX Listing Rule 10.11, and for all other purposes, the participation by Gary A Ferguson, or interests associated with him, in the unsecured convertible note facility referred to in resolution 5 is approved, including the issue by the Company of ordinary shares to him or his associates who convert notes in accordance with terms of the unsecured convertible note facility.

7. The ratification of the issue of ordinary shares to Auster Holdings Pty Ltd (Resolution 7)

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

That for the purposes of ASX Listing Rule 7.4 and 7.1, and for all other purposes, the issue of thirty three million, six hundred and seventy nine thousand, two hundred and sixty nine (33,679,269) ordinary shares in the company to Auster Holdings Pty Ltd for the price of one cent (\$0.01) per share, which issue occurred on 19 October 2015, is ratified.

8. The approval under Listing Rule 7.1A to issue additional shares in the company over the next twelve months (Resolution 8)

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

That for the purposes of ASX Listing Rule 7.1A, and for all other purposes, approval is given to the company to issue or agree to issue ordinary shares in accordance with ASX Listing Rule 7.1A.

9. The issue of ordinary shares to interests associated with Mr Alfred J Chown (Resolution 9)

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

That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the company to issue or agree to issue 12,500,000 ordinary shares at the price of one cent per share to interests associated with Mr Alfred J Chown.

10. The issue of ordinary shares to interests associated with Mr Gary A Ferguson (Resolution 10)

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

That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given to the company to issue or agree to issue 5,000,000 ordinary shares at the price of one cent per share to interests associated with Mr Gary A Ferguson.

By order of the Board and Directors of the Company



Gregory Knoke
Company Secretary
21 October 2015

Notes:

Entitlement to Vote

For the purposes of the Corporations Regulation 7.11.37, the Board has determined that in relation to the Annual General Meeting being convened by this Notice shares will be taken to be held by the persons who are registered holders at 7.00 pm (Sydney time) on 17 November 2015.

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

Corporate Representation

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

Proxies

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

Directing your proxy

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

If a member does not direct the proxy as to how to vote (i.e. an undirected proxy), the proxy appointed by the member may vote as he or she thinks sees fit, except as noted below in relation to Resolution 1 (Remuneration Report).

The Chairman of the meeting will vote undirected proxies held by the Chairman on, and in favour of, all of the proposed resolutions put to the meeting, except for Resolution 1, Resolution 5 and Resolution 9.

Voting proxies on Resolutions 1, 5 and 9

If you appoint the Chairman of the meeting as your proxy and do not direct the Chairman how to vote on any of Resolutions 1, 5 or 9 he will not vote your proxy on those resolutions. If you appoint any other member of the Company's Key Management Personnel or any of their closely related parties, and do not direct them how to vote, that person will not vote your undirected proxy on Resolution 1.

'Key Management Personnel' of the Company are 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 non-executive) of the Company. A 'closely related party' of Key Management Personnel is a term defined in the Corporations Act and includes close family members, such as the children or spouse of the relevant Key Management Personnel, companies that person controls and other members of that person's family who may be expected to influence, or be influenced by, that person in that person's dealings with the Company.

Voting proxies on Resolutions 2, 3, 4, 6, 7, 8 and 10

Shareholders entitled to vote on Resolutions 2, 3, 4, 6, 7, 8, and 10 who appoint as their proxy the Chairman of the Annual General Meeting, can direct the Chairman how to vote by marking either "For", "Against" or "Abstain" on the proxy voting form.

Undirected proxies held by the Chairman will be voted in favour of resolutions 2, 3, 4, 6, 7, 8 and 10. Undirected proxies held from any parties who are the subject of a voting exclusion in respect of a resolution will not be voted on that resolution. Undirected proxies held by any parties who are the subject of a voting exclusion in respect of a resolution will not be voted on that resolution.

Members are encouraged, should they choose to appoint a proxy, to direct that proxy as to how to vote on resolutions 2, 3, 4, 6, 7, 8 and 10 by marking either **For**, **Against** or **Abstain** on the proxy form for that item of business.

Voting Exclusion Statements

Resolution 1 – Remuneration Report

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 (Remuneration Report) by a member of the Key Management Personnel of the Company details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member of the Key Management Personnel (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy, appointed in writing that specifies how the proxy is to vote on the proposed resolution (i.e. a directed proxy) and the vote is not cast on behalf of an Excluded Shareholder; or
- (b) it is cast by the Chairman as a proxy of a person who is not an Excluded Shareholder, where the appointment does not specify how the Chairman is to vote, but expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company or the consolidated entity.

Accordingly, members entitled to vote on Resolution 1 (Remuneration Report), who appoint as their proxy, a member of the Key Management Personal (**other than** the Chairman) of the meeting (or closely related parties of such persons), should direct their proxy as to how to vote. Failing to direct the proxy may result in that member's vote on Resolution 1 (Remuneration Report) being disregarded.

Resolution 3 – Issue to and Conversion of Convertible Notes by Auster Holdings Pty Ltd

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 3 (The issue of convertible notes to Auster Holdings Pty Ltd and conversion of convertible notes by Auster Holdings Pty Ltd) by Auster Holdings Pty Ltd, or any associate of Auster Holdings Pty Ltd (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy of a person, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – The issue of convertible notes under an unsecured convertible note facility

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 4 (The issue of convertible notes) by any person that is a party to the funding arrangement, or any associate of such a person (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy of a person, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – the issue of Convertible Notes under an unsecured convertible note facility to interests associated with Alfred J Chown

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 5 by Alfred J Chown, or any person who is a related party of the Company as a result of its relationship with him, or any associate of those people (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy of a person, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – the issue of Convertible Notes under an unsecured convertible note facility to interests associated with Gary A Ferguson

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 6 by Gary A Ferguson, or any person who is a related party of the Company as a result of its relationship with him, or any associate of those people (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy of a person, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 – the ratification of the issue of ordinary shares to Auster Holdings Pty Ltd

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 7 by Auster Holdings Pty Ltd, or any associate of Auster Holdings Pty Ltd (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy of a person, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 9 – the issue of ordinary shares to interests associated with Alfred J Chown

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 9 by Alfred J Chown, or any person who is a related party of the Company as a result of its relationship with him, or any associate of those people (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy of a person, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 10 – the issue of ordinary shares to interests associated with Gary A Ferguson

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 10 by Gary A Ferguson, or any person who is a related party of the Company as a result of its relationship with him, or any associate of those people (each an **Excluded Shareholder**).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy of a person, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Notes

These are the Explanatory Notes for the shareholders of Energy Technologies Limited (**Company**) for the Annual General Meeting to be held on 19 November 2015. The Explanatory Notes explain the items of business to be considered at the meeting and are provided to assist shareholders in their consideration of the proposed Resolutions 1 to 10 inclusive, contained in the Notice of Meeting, and form part of that Notice of Meeting.

Financial Statements and Reports

The *Corporations Act* 2001 (Cth) ("**Corporations Act**") requires the financial report, directors' report and auditor's report to be laid before the meeting. There is no requirement either in the Corporations Act or the Company's Constitution for members to vote on, approve or adopt these reports.

Members will have a reasonable opportunity at the meeting to ask the Chairman questions and make comments on the business, operations and management of the Company. The auditor of the Company will also be available to take members' questions and comments about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the meeting, written questions to the Company's auditor about the conduct of the audit of the financial report and the preparation and content of the auditors' report, may be submitted no later than the fifth business day before the day on which the meeting is held (i.e. no later than 12 November 2015) to:

The Company Secretary
Energy Technologies Limited
102 Old Pittwater Road
Brookvale NSW 2100
Facsimile: +61 2 9939 9812

The Company will pass all written questions on to the auditor. The auditor will prepare and provide to the Company a question list which sets out the questions that the Company has passed on to the auditor and that the auditor considers to be relevant to the conduct of the audit of the financial report or the content of the auditor's report. Please note that a question may not be included in the question list if the question list includes a question that is substantially the same as that question or if it is not practicable to include the question in the question list because of the time when the question is passed on to the auditor.

There is no requirement for the auditor to provide written answers to the questions, however, if the auditor chooses to prepare written answers to any of the questions, the Chairman may permit the auditor to table the written answers at the meeting. The auditor will also answer questions asked at the meeting, however where questions concern issues raised in the written questions, the auditor may refer members to the written answers (if any). For the benefit of the meeting, the auditor will briefly outline to the meeting the matters covered in the written questions.

Resolution 1: to adopt the Remuneration Report

The Corporations Act requires the Remuneration Report be adopted at the meeting by a resolution. While there is a requirement for a formal resolution, the members' vote is advisory only and does not bind the Company, nor will it require the Company to alter any arrangements detailed in the Remuneration Report should the resolution not be passed.

The Remuneration Report is set out on pages 10 to 13 of the Company's 2015 Annual Report. (*The Annual Report is available on the Company's website at www.energytechnologies.com.au*). The Remuneration Report explains the structure of, and policy behind, EGY's remuneration practices and the link between the remuneration of employees and the Company's performance. The Report also sets out remuneration details of each director and for any specified executive. A Remuneration Committee has been established to evaluate and make recommendations to the Board regarding remuneration policy. Members will have a reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

From 1 July 2011, the Corporations Act has been amended so that if there are two consecutive Annual General Meetings of the Company held after 1 July 2011, and at least 25% of votes cast are against the adoption of the Remuneration Report put before the meeting (in accordance with section 250R of the Corporations Act), the second meeting must also consider a resolution that a further meeting of the Company's members be held within 90 days (a 'Spill Meeting') at which the then current directors of the Company (as at the time of the second meeting, but excluding the Manager Director) will cease to hold office immediately before the end of that Spill Meeting and resolutions will be put to the vote to appoint new directors of the Company to fill those vacancies (which may include re-election of those current directors).

All members of the Company are encouraged to cast their vote on Resolution 1 (Remuneration Report).

Voting on Resolution 1 by proxy

Undirected proxies held by the Chairman will be voted in favour of Resolution 1. Undirected proxies held by any other member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report (or closely related parties of such persons) will not be voted on Resolution 1 (Remuneration Report).

'Key Management Personnel' of the Company are 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 non-executive) of the Company. A 'closely related party' of Key Management Personnel is a term defined in the Corporations Act and includes close family members, such as the children or spouse of the relevant Key Management Personnel, companies that person controls and other members of that person's family who may be expected to influence, or be influenced by, that person in that person's dealings with the Company.

Members are encouraged, should they choose to appoint a proxy, to direct that proxy as to how to vote on Resolution 1 (Remuneration Report) by marking either **For**, **Against** or **Abstain** on the proxy form for that item of business.

Resolution 2: Re-election of Director

The Listing Rules of the Australian Securities Exchange ("**ASX Listing Rules**") require the Company to hold an election of directors each year. The Constitution of the Company also requires one third of the directors (other than the Managing Director, or if there is more than one managing director, only one managing director) to retire from office at each annual general meeting, together with any director who has held office without re-election for three or more years.

Phillip W Dulhunty was appointed to the Board in 2014. He retires, in accordance with the ASX Listing Rules and the Constitution, and offers himself for reappointment.

Phillip W Dulhunty OAM (Age 91) (Non-Executive Director) Appointed 3 December 2014

Founder of Dulhunty Power (Aust) Pty Limited, importers, exporters and distributors of electrical power transmission equipment. Honorary Life Member and distinguished member of the international electrical transmission industry body, CIGRE and Honorary Life Senior member of IEEE. Holder of Centenary Medal for Contribution to Australian Industry. Mr Dulhunty was also the recipient of the Institute of Engineering and Technology (IET) James N Kirby Medal in 2007. Mr Dulhunty was previously a Director of the company from 31 March 2003 to 1 October 2012. Mr Dulhunty is also a member of the Audit and Nomination Committees of the company.

Resolution 3: The issue to and conversion of convertible notes by Auster Holdings Pty Ltd

Auster Holdings Ltd is a company associated with Mr Yulin Hu, a highly successful businessman who is the major shareholder of Fujian Hongsheng Construction Group Co., Ltd.

Fujian Hongsheng, founded by Mr Hu, is a major engineering construction firm with turnover in excess of 1 billion AUD. Its operations are centred in Fujian province. This company's main expertise lies in building luxury residential developments.

Mr Hu started his career as an electrical contractor and built his business from that base to be one of China's most respected building construction companies. Fujian Hongsheng has won numerous awards for the scale and quality of the projects it has undertaken.

Mr Hu is an Australian resident. Due to his involvement and that of his family in Australia, he wishes to become involved in building a strong and vibrant business supplying manufactured electrical products. Mr Hu has identified Energy Technologies as having the footprint and structure that will enable rapid growth on the back of coming major infrastructure projects in Australia.

Mr Hu, by means of Auster Holdings Pty Ltd (Auster), is prepared to act as a cornerstone investor to build the business, alongside the existing shareholder base and current management, to achieve the vision of the Company, which is to build a group of businesses that supply to the electricity supply industry and to major commercial and Infrastructure projects. Mr Hu recognises that the first step on this quest is to develop Bambach Cables and then to use this model to build other ancillary or complementary businesses alongside Bambach as operating subsidiaries of EGY.

Auster Holdings Pty Ltd will bring balance sheet strength, and Mr Hu a wealth of experience, to the Company. Mr Hu will actively seek to generate export sales of Bambach-produced cables in China and he will actively seek to explore the acquisition of China manufacturing businesses that can be brought under the EGY umbrella that will complement existing manufacturing and bring strategic strength.

EGY has made an initial placement of shares to Auster under the Company's 15% capacity. A total of 33,679,269 ordinary shares at \$0.01/share have been issued to Auster to raise \$336,792 – at a 65 % premium to the 6 month volume-weighted average share price for EGY's shares. This placement of ordinary shares did not require the approval of shareholders.

A further investment is proposed be made by way of subscription for secured convertible notes, which is the note issue referred to in resolution 3. The resolution seeks approval for the conversion of secured convertible notes. Both the issue of the notes, and their subsequent conversion require the approval of shareholders, as the conversion of the notes in due course would necessitate the issue of a significant number of shares in the Company.

In light of the share issue which has already occurred, the issue of fully paid ordinary shares that would result from a conversion of the proposed notes may result in Auster Holdings Pty Ltd becoming the owner of more than twenty per cent (20%) of the issued capital of the Company. Such a result would be prohibited by the Corporations Act, unless one of the exceptions set out in the Corporations Act were to apply. The prior approval of EGY's shareholders in the manner contemplated in resolution 3 would amount to such an exception.

The grant of this prior approval to conversion of the notes will also operate to authorise the issue of the notes themselves.

Accordingly, the approval sought by resolution 3 is effectively the consent of the shareholders of EGY to Auster Holdings Pty Ltd moving to a shareholding in EGY which is more than 20% of the issued ordinary shares in the Company (which is sometimes called the takeover threshold).

If all the convertible notes were converted, it would require the issue of fifty million (50,000,000) shares. After the prior issue of ordinary shares is taken into account, Auster Holdings Pty Ltd would have a total shareholding in EGY of 83,679,269 shares, or 27.15% of the total shares then on issue. This percentage does not take into account the issue of shares contemplated by resolutions 9 and 10 of this meeting, or the conversion of the other convertible notes contemplated to be issued, or those already on issue.

EGY proposes to enter into a conditional funding arrangement to raise up to \$500,000.00 (five hundred thousand dollars) by the issue of convertible notes. The Company intends to make a personal offer to Auster Holdings Pty Ltd. Acceptance of the offer will not result in a breach of the 20 investors/ \$2 million ceiling set out in s708 of the Corporations Act. Entry into the funding arrangement is conditional on the approval of the shareholders of the Company (Resolution 3) to the issue of the convertible notes to Auster Holdings Pty Ltd.

The funding arrangement is expected to result in the issue of up to 500 Convertible Notes each with a face value of one thousand dollars to Auster Holdings Pty Ltd.

The terms of the Convertible Notes will be set out in a Convertible Note Deed Poll ("Deed Poll") executed by the Company in favour of the Noteholder, and are summarised below.

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholders.

Term	Description
Issuer	Energy Technologies Limited (the Company)
Issue date	Within three months after 19 November 2015
Eligibility	The offer will be made as a personal offer to an investor
Face Value	Each convertible note will have a face value of \$1000.00, to raise a principal amount of \$500,000.00
Maturity Date	31 December 2018
Ranking	The Convertible Notes will be secured.
Interest	The Company must pay interest on the face value of each note at the rate which is eight percentage points higher than the RBA cash rate from time to time, paid monthly in arrears, until the earlier of the Maturity Date or the conversion of the Convertible Note
Conversion rights	Each Convertible Note may be converted at any time up until the Maturity Date
Conversion Price	\$0.01 per share, or 100,000 ordinary shares per note, subject to adjustments to the Conversion Price as set out below
Adjustment to Conversion Price	The Conversion Price will be adjusted, if either of the following would give a lower Conversion Price: - the price per share which is the volume weighted average market price for ordinary shares in the Company for the twenty trading days on which trades were recorded prior to conversion; - the lowest price per share at which the Company has issued ordinary shares between the issue of a Note and its conversion
Participation in new issue of securities	The Noteholder is entitled to participate in capital raisings, and is affected by capital changes, made after issue and before conversion, in the same way as they would have if the notes had already been converted. The face value of a note may be applied by the Noteholder to participate in any capital raising conducted after issue and before conversion.
Conversion shares	Shares issued on conversion of a Convertible Note will be fully paid ordinary shares and rank equally with all other fully paid ordinary shares from their date of issue. The Company will apply for official quotation by ASX of the Conversion Shares on the conversion date.
Redemption	A Note will be redeemed if the Noteholder gives a redemption notice, which may only be given after the first twelve months of the facility, or after an event of default. The Company may redeem a Note during the facility, by notice, with the Noteholder having the option of converting instead. A Note will be redeemed on the Maturity Date, unless it has already been converted
Events of Default	Events of Default include: - breach of obligations to pay interest or other material obligations under the Deed Poll - breach of warranties given under the Deed Poll - insolvency - change of control - shareholder approval not being obtained
Transferability	There will be no restriction under the Deed Poll on the transfer of Notes. The Notes will not be listed on any stock market.
Rights of Noteholder	Except as provided in the Deed Poll, a Convertible Note will not entitle the Noteholder to vote at a general meeting of the Company, to receive dividends or other distributions or participate in the issue of securities. The Noteholder will have the same rights as a shareholder to receive notices of general meetings, reports and financial statements of the Company.
ASX listing	The Convertible Notes will not be quoted on the ASX or any other securities exchange
Priority	Noteholder will rank equally with other secured noteholders who hold outstanding secured convertible notes under other secured convertible note facilities.

The ordinary shares to be issued to the Noteholder on the conversion of the Convertible Notes will rank equally in all respects with all of the Company's existing ordinary shares. The rights attaching to ordinary shares, including new ordinary shares to be issued to the Noteholder on the conversion of the Convertible Notes, are set out in the Company's constitution, and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

The Convertible Notes will be for a principal amount of one thousand dollars (\$1,000.00) per note. The Convertible Notes will be paid for in full on subscription, which will be at a time nominated by EGY by notice to the investor for the drawdown of funds. The investor will be paid interest at the rate of one per cent (1%) per annum on the amount of the commitment. Each Convertible Note will bear interest at the rate which is eight percentage points higher than the RBA Cash Rate from time to time, from subscription until conversion. Interest is payable monthly in arrears.

The Convertible Notes are convertible during their term at the rate of 100,000 ordinary shares per note, which is a share price of \$0.01 per share. If all possible Convertible Notes were to be converted during the life of the facility, an additional 50,000,000 ordinary shares in the Company would be issued, raising the total number of issued ordinary shares in the Company to 308,207,732. On a fully diluted basis, the agreed conversion price values the Company at about \$3.08M.

The Directors consider that the raising of capital by the issue of Convertible Notes is in the best interests of EGY. The Company intends to use the funds raised for the purposes of:

- purchasing new equipment to be used in the manufacture of cables and cable-related products
- increasing the levels of stock-on-hand at all of the branches of Bambach Wires and Cables Pty Ltd, and the head office
- carrying out research and development on new cables and cable-related products
- increasing the working capital of the company

The effect of approval of the resolution will be to permit the Company to raise funds under the proposed finance facility. If the resolution is not approved, then the Company will not be able to utilise the proposed facility.

- (a) Set out below is a pro-forma consolidated balance sheet of the Company, as at 30 June 2015, based on the consolidated balance sheet of the Company adjusted to reflect the Convertible Note issue and prepared on the basis of the accounting policies normally adopted by the Company
- (b) The pro-forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to the annual financial statements. The pro-forma financial information is not audited. The classification of the allocations between debt and equity for the Convertible Notes may change in the future.

Pro-forma Statement of Financial Position as at 30 June 2015

	Actual	Pro-forma adjustments	Pro-forma
	30 June 2015		30 June 2015
	\$'000	\$'000	\$'000
Current Assets			
Cash and cash equivalents	99	500	599
Trade and other receivables	2,892	-	2,892
Inventories	3,503	-	3,503
Other Current Assets	361	-	361
Total Current Assets	6,855	500	7,355
Non-current Assets			
Property Plant and Equipment	2,024	-	2,024
Deferred tax assets	224	-	224
Intangible assets	290	-	290
Total non-current assets	2,538	-	2,538
Total assets	9,393	500	9,893
Current Liabilities			
Trade and other payables	3,294	-	3,294
Financial liabilities	2,488	-	2,488
Short-term provisions	565	-	565
Total Current Liabilities	6,347	-	6,347
Non-current liabilities			
Financial liabilities	2,904	500	3,404
Other non-current liabilities	35	-	35
Total non-current liabilities	2,939	500	3,439
Total liabilities	9,286	500	9,786
Net assets	107		107
Equity			
Issued capital	8,374	-	8,374
Reserves	(1,050)	-	(1,050)
Accumulated losses	(6,643)	-	(6,643)
Parent interest	681		681
Non-controlling interest	(574)	-	(574)
Total equity	107		107

If the resolution is approved, then the Company will enter into the proposed convertible note facility and issue the convertible notes to Auster Holdings Pty Ltd before three months after meeting. The convertible notes will be issued to Auster Holdings Pty Ltd, and Auster Holdings Pty Ltd will be entitled to convert the notes in accordance with their terms.

If the resolution is not approved, EGY will not be able to issue convertible notes to Auster Holdings Pty Ltd in accordance with this proposal.

Voting on Resolution 3 by proxy

Undirected Proxies held by the Chairman will be voted in favour of Resolution 3. Undirected proxies held by any party to the funding agreement will not be voted on Resolution 3.

Members are encouraged, should they chose to appoint a proxy, to direct that proxy as to how to vote on Resolution 3 by marking either **For**, **Against** or **Abstain** on the proxy form for that item of business.

Resolution 4: The issue of convertible notes under an unsecured convertible note facility; and

Resolution 5: the issue of convertible notes under an unsecured convertible note facility to interests associated with Alfred J Chown; and

Resolution 6: the issue of convertible notes under an unsecured convertible note facility to interests associated with Gary A Ferguson

EGY proposes to enter into a conditional funding arrangement to raise up to \$1,400,000 (one million four hundred thousand dollars) by the issue of convertible notes. The company intends to make personal offers to investors, some of whom are sophisticated investors, and acceptance of the offers will not result in a breach of the 20 investors/ \$2 million ceiling set out in s708 of the Corporations Act. Entry into of the funding arrangement will be conditional on the approval of the shareholders of the Company to the issue of the convertible notes.

The funding arrangement is expected to result in the issue of up to 1400 Convertible Notes each with a face value of one thousand dollars to investors.

Mr Alfred J Chown, and Mr Gary A Ferguson, who are directors of the company, have indicated that they, or interests associated with them, may participate in the funding arrangement. The extent of their participation will depend on a number of factors, and the precise extent, and the precise identity of the participant, is not known at this stage.

Rule 10.11 of the ASX Listing Rules prohibits a company from issuing securities to related parties of the company, without the consent of shareholders. Directors of the company, and certain parties related to them, are considered related parties. Accordingly, to allow participation by directors, or interests associated with them, in this issue, the consent of shareholders is required.

Consent is being sought for participation by the two named directors, and their interests. As the extent of their participation is not yet known, a blanket approval will be sought for a maximum involvement of five hundred thousand dollars (\$500,000.00) in respect of each director. This would result in the issue of a maximum of fifty million shares to the director and his related parties if the entire entitlement was taken up and the entire entitlement converted to shares in accordance with the terms of the facility.

Any director, and any interest associated with any director, that will participate in accordance with this proposal must enter into the facility within one month of the approval (if the approval is given), and any convertible notes issued in accordance with that participation must be issued within one month of the approval (if the approval is given).

The terms of the Convertible Notes will be set out in a Convertible Note Deed Poll ("Deed Poll") executed by the Company in favour of the Noteholders, and are summarised below.

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholders.

Term	Description
Issuer	Energy Technologies Limited (the Company)
Issue date	Within one month after 19 November 2015 for interests associated with the directors, and within three months after 19 November 2015 for other investors
Eligibility	The offer will be made as a personal offer to investors, some of who are sophisticated investors, falling under the 20 investor/\$2 million ceiling set out in section 708 of the Corporations Act.
Face Value	Each convertible note will have a face value of \$1000.00, to raise a principal amount of \$1,400,000.00
Maturity Date	31 December 2020
Ranking	The Convertible Notes will be unsecured, ranking equally with all other unsecured creditors and obligations of the Company, and prior to shareholders rights to return of capital paid up on their ordinary shares,
Interest	The Company must pay interest on the face value of each note at the rate which is eight percentage points higher than the RBA cash rate from time to time, paid monthly in arrears, until the earlier of the Maturity Date or the conversion of the Convertible Note
Conversion rights	Each Convertible Note may be converted at any time up until the Maturity Date
Conversion Price	\$0.015 per share, or 66,667 ordinary shares per note, subject to adjustments to the Conversion Price as set out below
Adjustment to Conversion Price	The Conversion Price will be adjusted, if the following would give a lower Conversion Price; the price per share which is the volume weighted average market price for ordinary shares in the Company for the twenty trading days on which trades were recorded prior to conversion.

Participation in new issue of securities	Each Noteholder is entitled to participate in capital raisings, and is affected by capital changes, made after issue and before conversion, in the same way as they would have if the notes had already been converted. The face value of a note may be applied by a Noteholder to participate in any capital raising conducted after issue and before conversion.
Conversion shares	Shares issued on conversion of a Convertible Note will be fully paid ordinary shares and rank equally with all other fully paid ordinary shares from their date of issue. The Company will apply for official quotation by ASX of the Conversion Shares on the conversion date.
Redemption	A Note will be redeemed if a Noteholder gives a redemption notice, which may only be given after the first twelve months of the facility, or after an event of default The Company may redeem a Note during the facility, by notice, with the Noteholder having the option of converting instead. A Note will be redeemed on the Maturity Date, unless it has already been converted
Events of Default	Events of Default include: • breach of obligations to pay interest or other material obligations under the Deed Poll • breach of warranties given under the Deed Poll • insolvency • change of control • shareholder approval not being obtained
Transferability	There will be no restriction under the Deed Poll on the transfer of Notes. The Notes will not be listed on any stock market.
Rights of Noteholder	Except as provided in the Deed Poll, a Convertible Note will not entitle a Noteholder to vote at a general meeting of the Company, to receive dividends or other distributions or participate in the issue of securities. Each Noteholder will have the same rights as a shareholder to receive notices of general meetings, reports and financial statements of the Company.
ASX listing	The Convertible Notes will not be quoted on the ASX or any other securities exchange

The ordinary shares to be issued to the Noteholders on the conversion of the Convertible Notes will rank equally in all respects with all of the Company's existing ordinary shares. The rights attaching to ordinary shares, including new ordinary shares to be issued to the Noteholders on the conversion of the Convertible Notes, are set out in the Company's constitution, and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

The Convertible Notes will be for a principal amount of one thousand dollars (\$1,000.00) per note, with a minimum subscription of 5 notes per investor. The Convertible Notes will be paid for in full on subscription, which will be at a time nominated by EGY by notice to the investor for the drawdown of funds. Each investor will be paid interest at the rate of one per cent (1%) per annum on the amount of their commitment. Each Convertible Note will bear interest at the rate which is eight percentage points higher than the RBA Cash Rate from time to time, from subscription until conversion. Interest is payable monthly in arrears.

The Convertible Notes are convertible during their term at the rate of 66,667 ordinary shares per note, which is a share price of \$0.015 per share. If all possible Convertible Notes were to be converted during the life of the facility, an additional 93,333,800 ordinary shares in the Company would be issued, raising the total number of issued ordinary shares in the Company to 351,540,552. On a fully diluted basis, the agreed conversion price values the Company at about \$5.27M.

The Directors consider that the raising of capital by the issue of Convertible Notes is in the best interests of EGY. The Company intends to use the funds raised for the purposes of:

- purchasing new equipment to be used in the manufacture of cables and cable-related products
- increasing the levels of stock-on-hand at all of the branches of Bambach Wires and Cables Pty Ltd, and the head office
- carrying out research and development on new cables and cable-related products
- increasing the working capital of the company

The effect of approval of the resolution will be to permit the Company to raise funds under the proposed finance facility. If the resolution is not approved, then the Company will not be able to utilise the proposed facility.

- (a) Set out below is a pro-forma consolidated balance sheet of the Company, as at 30 June 2015, based on the consolidated balance sheet of the Company adjusted to reflect the Convertible Note issue and prepared on the basis of the accounting policies normally adopted by the Company

- (b) The pro-forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to the annual financial statements. The pro-forma financial information is not audited. The classification of the allocations between debt and equity for the Convertible Notes may change in the future.

Pro-forma Statement of Financial Position as at 30 June 2015

	Actual	Pro-forma adjustments	Pro-forma
	30 June 2015		30 June 2015
	\$'000	\$'000	\$'000
Current Assets			
Cash and cash equivalents	99	1,400	1,499
Trade and other receivables	2,892	-	2,892
Inventories	3,503	-	3,503
Other Current Assets	361	-	361
Total Current Assets	6,855	1,400	8,255
Non-current Assets			
Property Plant and Equipment	2,024	-	2,024
Deferred tax assets	224	-	224
Intangible assets	290	-	290
Total non-current assets	2,538		2,538
Total assets	9,393	1,400	10,793
Current Liabilities			
Trade and other payables	3,294	-	3,294
Financial liabilities	2,488	-	2,488
Short-term provisions	565	-	565
Total Current Liabilities	6,347	-	6,347
Non-current liabilities			
Financial liabilities	2,904	1,400	4,304
Other non-current liabilities	35	-	35
Total non-current liabilities	2,939	1,400	4,339
Total liabilities	9,286	1,400	10,686
Net assets	107		107
Equity			
Issued capital	8,374	-	8,374
Reserves	(1,050)	-	(1,050)
Accumulated losses	(6,643)	-	(6,643)
Parent interest	681		681
Non-controlling interest	(574)	-	(574)
Total equity	107		107

If the resolutions are approved, then the Company will enter into the proposed convertible note facility and issue the convertible notes to the participants before three months after 19 November 2015, except in relation to notes to be issued to interests associated with the directors, which must be issued within one month after 19 November 2015. The convertible notes will be issued to the subscribers to the funding document. As at the date of this notice, those subscribers are not identified.

If resolution 4 is not passed, then the meeting will not consider resolutions 5 and 6, and EGY will not be entitled to issue convertible notes in accordance with this proposal. If resolution 4 is passed, then EGY will be entitled to proceed with the issue of the proposed convertible notes. If either of resolution 5 or resolution 6 is not passed, the company will be entitled to proceed with the issue of convertible notes, but the relevant director and interests associated with that director will not be entitled to participate in the issue.

Voting on Resolutions 4 to 6 by proxy

Undirected Proxies held by the Chairman will be voted in favour of Resolutions 4 and 6. Undirected proxies held by any party to the funding agreement will not be voted on Resolution 4.

Undirected Proxies held by the Chairman will not be voted on Resolution 5.

Members are encouraged, should they chose to appoint a proxy, to direct that proxy as to how to vote on Resolution 4, 5, and 6 by marking either **For**, **Against** or **Abstain** on the proxy form for that item of business.

Resolution 7 – the ratification of the issue of ordinary shares to Auster Holdings Pty Ltd

The company has issued 33,679,269 ordinary shares in the company to Auster Holdings Pty Ltd, for the price of one cent per share. The background to this issue, and the longer term ramifications for the company are set out in the explanatory notes to resolution 3.

The issue of shares falls within the power of directors generally, but the issue of shares for listed companies is regulated by ASX Listing Rule 7. In particular, listing rule 7.1, in general terms, allows a company to issue up to 15% of the shares already on issue without prior shareholder approval.

Prior to the issue of these shares, the company had 224,528,463 ordinary shares on issue. 33,679,269 is 15% of 224,528,463, and this therefore represents the maximum number of shares that the directors of the company were empowered to issue without the prior approval of shareholders. After the issue, there are 258,207,732 issued ordinary shares in the company.

The company now seeks the subsequent approval of shareholders to the issue of the shares to Auster Holdings Pty Ltd. The issue has raised a total of \$336,792.69, which will be used for the working capital purposes of the company, and to assist in the purchase of additional machinery for the Bambach Wires and Cables business. The shares issued are ordinary shares in the company, ranking equally with all other ordinary shares in the company.

The subsequent approval is not required to give effect to the issue of the 33,679,269 ordinary shares at one cent per share to Auster Holdings Pty Ltd. The issue of shares is effective by force of the power of the directors to make it. Rather the subsequent approval will leave the directors with the flexibility to make additional share issues in the near future.

If the approval is given, it will cause this issue of shares to be treated as if it had been made with the approval of shareholders under ASX Listing Rule 7.1. The effect is that the company's capacity to issue shares without the prior approval of shareholders is 'refreshed', leaving the company able to make a further share issue of up to 15% of its issued shares, without shareholders' prior approval, should it be necessary or desirable. The company will be obliged to comply with ASX Listing Rule 7.1, and the general law, in respect of any future issues.

The company does not have any future issues of securities in contemplation, other than those set out in this notice of meeting, but wishes to retain the flexibility to make an issue.

If the approval is not given, there will be no impact on the issue of 33,679,269 ordinary shares already issued. However, the company will have used all of its entitlement under ASX Listing Rule 7.1 to issue shares without prior shareholder approval. It will not be able to issue shares in this way for twelve months after the date of the issue. The capacity of the company to issue further shares will therefore be reduced.

The approval or non-approval of this resolution will have no impact on any of the convertible notes, or the conversion to shares of convertible notes, issued or contemplated to be issued by the company.

Resolution 8 - The approval under Listing Rule 7.1A to issue additional shares in the company over the next twelve months

The power to issue shares in the company resides in the directors of the company. The ASX Listing Rules regulate how this power may be exercised. In particular, Listing Rule 7.1 regulates how many shares may be issued without the prior approval of the shareholders of a company.

Under Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval every twelve months. Only eligible companies that have obtained shareholder approval by special resolution at an AGM have the ability to issue an additional 10% of issued capital in a 12 month period under listing rule 7.1A.

When a company issues or agrees to issue shares under listing rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% available under that rule. The number of securities that the entity has issued or agreed to issue is subtracted from the remaining placement capacity under listing rule 7.1. An issue or agreement to issue under listing rule 7.1 does not detract from an eligible entity's capacity to issue securities under listing rule 7.1A.

Similarly, an issue or agreement to issue shares under listing rule 7.1A uses up part of the 10% available under that rule. The number of shares that the eligible entity has issued or agreed to issue is subtracted from the remaining placement capacity under listing rule 7.1A. An issue or agreement to issue under listing rule 7.1A does not detract from the eligible entity's capacity to issue securities under listing rule 7.1.

For those shares that are issued under listing rule 7.1A, a maximum discount and additional disclosure requirements apply.

The company does not have in contemplation any particular proposal to issue shares under this provision, but does wish to have the flexibility to make such an issue should it be necessary or desirable to do so.

If the approval is not given, there will be no impact on the capacity to issue shares in accordance with the requirements of Listing Rule 7.1, other than the company will not be able to take advantage of the additional flexibility to issue shares offered by Listing Rule 7.1A.

For the resolution to be validly approved, it must be passed by at least 75% of the votes cast by members of the company entitled to vote on the resolution.

Statement required by ASX Listing Rule 7.3A

Minimum price: The minimum price at which the company's ordinary shares could be issued, if issued under this approval, is 75% of the volume weighted average market price for the company's shares for the 15 trading days prior to issue or the agreement to issue.

Risk of economic and voting dilution: There is a risk of economic and voting dilution of existing ordinary security holders that may result from an issue of equity securities under rule 7.1A, including the risk that:

- the market price for the company's ordinary shares may be significantly lower on the issue date than on the date this approval is given; and
- the ordinary shares may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Dilution table				
This table sets out some possible scenarios for the issue of shares under this authorisation				
Number of issued shares prior to 7.1A issue	Assumed share price	Minimum possible issue price	Maximum number of possible shares to issue	Funds raised
258,207,732 (number after issue to Auster Holdings Pty Ltd)	\$0.006 (market price at 7 October)	\$0.0045	25,820,773	\$116,193.48
520,000,000 (if the number of issued shares doubled)	\$0.006	\$0.0045	52,000,000	\$234,000.00
258,207,732	\$0.003	\$0.0025	25,820,773	\$64,551.93

Final date for issue: The final date for the issue of any shares under this approval is twelve months after 19 November 2015, unless the company's shareholders approve a transaction under listing rule 11.1.2 (a significant change to the nature or scale of activities) or listing rule 11.2 (disposal of the main undertaking) before the anniversary of the AGM.

Purpose for which shares may be issued: The company does not presently have in contemplation the issue of any shares under this approval. If issued, the funds raised would be used for the purposes of enhancing the working capital of the company, and for assisting in the provision of machinery for the Bambach Wires and Cables business. It is not contemplated that any shares would be issued for non-cash consideration.

Share allocation policy: The company does not presently have in contemplation the issue of any shares under this approval. If issued, the company anticipates that an issue would be by way of placement with a single investor.

Prior issues under rule 7.1A approval: The company has never previously sought approval under ASX Listing Rule 7.1A.

Resolution 9: the issue of ordinary shares to interests associated with Alfred J Chown; and

Resolution 10: the issue of ordinary shares to interests associated with Gary A Ferguson

Both Mr Alfred J Chown and Mr Gary A Ferguson are directors of the company. Mr Chown is the managing director. Both men are, by reason of their positions, a 'related party' of the company. ASX Listing Rule 10.11 prohibits the company from issuing shares to a related party, unless one of the exceptions in rule 10.12 applies. Exception 10 in Listing Rule 10.12 permits an issue of shares to a related party if they are issued pursuant to an agreement to issue shares that is conditional on the holders of ordinary shares approving the issue before the issue is made.

Interests associated with Mr Chown and Mr Ferguson have each entered into a conditional agreement to purchase shares from the company. The agreement is conditional on the approval of the shareholders of the company to the issue, before the issue is made. If the approval is given, the shares will be issued within one month after the date the approval is given.

The agreement with interests associated with Mr Chown provides for the issue, if approved, of 12,500,000 ordinary shares in the company at the price of one cent each, for a total subscription price of \$125,000.00. The agreement with interests associated with Mr Ferguson provides for the issue, if approved, of 5,000,000 ordinary shares in the company, for a total subscription price of \$50,000.00.

In each case, the directors intend that the funds be used for the purposes of:

- purchasing new equipment to be used in the manufacture of cables and cable-related products
- increasing the levels of stock-on-hand at all of the branches of Bambach Wires and Cables Pty Ltd, and the head office
- carrying out research and development on new cables and cable-related products
- increasing the working capital of the company
- consolidating the balance sheet of the company.

If either resolution 9 or resolution 10 is not passed, the proposed share issue to that director will not proceed. If either or both of resolution 9 and resolution 10 is passed, the company will issue the shares referred to in the resolution in accordance with the agreement, within one month after 19 November 2015.

Voting on Resolutions 9 and 10 by proxy

Undirected proxies held by either Mr Chown or Mr Ferguson or their associates will not be voted on Resolutions 9 and 10.

Members are encouraged, should they chose to appoint a proxy, to direct that proxy as to how to vote on Resolutions 9 and 10 by marking either **For**, **Against** or **Abstain** on the proxy form for that item of business.