

**OCTANEX LIMITED
(ABN 61 005 632 315)**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**Meeting**) of the Members of Octanex Limited (**Company**) will be held at The Institute of Chartered Accountants in Australia on Level 18 of 600 Bourke Street, Melbourne, Victoria on Wednesday 29th November 2017 commencing at 3.00pm (AEDT).

AGENDA

ORDINARY BUSINESS

Annual Financial Report

To receive and consider the Consolidated Financial Statements of the Company for the year ended 30 June 2017 and the reports of the Directors and Auditor thereon.

Resolution 1. Adoption of the Remuneration Report for the year ended 30 June 2017

To consider and if thought fit, to pass the following as a non-binding and advisory Resolution in accordance with section 250R of the Corporations Act:

“To adopt the Remuneration Report as included in the Directors’ Report for the year ended 30 June 2017.”

Resolution 2. Re-election of S.Kler as a Director of the Company

To consider and if thought fit, to pass the following as an Ordinary Resolution:

“That Ms Suhnylla Kler, who retires as a Director pursuant to the Constitution and, being eligible, offers herself for re-election and is hereby elected as a Director of the Company.”

Resolution 3. Re-election of K. How Kow as a Director of the Company

To consider and if thought fit, to pass the following as an Ordinary Resolution:

“That Datuk Kevin How Kow, who retires as a Director pursuant to the Constitution and, being eligible, offers himself for re-election and is hereby elected as a Director of the Company.”

SPECIAL BUSINESS

Resolution 4. Approval of a 10% Placement Capacity under Listing Rule 7.1A

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, the issue of up to 10% of the Company’s share capital, calculated in accordance with Listing Rule 7.1A and on the terms and conditions set out in the Explanatory Memorandum, is approved.”

OTHER BUSINESS

To transact any other business which may be properly brought before the Meeting in accordance with the Company’s Constitution and the Corporations Act.

NOTES

Requisite majorities

Resolutions 1 through 3 are Ordinary Resolutions and will be passed only if supported by a simple majority of the votes cast by Shareholders entitled to vote on the Resolutions.

Resolution 4 is a special Resolution and will be passed only if supported by 75% of the votes cast by Members present and eligible to vote at the Meeting.

Voting exclusion statements

Resolution 1 - Remuneration Report

A vote may not be cast (in any capacity) on Resolution 1 by or on behalf of any of the following persons:

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

However, a person described in (a) or (b) may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed Resolution; and
- (d) the vote is not cast on behalf of a person described in (a) or (b).

Resolution 4 – 10% Placement Capacity

The Company will not disregard a vote if it is cast 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.

At the date of the Notice the Company had not approached any Member or an identifiable class of Members to participate in the issue of equity securities. No Member's vote will therefore be excluded under the voting exclusion statements in the Notice.

Members should be aware that the Directors and their Associates may not participate in the placement of any equity securities pursuant to this Resolution by virtue of the restrictions contained in LR 10.11 relating to placements of securities to related parties.

Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

By order of the Board
OCTANEX LIMITED.



Robert Wright
Company Secretary
20 October 2017

Explanatory Notes to the Business of the Meeting

Note 1: Annual Financial Report of the Company

The Consolidated Financial Statements and related reports for the last financial year are contained in the Company's 2017 Annual Report and will be laid before the Meeting. While no Resolution is required, Members are encouraged to ask questions of the Directors and the Auditor and make comments on the Consolidated Financial Statements and reports.

The Auditor responsible for preparing the Auditor's Report for the year ended 30 June 2017, (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Members to ask the Auditor questions about the:

- (a) conduct of the audit;
- (b) preparation and content of the Auditor's Report;
- (c) accounting policies adopted by the Company in relation to the preparation of the Consolidated Financial Statements; and
- (d) independence of the Auditor in relation to the conduct of the audit.

To assist the Directors and the Auditor in responding to questions, please submit your questions by mail to Octanex Limited, Level 21, 500 Collins Street, Melbourne 3000 or by fax to +61 (0)3 8610 4799 or by email to admin@octanex.com.au so they are received by no later than 5:00pm (AEDT) on Wednesday, 22 November 2017, being five (5) business days prior to the Meeting.

As required under section 250PA of the Corporations Act, at the Meeting the Company will distribute a list setting out the questions directed to the Auditor that have been received in writing from Members, being questions the Auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Consolidated Financial Statements for the year ended 30 June 2016. The Chairman will allow reasonable opportunity for the Auditor to respond to the questions set out in this list.

Note 2: Resolution 1 - Remuneration Report

The Remuneration Report, which is included in the Directors' Report section of the Company's 2017 Annual Report, will be laid before the Meeting. While the Resolution to adopt it is not binding on the Company or the Directors, Members are encouraged to ask questions and make comments on the Remuneration Report. You should also note that voting restrictions apply in relation to voting on the Remuneration Report.

Note 3: Resolutions 2 and 3 - Re-election and election of Directors

The Company's Constitution (**Constitution**) requires that at every Annual General Meeting one third of the Directors (other than the Managing Director) shall, by rotation, retire from office and provides that such Director or Directors are eligible for re-election. Suhnylla Kler and Datuk Kevin How Kow retire by rotation and are seeking re-election at the Meeting. The Directors, other than Suhnylla Clark and Datuk Kevin How Kow, unanimously recommend all Members vote in favour of the re-election of Suhnylla Kler and Datuk Kevin How Kow. Biographical information for each of Suhnylla Kler and Datuk Kevin How Kow can be found in the Company's annual report and on the company's website: www.octanex.com.au.

Note 4: Resolution 4 - 10% Placement Capacity under Listing Rule 7.1A

Under Resolution 4, the Company is seeking Members' approval of a Special Resolution to renew the Company's capacity to issue the maximum number of additional equity securities permitted under ASX Listing Rule 7.1A. This Listing Rule (**LR**) permits the placement of new equity securities (calculated in accordance with LR 7.1A.2) of up to 10% of the number of fully paid ordinary shares (**Shares**) in the Company on issue 12 months before the issue date or the date of agreement to issue the additional equity securities (**10% Placement**). As Resolution 4 is a Special Resolution, it requires approval of 75% of the votes cast by Members present and eligible to vote at the Meeting. The 10% Placement may comprise any equity securities as defined by ASX Listing Rules.

As at the date of the Notice, the Company has not issued any equity securities under LR 7.1A.2 pursuant to the approval provided by Members at the 2016 Annual General Meeting.

Eligibility criteria

Under LR 7.1A an eligible entity may, subject to shareholder approval by way of special Resolution, make such a 10% Placement in addition to the 15% new issue capacity available to ASX-listed entities under LR 7.1. An eligible entity for the purposes of LR 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is not included in the S&P/ASX 300 Index and has a market capitalisation of significantly less than \$300 million, so is an eligible entity.

Placement capacity under Listing Rule 7.1A

As at the date of this Notice, the Company had 272,712,947 ordinary shares on issue, of which 242,712,947 were fully paid. Therefore, in addition to any equity securities it can issue under LR 7.1, if Resolution 4 is approved, the Company will have capacity to issue up to 24,271,295 equity securities under LR 7.1A, being up to 10% of the

242,712,947 fully paid ordinary shares presently on issue. However, the number of equity securities that may be issued under LR 7.1A may increase beyond 24,271,295, as the actual number of fully paid shares on issue may increase by the date of any issue that may be made should Resolution 11 be approved.

Minimum issue price

In accordance with LR 7.1A, equity securities issued under the 10% Placement can only be issued at a price that is equivalent to not less than 75% of the volume weighted average price (VWAP) of the Company's equity securities of the same class calculated over the 15 trading days on which trades in its Shares were recorded immediately before:

- the date on which the issue price of the equity securities is agreed; or
- the issue date (if the equity securities are not issued within five trading days of the date on which the issue price is agreed).

Placement period

Shareholder approval of the 10% Placement under LR 7.1A is valid from the date of the Meeting until the earlier to occur of:

- 12 months after the date of the Meeting; and
- the date of approval by Members of a transaction under LR 11.1.2 (a significant change to the nature or scale of activities) or LR 11.2 (disposal of main undertaking), or such longer period if allowed by ASX. (The approval of Members to the 10% Placement under LR 7.1A will cease to be valid in the event that Members approve a transaction under LR 11.1.2 or 11.2.)

Shareholder approval under LR 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or it is included in the S&P/ASX 300 Index at some time during the placement period; provided the Company meets the criteria under LR 7.1A on the date of the Meeting.

Dilution to existing shareholdings

If Resolution 4 is approved by Members and the Company issues equity securities under the 10% Placement, there is a potential risk of economic and voting dilution to existing Shareholders as a result.

Further, as the market price of the equity securities may be significantly lower on the issue date of the 10% Placement than on the date of approval at the Meeting, and because equity securities may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would based on current market prices.

The economic dilution will reflect that existing Shareholders who do not participate in the 10% Placement will have their underlying economic interests in the Company's assets diluted pro rata to the dilution in their shareholdings.

Additionally, as the issue price of any equity securities issued under the 10% Placement capacity may be at a discount to the equivalent VWAP of the Company's Shares traded over the 15 trading days prior to their issue price being set or the equity securities being issued, a further economic effect of such a placement may be a reduction in the market price or value of their then existing equity holding in the capital of the Company. Whether such a reduction in market price or value occurs, and if so for how long it continues, will depend on factors not presently known, including the purpose for which the 10% Placement may be made. The converse outcomes may also occur.

It is not possible to set out further economic effects which may arise from the 10% Placement, as they are unknown in advance of such a placement being made.

Details of all issues of equity securities by Octanex during the 12 months preceding the date of the meeting as required by Listing Rule 7.3A6.

No equity securities were issued by Octanex during the 12 months preceding the date of the meeting, however, at the annual general meeting on 24 November 2016, shareholders provided approval for the share capital of the Company to be reduced by:

- i. cancelling uncalled capital amounting to \$0.10 per share on each of the 67,078,910 ordinary shares paid to \$0.15 in the share capital of the Company (partly paid shares); and
- ii. the consolidation of the partly paid shares into fully paid shares on the basis that each five partly paid shares be consolidated into three fully paid shares.

Table showing various hypothetical scenarios as required by Listing Rule 7.3A.2

As required by LR 7.3A.2, the table below shows a number of hypothetical scenarios for the 10% Placement where Variable "A" in the formula in LR 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100% and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of this Notice.

DILUTION				
Variable "A" in LR 7.1A.2 is presently 242,712,947 fully paid shares		10% Placement Issue Price \$0.045 (being a 50% decrease from current Share Price)	10% Placement Issue Price \$0.09 (being the current Share Price)	10% Placement Issue Price \$0.18 (being a 100% increase in Issue Price above current Share Price)
Current Capital comprises 272,712,947 shares No increase in capital.	Number of Shares	24,271,295	24,271,295	24,271,295
	Funds raised (excluding capital raising costs) ¹	\$1,092,208	\$2,184,417	\$4,368,833
Variable A remains 242,712,947 fully paid shares 50% increase in capital ² to 364,069,420 shares by issue of 121,356,473 fully paid shares.	Number of Shares ^{2 3}	36,406,942	36,406,942	36,406,942
	Funds raised ¹	\$1,638,312	\$3,276,625	\$6,553,250
100% increase in capital ² to 485,425,894 shares by issue of 242,712,947 fully paid shares.	Number of Shares ³	48,425,891	48,425,894	48,425,894
	Funds raised ¹	\$2,179,165	\$4,358,330	\$8,716,660

¹ Rounded to nearest whole dollar

² All Shares placed are fully paid.

³ No of Shares rounded to nearest whole Share

The table has been prepared on the following hypothetical assumptions but the Company does not represent the assumptions will necessarily occur:

- the Company issues the maximum number of Shares available under the 10% Placement.
- any increase in Variable A (being the Company's issued share capital at the time of issue under the 10% Placement) is due solely to an issue of fully paid Shares which is an exception in LR 7.2; for example a pro-rata rights issue. However, a 15% placement under LR 7.1 does not increase Variable "A" for the purposes of calculating the placement capacity under LR 7.1A. It should be noted that Variable A could increase as a result of the Trustee Shares referred to in Note 16 to the Company's Financial Statements being sold by the Trustee as fully paid shares or by the

exercise of any options granted or agreed to be granted by the Company.

- the table shows only the effect of issues of fully paid shares under LR 7.1A, not under the 15% placement capacity available to ASX listed entities under LR 7.1.
- the table does not show the dilution that may be caused to any particular Shareholder by reason of placements of Shares under LR 7.1A, based on that Shareholder's holding at the date of the Meeting. For instance, Shareholders will have different outcomes depending on whether or not they participate in a pro-rata issue which has the effect of increasing Variable "A"; and
- the current price for fully paid shares is assumed to be \$0.09, being the price on 9 October 2017 when this Notice was prepared.

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Purpose of the 10% Placement

The Company may seek to issue equity securities under the 10% Placement:

- at a cash issue price, in which case the Company would use the funds for existing projects, to fund new venture opportunities, as working capital generally or for other corporate purposes; or
- for a non-cash consideration, such as for the acquisition of new assets or investments, subject to any applicable ASX requirements.

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

The most probable purpose of a 10% Placement will be to fund ongoing working capital generally or, if the Company should make any acquisition(s), fund or partially fund such acquisition(s).

If equity securities under the 10% Placement are issued for a non-cash consideration then the Company will provide, and release to the market, a valuation of the non-cash consideration that demonstrates the issue price of the equity securities under the 10% Placement complies with the requirements of LR 7.1A. Such a valuation may be provided by an independent expert or by the Directors, provided in the latter case the Directors have appropriate expertise to value the relevant non-cash consideration and the report contains a similar level of analysis and is of a similar standard to an independent expert's report.

Allocation policy

The allottees of any 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.

No priority of application will be accorded to existing shareholders and, unless the 10% Placement was made with disclosure, the allottees will be excluded offerees under section 708(8), 708(10) or 708(11) of the Corporations Act.

Subject to the above provisos, the Company will determine the allottees and the manner of their selection at the time of the issue of the 10% Placement, having regard for the following factors:

- the purpose of the issue of equity securities;
- 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;
- the effect of the issue of equity securities on the control of the Company;

- the circumstances of the Company including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisors (if applicable).

Recommendation

As at the date of the Notice containing these Explanatory Notes, the Company has no plans to raise additional capital utilising the 10% Placement authority provided by Resolution 4. However, many eligible resource companies are, as a matter of corporate prudence, seeking to obtain this form of available shareholder approval to enable capital raisings to be made, if appropriate, during the 12 months following the Meeting. Accordingly, Members' approval of Resolution 4 is considered prudent.

The Directors believe Resolution 4 will provide the Company with the flexibility to raise capital quickly if advantageous terms are available or if required for funding the Company and where doing so is in the best interests of the Company.

The Directors unanimously recommend that all Members vote in favour of Resolution 4.

Voting Generally

- The Company has determined that, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cwth), the holders of shares of the Company who are on the Company's share register as at 3.00pm (AEDT) on 27 November 2017 will be taken for the purposes of the Meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the Meeting.
- A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
- A proxy duly appointed need not be a Member.
- A proxy form accompanies this Notice and, to be effective, the executed proxy form and any document necessary to show the validity of the proxy form must be lodged with the Company not less than 48 hours before the time appointed for the Meeting. Any proxy form lodged after that time will be treated as invalid.

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- Directors and Officers of corporate shareholders should note that unless the corporate shareholder either:
 - (a) completes and lodges with the Company a valid form of appointment of proxy in accordance with the instructions on the enclosed proxy form; or
 - (b) completes and either lodges with the Company prior to the Meeting a form of appointment of personal representative in accordance with the provisions of Section 250D of the Corporations Act or causes such personal representative to attend the Meeting with such form of appointment; or
 - (c) has appointed an attorney,and such proxy, personal representative or attorney attends the Meeting, then such corporate shareholder will be unable to exercise any votes at the Meeting.
- Proxy and corporate appointment of representative forms may be returned to the Company in the manner detailed at point 6 on the reverse of the proxy form.
- Corporate shareholders should comply with the execution requirements set out above and on the reverse of the proxy form and otherwise comply with the provisions of Section 127 of the Corporations Act, as detailed at point 7 on the reverse of the proxy form.
- Completion of a proxy form will not prevent individual Members from attending the Meeting in person if they wish. Where a Member completes and lodges a valid proxy form and attends the Meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at the Meeting.
- Where a proxy form or form of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.

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PROXY FORM
OCTANEX LIMITED
(ABN 61 005 632 315)

The Company Secretary
Octanex Limited
Level 21
500 Collins Street
Melbourne, Victoria 3000

I/We (name of Member)

of (address).....

being a Member/Members of Octanex Limited (**Company**) HEREBY APPOINT

(name) or, failing that person, then the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at The Institute of Chartered Accountants in Australia on Level 18 of 600 Bourke Street, Melbourne, Victoria on Wednesday 29th November 2017 commencing at 3.00pm (AEDT) and at any adjournment thereof.

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

To indicate your instructions mark

If no directions are given my/our proxy may vote as he/she thinks fit or may abstain. Otherwise my/our proxy is to vote as follows:

	FOR	AGAINST	ABSTAIN
Resolution 1: Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of S. Kler as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Re-election of K. How Kow as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

Resolution 4: Approval of a 10% Placement Capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Chair's voting intention in relation to undirected proxies

Subject to the operation of the express voting exclusions contained in the Explanatory Notes to the Notice of Meeting, the Chair's intention is to vote an undirected proxy in favour of each resolution to be put to the Meeting, even if he has an interest in the outcome of the resolution/s. You should be aware that votes so cast by the Chair of the Meeting as your proxyholder will not be disregarded because of that interest.

If no direction is given above or if more than one box is marked in relation to a resolution, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of that resolution at the Meeting and any adjournment thereof.

If you are appointing more than one proxy, you must complete the following statement

My total voting right is _____ shares. This Proxy is appointed to represent _____ % of my voting right or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. If no direction is given above or if more than one box is marked in relation to a resolution, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of that resolution at the Meeting and any adjournment thereof.

Signature(s)

Date

Individual or
Joint Shareholder 1

Director/ Sole Director with no
Company Secretary

Joint Shareholder 2

Director/Company Secretary

Joint Shareholder 3

Sole Director & Sole Company
Secretary

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INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Member entitled to attend and vote at a General Meeting of the Company is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
2. A duly appointed proxy need not be a Member.
3. This proxy form and any document necessary to show the validity of the form must be lodged with the Company not less than 48 hours before the time appointed for the meeting. Any proxy lodged after that time will be treated as invalid.
4. In the case of joint holders of shares in the Company, all holders must sign.
5. Directors and Officers of corporate shareholders should note that unless the corporate shareholder either:
 - (i) completes and lodges with the Company a valid form of appointment of proxy; or
 - (ii) completes and lodges with the Company a form of appointment of or certificate of appointment of personal representative in accordance with the provisions of Section 250D of the Corporations Act (**Act**) or causes such personal representative to attend the meeting with such form of appointment or certificate; or
 - (iii) has appointed an attorney,

and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.

6. Proxy and corporate representative appointment forms may be returned to the Company by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Octanex Limited at its Registered Office:

Level 21
500 Collins Street
Melbourne
Victoria 3000
Facsimile: +61 (0)3 8610 4799

7. Corporate shareholders should comply with the provisions of Section 127 or Section 204A of the Act as applicable. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:
 - two directors of the company; or
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary - that director. In this case the signatory must state this next to their signature.

Section 204A of the Act permits a proprietary company that does not have a company secretary to validly execute an instrument appointing a proxy if it is executed by the sole company director of that company and the person signing the proxy states that next to their signature.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with section 127(1) or (2) or section 204A of the Act. This effectively means the status of the person(s) signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) or section 204A as applicable. In all cases the person or persons signing the instrument of proxy will be deemed to have warranted and represented to the Company that the proxy is executed in accordance with sections 129(5) and (6) of the Act or section 204A of the Act as relevant.

8. Where a Member completes and lodges a valid proxy form and attends a meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at that meeting.
9. Where a proxy form or form of appointment of or certificate of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.

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