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**HELIOS ENERGY LTD**

**ACN 143 932 110**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11am

**DATE:** 30 November 2017

**PLACE:** Level 1, 33 Ord Street, West Perth, WA, 6005

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9420 9300.***

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11am on 30 November 2017 at Level 1, 33 Ord Street, West Perth, WA, 6005.

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

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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 4pm (WST) on 28 November 2017.

### VOTING IN PERSON

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

### VOTING BY PROXY

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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, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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 member appoints 2 proxies and the appointment does not specify the proportion or number of the member'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 these changes to the Corporations Act in 2011 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 changes 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); and

- 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; and
- 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;
  - 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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

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To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017.”*

**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 (the **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:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) 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.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANTHONY BRENNAN

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

*“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Anthony Brennan, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR RICHARD HE**

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Richard He, a Director who was appointed as an additional director on 20 October 2017, retires, and being eligible, is elected as a Director.”*

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**4. RESOLUTION 4 – ELECTION OF DIRECTOR – MR NICHOLAS ONG**

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

*“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Nicholas Ong, a Director who was appointed as an additional director on 4 August 2017, retires, and being eligible, is elected as a Director.”*

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**5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

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

*“That, for the purpose 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 Shares on 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.

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**DATED: 25 OCTOBER 2017**

**BY ORDER OF THE BOARD**

**GARY STEINEPREIS  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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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 which are the subject of the business of the Meeting.

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## FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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

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### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 1.1 General

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

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 1.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

### 1.3 Previous voting results

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

### 1.4 Proxy voting restrictions

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

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

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

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

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

***If you appoint any other person as your proxy***

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

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## 2. RESOLUTIONS 2 – RE-ELECTION OF DIRECTOR

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

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

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. The Company currently has 4 Directors and accordingly 1 must retire.

Mr Anthony Brennan, who has served as a director since 2 July 2014 and was last re-elected at the Company's 2015 Annual General Meeting, retires by rotation and seeks re-election.

## **2.1 Biography**

### **Anthony Brennan (Non-Executive Chairman, age 60)**

Mr Brennan is a Chartered Accountant with a career of 30 years. He was previously a partner in an Australian national accounting firm, and has extensive hands on experience in financial management. Since leaving the accounting profession in 1990 he has played a leading role in a number of Australian resource companies, including the role of Managing Director and Chairman of a number of ASX or London Stock Exchange (LSE) listed companies.

In 2004 he founded Delta Capital Pty Ltd to provide boutique investment banking and corporate advisory service principally to the natural resources sector with a special focus on conventional and alternative energy companies.

## **2.2 Independence**

If elected the board does not consider Mr Brennan will be an independent director.

## **2.3 Board recommendation**

The Board (other than Mr Brennan) supports the re-election of Mr Brennan and recommends that Shareholders vote in favour of Resolution 2.

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## **3. RESOLUTIONS 3 AND 4 – ELECTION OF DIRECTORS**

Clause 13.4 of the Constitution requires that a person appointed as a Director during the period shall hold office only until the next following General Meeting and is then eligible for re-election.

### **3.1 Resolution 3 – Mr Nicholas Ong**

Mr Nicholas Ong, having been appointed by other Directors on 4 August 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### **Biography – Nicholas Ong (Non-Executive Director, age 39)**

Mr Ong spent seven years as a Principal Advisor at the ASX overseeing the listings of over a hundred public companies. He has since worked as a company secretary and director to listed companies, and has developed a wide network of private client advisers, high net worth individuals and sovereign fund managers.

### **3.2 Resolution 4 – Mr Richard He**

Mr Richard He, having been appointed by other Directors on 20 October 2017 in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seeks election from Shareholders.

#### **Biography – Richard He (Managing Director, age 48)**

Richard He is an entrepreneur and venture capitalist in natural resources with a particular focus on oil and gas. He currently resides in Houston and if elected, will run the Company from its Houston office.

Before moving to Houston to develop oil and gas opportunities, Richard was an investment banker and venture capitalist based in Shanghai and Beijing for more than 12 years with a capital markets practice and investment focus on Chinese equities listed on the major Chinese stock exchanges.

Over the past 11 years, he has been based in Houston, Texas and has invested in and managed exploration and production shale plays in Texas, USA. He is noted for his successful development of the Halliday Oil Field in the Woodbine tight sands play located in East Texas in which he was a joint venture participant. After drilling 14 successful fracked horizontal wells, the joint venture participants sold the Halliday Oil Field to Halcon Resources for US\$520m.

Richard holds a B.S. in Computer Science from Peking University in China.

### **3.3 Independence**

Due to his executive role with the Company, if elected the board does not consider Mr He will be an independent director.

### **3.4 Board recommendation**

The Board (other than Mr Ong with respect to Resolution 3 and Mr He with respect to Resolution 4) supports the re-election of Messrs Ong and He and recommends that Shareholders vote in favour of Resolutions 3 and 4.

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## **4. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **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 over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity 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 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement 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.

Resolution 5 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 5 for it to be passed.

## 4.2 ASX Listing Rule 7.1A

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

An Eligible Entity is one that, as at the date of the relevant annual 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.

The Company is an Eligible Entity.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 2 classes of Equity Securities on issue, being the Shares and Options (ASX Code: HE8 and HE8OA).

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:
  - (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and
  - (iv) 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 this Resolution 5:

(a) **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:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **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:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

**(10% Placement Capacity Period).**

(c) **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 5 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) 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	Dilution			
	Issue Price (per Share)	\$0.021 50% decrease in Issue Price	\$0.041 Issue Price	\$0.062 50% increase in Issue Price
1,283,672,964 (Current)	Shares issued	128,367,296 Shares	128,367,296 Shares	128,367,296 Shares
	Funds raised	\$2,631,530	\$5,263,059	\$7,894,589
1,925,509,446 (50% increase)	Shares issued	192,550,945 Shares	192,550,945 Shares	192,550,945 Shares
	Funds raised	\$3,947,294	\$7,894,589	\$11,841,883
2,567,345,928 (100% increase)	Shares issued	256,734,593 Shares	256,734,593 Shares	256,734,593 Shares
	Funds raised	\$5,263,059	\$10,526,118	\$15,789,177

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

**The table above uses the following assumptions:**

1. The current shares on issue are the Shares on issue as at 16 October 2017.
2. The issue price set out above is the closing price of the Shares on the ASX on 16 October 2017.
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. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) 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.

(d) **Purpose of Issue under 10% Placement Capacity**

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

- (i) as cash consideration in which case the Company intends to use funds raised to meet working capital requirements and to investigate additional acquisitions of projects to complement those projects; or
- (ii) as non-cash consideration for the acquisition of new projects or otherwise as consideration for services rendered by non-related third parties to the Company, where it is considered appropriate by the board to do so. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) **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:

- (i) the purpose of the issue;
- (ii) 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;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval under ASX Listing Rule 7.1A on 30 November 2016.

During the 12 month period preceding this date, the Company issued a total of 2,360,870,817 Equity Securities (consisting of 1,165,672,939 Shares and 955,197,878 quoted options), representing 2,001% of the total number of Equity Securities on issue at the commencement of that 12 month period which was 118,000,025.

The details of issues of all equity securities (quoted and unquoted) made in the 12 months preceding the date of the meeting are as follows:

<b>Date of issue</b>	7 April 2017	7 April 2017	7 April 2017	4 August 2017	19 June 2017	22 September 2017
<b>Number issued</b>	265,000,000	240,000,000	1. 650,000,000 shares 2. 216,666,675 options	1. 250,592,938 shares 2. 83,531,203 options	655,000,000 options	80,001
<b>Class</b>	Ordinary Shares	Performance rights	1. Ordinary Shares 2. Quoted Options	1. Ordinary Shares 2. Quoted Options	Quoted Options	Ordinary Shares
<b>Summary of terms</b>	Terms are set out in the Company's Constitution	The average daily production (net to the Company) (pre-royalty) from the leases that comprise the Presidio Oil Project in excess of 1,200 barrels of oil equivalent (boe)	1. Terms are set out in the Company's Constitution 2. Options exercise price \$0.02 on or before 31/12/2021	1. Terms are set out in the Company's Constitution 2. Options exercise price \$0.02 on or before 31/12/2021	Options exercise price \$0.02 on or before 31/12/2021	Terms are set out in the Company's Constitution
<b>Names of persons who received securities or basis on which those persons was determined</b>	Vendors of the Trinity and Presidio oil projects and CPS Capital Group Pty Ltd (or its nominee)	Vendors of the Trinity and Presidio oil projects	Participants in the Company's entitlement issue made pursuant to the prospectus dated 16 February 2017 ( <b>Entitlement Issue</b> )	Subscribers for shortfall to the Entitlement Issue ( <b>Shortfall Offer</b> ).	Issued to subscribers to the options offer under the Company's prospectus dated 16 February 2016	Holders of Quoted Options upon conversion of those Options.
<b>Price</b>	Non cash consideration	Non cash consideration	1. \$0.02 2. Free attaching to Shares issued under the Entitlement Issue on a 1:3 basis	1. \$0.02 2. Free attaching to Shares issued under the Shortfall Offer on a 1:3 basis	\$0.00001	\$0.02
<b>Discount to market price (if any)</b>	N/A	N/A	N/A – the securities of the Company were suspended from trading prior to issue	N/A – the securities of the Company were suspended from trading prior to issue	N/A – the securities of the Company were suspended from trading prior to issue	Closing price of Shares on 21/09/17: \$0.034 Issued at a discount of 41.18%
<b>Total cash consideration received</b>	Nil	Nil	1. \$13,000,000 2. Nil	1. \$5,011,858 2. Nil	\$6,300	\$1,600

<b>Amount of cash consideration spent</b>	N/A	N/A	Approx. \$8,500,000 to 30 September 2017	\$nil	\$nil	\$nil
<b>Use of cash consideration</b>	N/A	N/A	Completion of the acquisition of the Trinity Oil Project and the Presidio Oil Project, including reimbursement of incurred project costs  Operating costs, leasing costs and costs for the drilling of the wells on the Trinity Leases and Presidio Leases  Expenses associated with the Acquisitions  Working capital and general administration	Completion of the acquisition of the Trinity Oil Project and the Presidio Oil Project, including reimbursement of incurred project costs  Operating costs, leasing costs and costs for the drilling of the wells on the Trinity Leases and Presidio Leases  Expenses associated with the Acquisitions  Working capital and general administration	Working capital	Working capital
<b>Intended use for remaining amount of cash (if any)<sup>2</sup></b>	N/A	N/A	As above	As above	As above	As above
<b>Form of non-cash consideration</b>	240,000,000 Shares issued as part consideration for the acquisition of the Presidio and Trinity oil projects.  25,000,000 Shares issued as part consideration for lead manager and corporate advisory services.	Issued as part consideration for the acquisition of the Presidio and Trinity oil projects.	N/A	N/A	N/A	N/A
<b>Current value of that non-cash consideration</b>	\$10,600,000 <sup>1</sup>	\$Nil <sup>3</sup>	N/A	N/A	N/A	N/A

**Notes:**

1. Value is based on the closing price of the Shares (ASX:HE8) (\$0.04) on the ASX on 18 October 2017.
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
3. The current valuation of the performance rights is nil. This is consistent with the treatment in Note 13(f) in the Annual Financial Report. The probability to achieve the milestones has been assessed as Nil, hence no value has been attributed to the performance rights. Every one (1) performance right will vest into one (1) ordinary share in Helios Energy Ltd on achievement of the following milestone: The average daily production (net to the Company) (pre-royalty) from the leases that comprise the Presidio Oil Project in excess of 1,200 barrels of oil equivalent (boe).

**4.4 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 5.

**The Chairman intends to exercise all available proxies in favour of Resolution 5.**

**The Directors recommend that Shareholders vote IN FAVOUR of Resolution 5.**

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 3 of this Notice.

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

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

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

**Company** means Helios Energy Limited (ACN 143 932 110).

**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 A&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 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.

**Proxy Form** means the proxy form accompanying the Notice.

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

**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 2017.

**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.

**PROXY FORM**

**HELIOS ENERGY LTD  
ACN 143 932 110**

**ANNUAL GENERAL MEETING**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**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 vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11.00am WST on 30 November 2017 at Level 1, 33 Ord Street, West Perth, Western Australia, and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**Voting on Business of the Annual General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-Election of Director – Anthony Brennan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-Election of Director – Richard He	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-Election of Director – Nicholas Ong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of 10% Placement Capacity – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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.

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

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail in relation to this Proxy Form:** YES  NO

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## Instructions for Completing 'Appointment of Proxy' Form

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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:

(a) post to Helios Energy Limited, Level 1, 33 Ord Street, West Perth, WA 6005; or

(b) facsimile to the Company on facsimile number +61 (08) 9420 9399

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.**