
ALGAE.TEC LIMITED

ACN 124 544 190

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00 AM (WST)

DATE: Friday, 13 November 2015

PLACE: BDO
38 Station Street
Subiaco, Western Australia

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 9380 6790.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00 AM (WST) on Friday, 13 November 2015 at:

BDO
38 Station Street
Subiaco, Western Australia 6008

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00 AM (WST) on 11 November 2015.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the 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 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.

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 (ie 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 (ie 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 (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the director's report, the remuneration report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act, 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 2015.”

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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GARNET MCCONCHIE

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 ASX Listing Rule 14.4, Mr Garnet McConchie, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purposes of Listing Rule 7.1A, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. QUESTIONS AND COMMENTS

The Chairman will allow reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

Dated: 6 October 2014

By order of the Board

**Peter Hatfull
Director/Company Secretary**

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 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://algaetec.com.au/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 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.

2.2 Voting consequences

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 most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

2.3 Previous voting results

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

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following restrictions placed on certain proxies:

Proxy being appointed	Directed Votes	Undirected Votes
Key Management Personnel (other than the Chair) ¹	Can vote directed votes	Cannot vote undirected votes ³
Chair ²	Can vote directed votes	Can vote in accordance with intentions in Proxy Form ⁴
Other third party	Can vote directed votes	Can vote at discretion of Proxy

Notes:

- 1) Refers to 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.
- 2) Refers to the Chair (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).
- 3) Undirected proxies granted to these persons will not be counted in calculating the required majority if a poll is called on this Resolution.
- 4) The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GARNET MCCONCHIE

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides 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.

The Company currently has 2 Directors subject to retirement by rotation (this excludes Mr Peter Hatfull as Managing Director) and accordingly 1 must retire.

Mr McConchie, the Director longest in office since his last election, retires by rotation and seeks re-election. Mr McConchie was appointed a Director on 18 August 2008 and has continuously served as a Director since his appointment.

The Board (other than Mr McConchie) recommend shareholders vote in favour of the Resolution.

4. RESOLUTION 3 – 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 (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, 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 3 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 Rule 7.1.

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

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A 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 as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

The Company has a current market capitalisation of \$13,921,109. The calculation used for the purposes of this notice is the number of shares issued multiplied by \$0.042.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: AEB).

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 Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; 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 Shares under ASX Listing Rule 7.1 or 7.4.

4.3 Information required by ASX Listing Rule 7.3A

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

(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 on which the price is agreed, 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 Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General 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) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

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

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 Shares on issue as at the date of this Notice.

The table also shows the dilution impact where the number of Shares on issue (Variable A in the formula) changes and where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

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 Annual General 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.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	DILUTION			
	Issue Price (per Share)	\$0.021 50% decrease in Issue Price	\$0.042 Issue Price	\$0.084 100% increase in Issue Price
331,454,988 (Current Variable A)	Shares issued - 10% voting dilution	33,145,498 Shares	33,145,498 Shares	33,145,498 Shares
	Funds raised	\$696,055	\$1,392,110	\$2,784,221
497,182,482 (50% increase in Variable A)	Shares issued - 10% voting dilution	49,718,248 Shares	49,718,248 Shares	49,718,248 Shares
	Funds raised	\$1,044,083	\$2,088,166	4,176,332
662,909,976 (100% increase in Variable A)	Shares issued - 10% voting dilution	66,290,997 Shares	66,290,997 Shares	66,290,997 Shares
	Funds raised	\$1,392,110	\$2,784,221	\$5,568,443

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 upon the exercise of options or conversion of convertible notes) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are 331,454,988 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 5 October 2015.
3. The Company issues the maximum possible number of Shares under the 10% Placement Capacity.

4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.4.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the dilution is shown in each example as 10%.

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

The Company may issue Shares under the 10% Placement Capacity for the continued development and implementation of the Company's algae biofuel technology, development and construction of the Nowra Nutraceutical Project in New South Wales, and general working capital.

The Company may issue Shares either for cash or non-cash consideration.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Shares under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed issue.

The recipients of the Shares to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Shares 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 recipients 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 Shares on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is possible that the recipients under the 10% Placement Capacity will be vendors of the new assets or investments.

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

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2014 Annual General Meeting.

The total number of Equity Securities issued by the Company in the 12 months preceding the date of this Notice of Annual General Meeting is

70,001,862. The percentage those Equity Securities represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 23.8%. The table at Annexure A details all issues of Equity Securities by the Company during the 12 months preceding the date of this Notice.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

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

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

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 Shares under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. QUESTIONS AND COMMENTS

In accordance with the Corporations Act at the Annual General Meeting the Chair will provide an opportunity for Shareholders to ask questions and make comments in relation to the management of the Company.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4 of the Explanatory Statement.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

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

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

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

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

Proxy Form means the proxy form accompanying the Notice.

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 2015.

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

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in section 4 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price¹	Total Cash Consideration²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
9/10/14	434,702	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0575 Market Price \$0.07 Discount to market price 18%	\$25,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
20/10/14	434,702	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0575 Market Price \$0.07 Discount to market price 18%	\$25,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
22/10/14	367,911	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0646 Market price \$0.07 Discount to market price 7%	\$25,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
28/10/14	544,870	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0661 Market price \$0.07 Discount to market price 5%	\$36,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
7/11/14	375,924	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0665 Market price \$0.07 Discount to market price 5%	\$25,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
13/11/14	550,353	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0665 Market price \$0.08 Discount to market price 16%	\$36,600	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
19/12/14	20,000,000	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary	Reliance Industrial Investments and Holdings Limited Issued as placement for additional working capital as part of	Issue price \$0.07 Market price \$0.08 Discount to	\$1,400,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
		shares	a subscription agreement	market price 12%		development			
19/12/14	14,285,714	Unlisted options exercisable at \$0.07 on or before 18 December 2019	Reliance Industrial Investments and Holdings Limited as part of a subscription agreement	Nil	Nil	Nil			
5/1/15	370,645	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0675 Market price \$0.08 Discount to market price 16%	\$25,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
12/1/15	730,996	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0684 Market price \$0.07 Discount to market price 2%	\$50,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
15/1/15	1,062,074	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0706 Market price \$0.09 Discount to market price 21%	\$75,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
16/1/15	1 8,076,892	Convertible Note 1 convertible note convertible into 8,076,892 fully paid ordinary shares (based on conversion price of \$0.075)	China Finance Strategies Investment Holdings Ltd as part of the agreement to introduce Algae.Tec's technology into the greater China region	Issue price \$0.075 Market price \$0.08 Discount to market price 6%	USD\$500,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
17/3/15	1,000,000	Unlisted options exercisable at \$0.20 on or before 1 March 2018	Cross Border Ventures Ltd in return for the successful signing of the Algae. Tec Ltd and China Finance Strategies Investment Holdings Ltd agreement.	Nil	Nil	N/A	N/A	N/A	N/A
26/3/15	722,395	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0485 Market price \$0.06 Discount to market price 19%	\$35,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
1/5/15	560,164	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0446 Market price \$0.06	\$25,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
				Discount to market price 25%		development			
8/5/15	1,389,288	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0468 Market price \$0.06 Discount to market price 22%	\$65,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
12/5/15	3,095,232	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Partial conversion of bond issue to institutional investors	Issue price \$0.0485 Market price \$0.07 Discount to market price 30%	\$150,000	All cash paid has been spent. The funds raised from this issue of shares were used for general working capital and technology development	N/A	N/A	N/A
29/6/15	16,000,000	Unlisted options	Employee Options Scheme - Unlisted options exercisable at \$0.09 with an expiry date of 30 June 2019	Nil	Nil	N/A	N/A	N/A	N/A

NOTES -

¹ Market price is the closing price on the trading platform, excluding special crossings, overnight sales and ETO exercises.

² Number of Equity Securities issued multiplied by the issue price less costs of the issue.

PROXY FORM

**ALGAE.TEC LIMITED
ACN 124 544 190**

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 11:00 AM (WST), on Friday, 13 November 2015 at BDO, 38 Station Street Subiaco, Western Australia 6008, 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 Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Garnet McConchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Capacity	<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

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Corporate Specialists Pty Ltd, PO Box 2117, Warwick WA 6024; or
 - (a) facsimile: (within Australia) 08 6270 1161,
(outside Australia) +61 8 6270 1161
 - (c) [Email: admin@corporatespecialists.com.au]so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.