



Helios Energy Annual General Meeting

Notice of AGM

Helios Energy Limited (ASX: HE8) (**Helios** or the **Company**) advises that an Annual General Meeting (AGM) will be held at the offices of the Company, Level 3, 18 Richardson Street, West Perth Western Australia on 25 November 2021 commencing at 10am (Perth time).

In accordance with section 253RA of the Corporations Act 2001 (Cth), as inserted by section 31 of the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth) assented to on 13 August 2021, the Notice of Meeting is being made available to Shareholders (for whom an election by the recipient to receive documents in hard copy only is not in force) electronically and can be viewed and downloaded online at the following link: <https://www.heliosenergy ltd.com/investor-centre/announcements>

The Company encourages Shareholders to vote on resolutions via proxy form. Proxy forms can be lodged online, by post or in person, by following the proxy lodgement instructions on the proxy form. Proxy forms must be received by the Company's share registry Computershare by 10:00am (Perth time) on 23 November 2021.

The Australian government is implementing a wide range of measures to contain or delay the spread of Covid-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's ASX Announcement Platform at <https://www.asx.com.au> (ASX: HE8).

This release has been issued with the authorisation of the Board.

For further information, please contact:

John Palermo
Company Secretary

ASX Code: HE8

Directors

Hui Ye
Non-Executive Chairman
Richard He
Managing Director
Robert Bearden
Non-Executive Director
Nicholas Ong
Non-Executive Director
John Palermo
Company Secretary

Contact Details

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www.heliosenergy ltd.com

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**HELIOS ENERGY LTD
(ACN 143 932 110)**

NOTICE OF ANNUAL GENERAL MEETING

**Meeting to be held at the offices of the Company,
Level 3, 18 Richardson Street, West Perth Western Australia
on 25 November 2021 commencing at 10am (Perth time).**

This Notice and Explanatory Statement should be read in its entirety.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

**If Shareholders are in doubt as to how to vote, they should seek advice from their
accountant, solicitor or other professional adviser without delay.**

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HELIOS ENERGY LTD (ACN 143 932 110)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Helios Energy Ltd (ACN 143 932 110) will be held at the offices of the Company, Level 3, 18 Richardson Street, West Perth Western Australia on 25 November 2021 commencing at 10am (Perth time).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

AGENDA

Ordinary business

1. Financial Statements

To receive the Financial Statements for the year ended 30 June 2021.

Note: There is no requirement for Shareholders to approve these statements.

2. Resolution 1 – Adoption of the Remuneration Report

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

“To adopt the Remuneration Report for the financial year ended 30 June 2021.”

Note: This Resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company’s remuneration policies.

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 Mr Nicholas Ong as a Director

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

“That for the purposes of clause 13.2 of the Company’s Constitution and for all other purposes, Mr Nicholas Ong retires and, being eligible, is re-elected as a Director of the Company.”

4. Resolution 3 – Approval of additional placement capacity

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

“That for the purposes of Listing Rule 7.1A and for all other purposes, the issue of equity securities totalling 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 Statement, is approved.”

5. Resolution 4 – Ratification of issue of 30 July 2021

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 32,416,668 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who participated in the issue (including Mr Wentao Zhao, a substantial Shareholder); or
- (b) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 5 – Ratification of issue of 30 July 2021

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 200,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 6 – Ratification of issue of 4 March 2021

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 95,333,357 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who participated in the issue (including Mr Wentao Zhao, a substantial Shareholder); or
- (b) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 7 – Ratification of issue of 10 March 2021

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to

vote on the Resolution as the chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 8 – Ratification of issue of 10 March 2021

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 300,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting Entitlements

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 7pm (Perth time) on 23 November 2021.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company Secretary in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

By order of the Board.

Mr Hui Ye
Chairperson
20 October 2021

EXPLANATORY STATEMENT

1. Financial Statements

The Financial Statements are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The Company's auditor will be attending the Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

No vote will be taken on the Financial Statements. However, shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Financial Statements.

2. Resolution 1 – Adoption of the Remuneration Report

2.1 General

The Annual Report for the year ended 30 June 2021 contains the Remuneration Report which:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company;
- (b) sets out the remuneration details for each Director; and
- (c) sets out the details of any Share based compensation.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

The Chairperson of the Meeting will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the Meeting.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive meetings, Shareholders will be required to vote at the second of those meetings on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting must be held within 90 days at which all of the Company's Directors (other than the Executive Chairperson) who were in office at the date of approval of the applicable Directors' Report must go up for re-election.

2.2 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

3. Resolution 2 – Re-election of Mr Nicholas Ong as a Director

3.1 General

In accordance with clause 13.2 of the Company's Constitution, Mr Nicholas Ong retires, and being eligible, offers himself for re-election as a Director.

Mr Ong brings 16 years' experience in listing rules compliance and corporate governance. He is experienced in mining project finance, mining and milling contract negotiations, mine CAPEX & OPEX management, and toll treatment reconciliation. Mr Ong is a Fellow of the Governance Institute of Australia and Fellow of Institute of Chartered Secretaries and Administrators. He holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. He has since worked as a company secretary and director to listed companies.

3.2 Recommendation

The Board (excluding Mr Ong) recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Approval of additional placement capacity

4.1 General

The Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under Listing Rule 7.1A (**10% Placement**).

This Resolution is a special resolution and requires approval of 75% of the votes cast by Shareholders present and eligible to vote. The only securities that the 10% Placement can cover are existing quoted securities, namely ordinary fully paid Shares.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval as provided for in Listing Rule 7.1A, and will remain subject to the 15% limit on issuing equity securities without Shareholder approval as provided for in Listing Rule 7.1.

As at the date of this Notice, the Company has a market capitalisation of \$270,677,121.¹

4.2 Eligibility criteria

Under Listing Rule 7.1A, an eligible listed entity may, subject to shareholder approval by way of special resolution, issue Shares comprising up to 10% of its

¹ Based on a closing market price for each Share of \$0.155 and a total of 1,746,304 Shares on issue on 19 October 2021. Nb. The Company also has listed options on issue, however these have not been traded since June 2021.

issued share capital in addition to the normal 15% new issue capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 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 an eligible entity.

4.3 Placement capacity under Listing Rule 7.1 and 7.1A

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under Listing Rule 7.1. As at the date of finalisation of this Notice, the Company has 1,746,304,004 Shares on issue and therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it has the (potential) capacity to issue:

- (a) 261,945,600 Shares under Listing Rule 7.1; and
- (b) 174,630,400 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula in Listing Rule 7.1A.2.

In summary, Listing Rule 7.1A.2 would apply to the Company as follows:

If the Company has obtained the approval of Shareholders at the Meeting (ie. if this Resolution is passed), the Company may issue or agree to issue, during the approval period (ie. the 12 month period after the date of the Meeting, or until the time and date of the Company's next annual general meeting, in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), the time and date of such approval, whichever occurs first), a number of Shares calculated in accordance with the following formula:

$$(A \times D) - E$$

Where²:

A = The number of Shares on issue 12 months before the date of issue or agreement,

- plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2 (which contains numerous exceptions to Listing Rule 7.1 and Listing Rule 7.1A, including in relation to issues of Shares pursuant to pro-rata issues, under off-market bids, mergers by scheme of arrangement or approved employee incentive schemes, or certain issues of preference shares, etc – refer to Listing Rule 7.2 for full details), other than exceptions 9, 16 or 17,

² Nb. The explanation of the formula components should be read in conjunction with the definitions and rules of interpretation in the Listing Rules.

- plus the number of Shares issued in the 12 months upon the conversion of convertible securities such as options within exception 9 of Listing Rule 7.2 where:
 - the convertible securities were issued or agreed to be issued before the 12 months; or
 - the issue or agreement to issue of the convertible securities was approved, or taken to be approved under the Listing Rules, under Listing Rules 7.1 or 7.4,
- plus the number of Shares issued in the 12 months under an agreement to issue securities within exception 16 of Listing Rule 7.2 where:
 - the securities were issued or agreed to be issued before the 12 months; or
 - the issue or agreement to issue of the securities was approved, or taken to be approved under the Listing Rules, under Listing Rules 7.1 or 7.4,,
- plus the number of partly paid Shares that became fully paid in the 12 months,
- plus the number of Shares issued with Shareholder approval under Listing Rule 7.1 (ie. the 15% capital raising approval requirement rule) or Listing Rule 7.4 (which relates to subsequent approvals by Shareholders of an issue of equity securities),
- less the number of Shares cancelled in the previous 12 months.

D = 10%.

E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

4.4 Minimum issue price

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

- (a) the date on which the issue price of the Shares is agreed; or
- (b) the issue date (if the Shares are not issued within 10 trading days of the date on which the issue price is agreed).

The Company notes that equity securities issued in accordance with Listing Rule 7.1A must be issued for cash consideration.

4.5 Placement period

Shareholder approval under Listing Rule 7.1A is valid from the date of this Meeting until the earlier to occur of:

- (a) the date that is 12 months after the date of the Meeting;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

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

4.6 Dilution to existing shareholdings

If this Resolution is approved by Shareholders and the Company issues Shares under the 10% Placement, there is a risk of economic and voting dilution to existing Shareholders as a result.

Further, as the market price of the Company's Shares may be significantly lower on the issue date than on the date of Meeting approval, and because the Shares 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.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement where variable "A" in the formula in Listing Rule 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 finalisation of this Notice.

| Share Capital (Variable 'A' in Listing Rule 7.1A.2) | | Dilution table | | |
|---|-------------------------|---------------------------------------|---------------------|---------------------------------------|
| | | \$0.078 (50% decrease in share price) | \$0.155 share price | \$0.31 (100% increase in share price) |
| Current Shares (1,746,304,004 Shares) | Number of Shares issued | 174,630,400 | 174,630,400 | 174,630,400 |
| | Funds raised | \$13,621,171 | \$27,067,712 | \$54,135,424 |
| 50% increase (2,619,456,006 Shares) | Number of Shares issued | 261,945,601 | 261,945,601 | 261,945,601 |
| | Funds raised | \$20,431,757 | \$40,601,568 | \$81,203,136 |
| 100% increase (3,492,608,008 Shares) | Number of Shares issued | 349,260,801 | 349,260,801 | 349,260,801 |
| | Funds raised | \$27,242,342 | \$54,135,424 | \$108,270,848 |

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The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- (a) the Company issues the maximum number of Shares available under the 10% Placement;
- (b) any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of Shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue;
- (c) the table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (d) the table does not show the dilution that may be caused to any particular Shareholder by reason of placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting; and
- (e) the share price is assumed to be \$0.155, being the closing Share price on 19 October 2021.

4.7 Purpose of the 10% Placement

The Company may seek to issue Shares under the 10% Placement for cash consideration, which must comply with the minimum issue price noted above, and which may be used for working capital or for other corporate purposes.

4.8 Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the factors including the following:

- (a) the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- (b) the effect of the issue of the Shares on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement have not been determined as at the date of finalisation of this Notice and may include existing substantial Shareholders and/or new Shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

4.9 Issues under Listing Rule 7.1A

The Company previously obtained approval to issue equity securities pursuant to Listing Rule 7.1A at the annual general meeting held on 8 December 2020. Since that date, the Company has issued nil equity securities pursuant to Listing Rule 7.1A.

The Company has not issued any equity securities pursuant to Listing Rule 7.1A.2 in the 12 months preceding the Meeting.

4.10 Voting exclusion

A voting exclusion statement is not included in the Notice. At the date of finalisation of the Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing Shareholders to participate in the issue of the Shares. No existing Shareholder's vote will therefore be excluded from voting on the Resolution.

4.11 Previous approval

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 8 December 2020.

4.12 Recommendation

As at the date of finalisation of this Notice, the Company has no plans to raise additional capital. However, many eligible companies seek this form of available shareholder approval to enable a capital raising to be implemented if appropriate during the following year. Accordingly, shareholder approval of this Resolution is considered to be a prudent approach. The Directors believe that this Resolution will provide the Company with flexibility to raise capital quickly if advantageous terms are available, and is in the best interests of the Company.

The Board recommends that Shareholders vote in favour of Resolution 3.

5. Resolutions 4, 5, 6, 7 and 8 – Ratification of prior issues

5.1 General

Resolutions 4, 5, 6, 7 and 8 seek shareholder ratification of the following issues of equity securities:

- (a) 30 July 2021: issue of 32,416,668 Shares at an issue price of A\$0.15 to sophisticated investors being clients of CPS Capital Group Pty Ltd and Gleneagle Securities Pty Ltd (including Mr Wentao Zhao, a substantial Shareholder) for \$4,862,500.20.
- (b) 30 July 2021: issue of 200,000 Shares in exchange for services as lead manager to Gleneagle Securities Pty Ltd, for nil cash consideration.
- (c) 4 March 2021: issue of 95,333,357 Shares at an issue price of A\$0.12 to sophisticated investors being clients of CPS Capital Group Pty Ltd and Gleneagle Securities Pty Ltd (including Mr Wentao Zhao, a substantial Shareholder) for \$11,440,003.
- (d) 10 March 2021: issue of 100,000 Shares in exchange for services as joint lead manager to CPS Capital Group Pty Ltd, for nil cash consideration.
- (e) 10 March 2021: issue of 300,000 Shares in exchange for services as joint lead manager to Gleneagle Securities Pty Ltd, for nil cash consideration.

5.2 Listing Rule 7.4

Listing Rule 7.1 provides that a company must not issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period without shareholder approval.

Listing Rule 7.4 provides that where an issue of securities made without Shareholder approval under Listing Rule 7.1 is subsequently approved by Shareholders (and the issue did not breach Listing Rule 7.1), the issue of securities will be treated as having been made with approval for the purpose of Listing Rule 7.1.

By ratifying the issues of equity securities, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity under Listing Rule 7.1 and (subject to approval of Resolution 3) the additional 10% annual placement facility under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval. If the issues of equity securities are not ratified, the Company will not have this flexibility until 12 months has passed.

5.3 Technical information required by Listing Rule 7.4

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

Shares issued on 30 July 2021

- (a) The Shares were issued to sophisticated investors being clients of CPS Capital Group Pty Ltd and Gleneagle Securities Pty Ltd (including Mr Wentao Zhao, a substantial Shareholder).
- (b) 32,416,668 Shares were issued.
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued on 30 July 2021.
- (e) The issue price per Share was \$0.15.
- (f) The Company has used and intends to use the funds raised for working capital and to purchase additional oil and gas leases in the Presidio Oil Project located in Presidio County, Texas, USA.
- (g) There were no other material terms of the placement.
- (h) A voting exclusion statement is included in the Notice.

Shares issued on 30 July 2021

- (a) The Shares were issued to Gleneagle Securities Pty Ltd.
- (b) 200,000 Shares were issued.

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- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
 - (d) The Shares were issued on 30 July 2021.
 - (e) No cash consideration was received from this issue.
 - (f) The Company received services from Gleneagle Securities Pty Ltd as the joint lead manager of the placement.
 - (g) The material terms of the agreement pursuant to which the Shares were issued are set out at Part A of Schedule 1.
 - (h) A voting exclusion statement is included in the Notice.

Shares issued on 4 March 2021

- (a) The Shares were issued to sophisticated investors being clients of CPS Capital Group Pty Ltd and Gleneagle Securities Pty Ltd (including Mr Wentao Zhao, a substantial Shareholder).
- (b) 95,333,357 Shares were issued.
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued on 4 March 2021.
- (e) The issue price per Share was \$0.12.
- (f) The Company has used and intends to use the funds raised towards technology licensing, business development, BodyGuard go-to-market activities, device division development and go-to-market activities, and redemption of the non-related investor convertible notes, as well as providing for general working capital.
- (g) There were no other material terms of the placement.
- (h) A voting exclusion statement is included in the Notice.

Shares issued on 10 March 2021

- (a) The Shares were issued to CPS Capital Group Pty Ltd.
- (b) 100,000 Shares were issued.
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued on 10 March 2021.
- (e) No cash consideration was received from this issue.

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- (f) The Company received services from CPS Capital Group Pty Ltd as the joint lead manager of the placement.
 - (g) The material terms of the agreement pursuant to which the Shares were issued are set out at Part B of Schedule 1.
 - (h) A voting exclusion statement is included in the Notice.

Shares issued on 10 March 2021

- (a) The Shares were issued to Gleneagle Securities Pty Ltd.
- (b) 300,000 Shares were issued.
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued on 10 March 2021.
- (e) No cash consideration was received from this issue.
- (f) The Company received services from Gleneagle Securities Pty Ltd as the joint lead manager of the placement.
- (g) The material terms of the agreement pursuant to which the Shares were issued are set out at Part C of Schedule 1.
- (h) A voting exclusion statement is included in the Notice.

5.4 Recommendation

The Board recommends that Shareholders vote in favour of Resolutions 4, 5, 6, 7 and 8.

6. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

7. Glossary

\$ means Australian dollars.

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

Board means the board of Directors.

Chairperson means the person appointed to chair 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 on the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of this definition.

Company means Helios Energy Ltd (ACN 143 932 110)

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

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to the Notice.

Financial Statements means the financial reports, directors' declaration and reports, and the auditor's report for the Company.

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.

Listing Rules means the ASX Listing Rules.

Meeting means the annual general meeting the subject of this Notice.

Notice means this notice of meeting.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Statement.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

VWAP means volume weighted average price.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1

Part A – Engagement agreement with Gleneagle Securities Pty Ltd

In accordance with the engagement agreement between the Company and Gleneagle Securities Pty Ltd (**Lead Manager**), the Lead Manager agreed to act as lead manager and broker for the purposes of the placement.

Under this agreement, the Lead Manager agreed to, inter alia:

- (a) assist with managing and facilitating the placement; and
- (b) assist on a best endeavours basis to facilitate the placement.

In consideration for the provision of the services, the Company agreed to pay the Lead Manager the following fees:

- (c) 6% plus GST on all funds raised under the placement; and
- (d) 200,000 Shares (or to its nominee).

The agreement contains other terms and conditions considered standard for an agreement of this nature.

Part B – Engagement agreement with CPS Capital Group Pty Ltd

In accordance with the engagement agreement between the Company and CPS Capital Group Pty Ltd (**Joint Lead Manager**), the Joint Lead Manager agreed to act as joint lead manager and broker for the purposes of the placement.

Under this agreement, the Joint Lead Manager agreed to, inter alia:

- (a) assist with managing and facilitating the placement; and
- (b) assist on a best endeavours basis to facilitate the placement.

In consideration for the provision of the services, the Company agreed to pay the Joint Lead Manager the following fees:

- (c) 6% plus GST on all funds raised under the placement; and
- (d) 100,000 Shares (or to its nominee).

The agreement contains other terms and conditions considered standard for an agreement of this nature.

Part C – Engagement agreement with Gleneagle Securities Pty Ltd

In accordance with the engagement agreement between the Company and Gleneagle Securities Pty Ltd (**Joint Lead Manager**), the Joint Lead Manager agreed to act as joint lead manager and broker for the purposes of the placement.

Under this agreement, the Joint Lead Manager agreed to, inter alia:

- (a) assist with managing and facilitating the placement; and

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(b) assist on a best endeavours basis to facilitate the placement.

In consideration for the provision of the services, the Company agreed to pay the Joint Lead Manager the following fees:

(c) 6% plus GST on all funds raised under the placement; and

(d) 300,000 Shares (or to its nominee).

The agreement contains other terms and conditions considered standard for an agreement of this nature.

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Helios Energy Ltd

ABN 61 143 932 110

HE8

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Tuesday, 23 November 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Helios Energy Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Helios Energy Ltd to be held at Level 3, 18 Richardson Street, West Perth, WA 6005 on Thursday, 25 November 2021 at 10:00am (AWST) and at any adjournment or postponement of that meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. **Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Re-election of Mr Nicholas Ong as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Approval of additional placement capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Ratification of issue of 30 July 2021 - 32,416,668 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 Ratification of issue of 30 July 2021 - 200,000 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 Ratification of issue of 4 March 2021 - 95,333,357 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 Ratification of issue of 10 March 2021 - 100,000 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 Ratification of issue of 10 March 2021 - 300,000 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

