

GLOBAL ENERGY VENTURES LTD VARIATION TO SEA NG TRANSACTION AGREEMENTS AND GRANT OF ASX WAIVERS

HIGHLIGHTS:

- Further to Global Energy Ventures Limited's (**ASX: GEV**) (**Company**) announcement dated 13 September 2017, and as a result of discussions with the ASX, the Company has amended and restated the binding agreements dated 8 September 2017 to acquire 100% of Sea NG Corporation (**SeaNG**), a Calgary based compressed natural gas (**CNG**) marine transport technology company, and associated CNG intellectual property (**IP**) rights (together the **Transaction**).
- Consideration for the Transaction has been amended to be:
 - US\$0.585 million paid in cash;
 - The issue of 24,100,000 ordinary shares in GEV (**GEV Shares**); and
 - The issue of 15,850,000 performance shares in the capital of the Company (**Performance Shares**), with conversion based on certain future milestone events.
- The Company is also pleased to announce that the ASX has granted a waiver from ASX Listing Rule 1.1 condition 12, Listing Rule 2.1 condition 2, Listing Rule 9.1.3 and confirmation of ASX Listing Rule 6.1 to allow the completion of transactions associated with the Acquisition. The SeaNG Transaction is targeted for completion on or before 31 December 2017.

GEV has amended and restated the agreements for (i) the acquisition of SeaNG (**SeaNG Acquisition**) from holders of securities in SeaNG (**SeaNG Securityholders**); and ii) the acquisition of associated IP rights with the principal inventors (**IP Acquisition**) as follows:

A. Variation to the SeaNG Acquisition Agreement

GEV and SeaNG have agreed to vary the terms of the binding agreements for the SeaNG Acquisition to amend the consideration to be issued to the SeaNG Securityholders. In exchange for the Company acquiring all of the SeaNG Securities under the SeaNG Acquisition, the Company will:

- (a) issue 11,440,000 GEV Shares to the holders of common shares in SeaNG;
- (b) issue 11,440,000 GEV Shares and make a cash payment of US\$0.585 million to the holders of debentures in SeaNG; and
- (c) issue 1,220,000 GEV Shares to the holders of preferred shares in SeaNG, (together, the SeaNG Acquisition Consideration).

The GEV Shares to be issued as SeaNG Acquisition Consideration and which will be subject to escrow restrictions under Chapter 9 of the ASX Listing Rules will be issued to an independent trustee under a trust agreement to be entered into by the Company and the trustee.

B. Variation to the IP Acquisition Agreement

GEV and the original inventors have agreed to vary the terms of the binding agreements for the IP Acquisition to amend the terms for the consideration to be issued. In exchange for the Company acquiring all of the IP rights under the IP Acquisition, the Company will:

- (a) issue 15,850,000 Performance Shares; and

(b) such Performance Shares no longer subject to any latent liability provisions.

C. Grant of ASX Waivers

The Company is also pleased to announce that the ASX has granted a waiver from ASX Listing Rule 1.1 condition 12, Listing Rule 2.1 condition 2, Listing Rule 9.1.3 and confirmation of ASX Listing Rule 6.1 to allow the completion of transactions associated with the SeaNG Acquisition.

As previously announced, in connection with the SeaNG Acquisition, the Company intends to undertake a capital raising at an issue price of \$0.17 per GEV Share to raise A\$4,000,000 (**Capital Raising**).

The terms of the waivers and confirmation allows the Company to:

- (a) undertake the Capital Raising at an issue price of less than \$0.20 per GEV Share;
- (b) provide relief from escrow provisions to SeaNG Securityholders in receiving GEV Shares as consideration for the SeaNG Acquisition; and
- (c) issue Performance Shares in consideration for the IP Acquisition.

The terms of the waiver are set out in Annexure A attached to this announcement.

The Company will issue a notice of meeting to seek shareholder approval for the issue of both the SeaNG Acquisition Consideration and IP Acquisition Consideration.

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About Global Energy Ventures Ltd

The Company's mission is to create shareholder value through the delivery of integrated CNG solutions to global gas markets. CNG is a well proven technology with technical and commercial advantages along with being safe and environmentally friendly.

ANNEXURE A – FULL TERMS AND CONDITIONS OF ASX WAIVERS

ASX's formal decision reads as follows.

DECISION

1. Based solely on the information provided, in relation to the agreement entered into between Global Energy Ventures Limited (the "Company") and SeaNG Corporation ("SeaNG") to acquire 100% of SeaNG ("Acquisition") and the public offer to raise up to \$4,000,000 and the issue of the following securities:
 - 23,529,411 fully paid ordinary shares at an issue price of \$0.17 per share ("Shares") pursuant to a public offer made under a prospectus ("Public Offer");
 - 15,850,000 performance shares to the holders of intellectual property interests connected with SeaNG's business ("Performance Shares"); and
 - 12,000,000 class D, E and F performance rights to be issued to existing directors of the Company ("Performance Rights"),

ASX Limited ("ASX") does each of the following:

- 1.1. Grant a waiver from listing rule 1.1 condition 12 to the extent necessary to permit the exercise price of the Performance Rights proposed to be issued in conjunction with the Acquisition not to be at least \$0.20, on the following conditions.
 - 1.1.1. The terms of this waiver are immediately disclosed to the market and, along with the terms and conditions of the Performance Rights are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under listing rule 11.1.2 in respect of the Acquisition ("Notice") and in the prospectus to be issued in respect of the Capital Raising ("Prospectus").
 - 1.1.2. Security holders specifically approve the exercise price of the Performance Rights as part of the approvals obtained under listing rule 11.1.2 for the Acquisition.
- 1.2. Grant a waiver from listing rule 2.1 condition 2 to the extent necessary to permit the issue price of the Shares issued under the Public Offer ("Capital Raising Shares") not to be at least \$0.20 each on the following conditions:
 - 1.2.1. The issue price of the Capital Raising Shares is not less than \$0.02 each ("Issue Price").

- 1.2.2. The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Notice and in the Prospectus.
- 1.2.3. Security holders approve the Issue Price of the Capital Raising Shares as part of the approvals obtained under listing rule 11.1.2 for the Acquisition.
- 1.3. Confirms that the terms of the Performance Shares proposed to be issued by the Company as part consideration for the Acquisition are appropriate and equitable for the purposes of listing rule 6.1, subject to the following conditions.
 - 1.3.1. The Company obtains shareholder approval for the issue of the Performance Shares, and the Notice includes sufficient information about the terms and conditions of the Performance Shares including, if applicable, approval for the issue of the Performance Shares which are to be held by a related party pursuant to Chapter 2E of the Corporations Act 2001 (Cth).
 - 1.3.2. The Performance Shares are not quoted.
 - 1.3.3. The Performance Shares are not transferable.
 - 1.3.4. The Performance Shares do not have voting rights, subject to those required by law.
 - 1.3.5. The Performance Shares do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
 - 1.3.6. The Performance Shares do not carry an entitlement to a dividend.
 - 1.3.7. Each Performance Share is converted into one Share on achievement of the relevant milestone.
 - 1.3.8. If a Performance Share has not converted into a Share by the relevant expiry date, each of the Performance Shares will be cancelled for nil or nominal consideration per Performance Share.
 - 1.3.9. The Company makes an announcement immediately upon the conversion of any Performance Shares.
 - 1.3.10. The terms and conditions of the Performance Shares, including without limitation the relevant vesting

conditions that have to be satisfied before each class of Performance Shares is converted into Shares, are not to be changed without the prior approval of ASX and the Company's shareholders.

- 1.3.11. Upon conversion of the Performance Shares into Shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.
- 1.3.12. The Company discloses the following in each annual report, annual audited accounts, half-yearly report and quarterly cashflow report issued by the Company in respect of any period during which any of the Performance Shares remain on issue or were converted or cancelled.
 - (a) The number of Performance Shares on issue during the relevant period.
 - (b) A summary of the terms and conditions of the Performance Shares, including without limitation the number of Shares into which they are convertible and the relevant performance milestones.
 - (c) Whether any of the Performance Shares were converted or cancelled during that period.
 - (d) Whether any vesting conditions were met during the period.
- 1.3.13. The Company discloses the following in item 9 of each Appendix 3B lodged by the Company while any of the Performance Shares remain on issue.
 - (a) The number of Performance Shares on issue at the time of lodgement of the Appendix 3B.
 - (b) The conversion ratio of the Performance Shares into Shares upon achievement of a performance milestone.
- 1.3.14. The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Notice and in the Prospectus.
- 1.4. A waiver of listing rule 9.1.3 to the extent necessary to apply the restrictions in item 1 or item 2 of Appendix 9B (as applicable) to

securities to be issued by the Company to the SeaNG vendors as follows.

- 1.4.1. The shares issued to the SeaNG vendors who subscribed cash for their shares in SeaNG are treated as being held by related party or promoter seed capitalists, or unrelated seed capitalists, of the Company, as appropriate to each SeaNG vendor.
 - 1.4.2. Cash formula relief is applicable to those shares that are issued to persons who subscribed for their shares in SeaNG for cash consideration.
 - 1.4.3. For the purpose of determining the length of the escrow period for Shares issued to unrelated seed capitalist SeaNG vendors which are subject to 12 months escrow, the 12 months escrow period will be deemed to begin on the date on which the cash subscription for their SeaNG shares was made.
 - 1.4.4. For the purpose of determining the length of the escrow period for shares issued to related party or promoter SeaNG vendors which are subject to 24 months escrow, the 24 months escrow period will begin on the date of reinstatement to official quotation of the shares in the Company following its recompliance with chapters 1 and 2 of the listing rules.
- 1.5. Resolution 1.4 is conditional on the Company acquiring 100% of the issued capital of SeaNG and the entire business of SeaNG being acquired by the Company.
2. ASX has only considered the application of listing rules 1.1 condition 12, 2.1 condition 2, 6.1 and 9.1.3 only and makes no statement as to the Company's compliance with other listing rules.