

South East Asia Resources Limited

(Subject to Deed of Company Arrangement)

ABN 66 009 144 503

Notice of 2016 Annual General Meeting and Explanatory Statement

The 2016 Annual General Meeting of the Company will be held at:

Place: Level 5, 56 Pitt Street, Sydney NSW 2000

Time: 3.15 pm AEST

Date: Friday, 6 October 2017

This is an important document and should be read in its entirety. Please read it carefully.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. If you are unable to attend the 2016 Annual General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on the Proxy Form.

2016 Annual Report – The Company's 2016 Annual Report is available electronically at www.asx.com.au/asx/statistics/announcements.do. Printed copies of the Annual Report have been mailed to Shareholders who selected this option

South East Asia Resources Limited

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TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The 2016 Annual General Meeting of Shareholders of the Company will be held at:

Level 5, 56 Pitt Street Sydney, New South Wales, 2000	Commencing: 3.15 pm (AEST) on Friday, 6 October 2017.
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How to Vote

You may vote by attending the 2016 Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the 2016 Annual General Meeting on the date and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Meeting as soon as possible and either:

- send the proxy by facsimile to the Company Secretary on facsimile number +61 2 8823 3188; or
- deliver to the Company at Level 5, 56 Pitt Street, New South Wales, 2000. so that it is received not later than 3.15 pm (AEST) on Wednesday, 4 October 2017.

Your proxy form is enclosed at the end of the Explanatory Statement.

Notes

A Shareholder of the Company who is entitled to attend and vote at an annual general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.

Where a voting exclusion applies, the Company need 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 to vote as the proxy decides 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.

In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date 7.00 pm AEST on Wednesday, 4 October 2017.

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NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice is hereby given that the 2016 Annual General Meeting of shareholders of South East Asia Resources Limited (Subject to Deed of Company Arrangement) (**Company** or **SEA**) is to be held at Level 5, 56 Pitt Street, Sydney, New South Wales, 2000 commencing at 3.15 pm (AEST) on Friday, 6 October 2017 (**2016 Annual General Meeting**)

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the 2016 Annual General Meeting. The Proxy Form and Explanatory Statement form part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the 2016 Annual General Meeting will be those who are registered as Shareholders at 7.00 pm (AEST) on Wednesday, 4 October 2017.

Capitalised terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

Agenda

Receipt of Financial and other Reports

To receive and consider the financial statements of the Company and the reports of the directors and the auditor in respect of the financial year ended 30 June 2016.

Resolution 1 - Adoption of Remuneration Report

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's Annual Report for the year ended 30 June 2016."

Note – the vote on this item is advisory only and does not bind the directors of the Company.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any of the Company's key management personnel (KMP) named in the Remuneration Report or by a closely related party of a KMP. However, the Company need not disregard a vote cast by a KMP or a closely related party of a KMP if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting a proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the KMP.

Further, the Company will not disregard a vote cast by the Chair of the meeting as a proxy, if the vote is not cast on behalf of a Restricted Voter and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

Resolution 2– Re-Election of Mr. Jakob (Kobi) Tsaban

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

"That Mr. Jakob (Kobi) Tsaban, who retires in accordance with clause 12.2 of the Constitution, and being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company."

Contingent Business of The Meeting

Resolution 3 - Board Spill Meeting (contingent resolution)

Note – the following resolution will only be put to the Meeting if at least 25% of votes cast on Resolution 1 (to adopt the remuneration report) are "against" that resolution at the 2016 Annual General Meeting and at the 2015 Annual General Meeting. If less than 25% of the votes cast on Resolution 1 are against that resolution at the 2016 Annual General Meeting or the 2015 Annual General Meeting, then there will be no second strike and Resolution 3 will not be put to the Meeting.

If put, the Meeting is to consider, with or without amendment, the following resolution as an **Ordinary Resolution**:

“That, as required by Division 9 of Part 2G.2 of the Corporations Act 2001(Cth):

- a) *a meeting of the Company’s members be held within 90 days of the date of this meeting (the Spill Meeting);*
- b) *all of the Directors in office when the Board resolution to approve the directors’ report for the financial year ended 30 June 2016 was passed (excluding the Managing Director), and who remain in office as Directors at the time of the Spill Meeting (Vacating Directors), cease to hold office immediately before the end of the Spill Meeting; and*
- c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*
- d) *in accordance with section 250W of the Corporations Act, where there are no Vacating Directors, the Company need not hold the Spill Meeting.”*

Please note that, if this Resolution is put to the Meeting, the following voting exclusions will apply.

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any of the Company’s key management personnel (KMP) named in the Remuneration Report or by a closely related party of a KMP. However, the Company need not disregard a vote cast by a KMP or a closely related party of a KMP if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting a proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the KMP.

Further, the Company will not disregard a vote cast by the Chair of the meeting as a proxy, if the vote is not cast on behalf of a Restricted Voter and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 3. Shareholders may also choose to direct the Chair to vote against Resolution 3 or to abstain from voting.

Other Business

To consider and deal with any other business that may be brought before the Meeting in accordance with the Constitution and the Corporations Act.

Dated this 5th day of September 2017

By Order of the Board

Gary Williams
Director

South East Asia Resources Limited

(Subject to Deed of Company Arrangement)

ABN 66 009 144 503

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the 2016 Annual General Meeting of the Shareholders of South East Asia Resources Limited (Subject to Deed of Company Arrangement) (**Company** or **SEA**) to be held at Level 5, 56 Pitt Street, Sydney, New South Wales, 2000 commencing at 3.15 pm (AEST) on Friday, 6 October 2017 (**2016 Annual General Meeting**).

Receipt of Financial and other Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2016 together with the Director's declaration and report in relation to the financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

The Company will not provide a hard copy of the Company's annual financial report to the Shareholders unless specifically requested to do so. The Company's annual financial report can be accessed on the Company's announcements page on ASX (using ASX code: SXI).

No resolution is required to be moved in respect of this item. Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

- The conduct of the audit;
- The preparation and content of the independent audit report;
- The accounting policies adopted by the Company in relation to the preparation of accounts; and
- The independence of the auditor in relation to the conduct of the audit.

Written questions may also be submitted to the Company's auditor on the content of the auditor's report in the 2016 Annual Report and the conduct of the audit. Such questions must be received by the Company Secretary at the Company's registered office no later than 5 business days before the meeting.

Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2016

The Remuneration Report appears within the Directors' Report in the Company's Annual Report and describes the remuneration practices of the Company and the rationale underpinning those practices.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Meeting. This resolution is advisory only and does not bind either the Company or its directors. However, the Board will consider the outcome of the vote and comments made by shareholders at the meeting on the remuneration report when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director / CEO) must stand for re-election.

There are restrictions on members of the KMP and their Closely Related Parties (in any capacity) and their proxies voting on Resolution 1, details of which are set out in the voting exclusion statement included in Resolution 1.

Any undirected proxies held by the Chair of the Meeting, other Directors or other KMP or their closely related parties for the purposes of Resolution 1 will be voted in favour of Resolution 1, subject to compliance with the Corporations Act.

Resolution 2 – Re-Election of Mr. Jakob (Kobi) Tsaban

Under the Constitution clause 12.2, at every annual general meeting, one third of the Directors must from time to time retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-election, or who have been longest in office since their appointment or last re-election or, if the Directors have been in office for an equal length of time, by agreement.

These requirements for a Director to retire do not apply to a Managing Director.

Accordingly, Mr. Jakob (Kobi) Tsaban, being a Director, retires by rotation at the Meeting and, being eligible, offers himself for re-election as a Director.

Mr. Tsaban is a qualified chartered accountant. He moved from Israel to Australia in 2007 and was appointed as the Chief Financial Officer for the South East Asia Resources group in January 2013. Mr. Jakob Tsaban is also Chief Financial Officer of ORH Limited (ASX: ORH) since 19 December 2013.

Directors' Recommendation

The Board (Mr. Tsaban abstaining) supports the re-election of Mr. Tsaban and recommends that Shareholders vote in favour of this resolution. The Chair intends to exercise all undirected proxies in favour of Resolution 2.

Contingent Business

Resolution 3 - Board Spill Meeting (Contingent Business)

Resolution 3 (the Spill Resolution) is a contingent resolution and will only be put to the Meeting and voted on if 25% or more of the votes cast on Resolution 1 are cast against the adoption of the 2015 remuneration report (considered at the 2015 Annual General Meeting) and the 2016 remuneration report (Resolution 1 of this 2016 Annual General Meeting), which means the Company would receive a "second strike". If less than 25% of votes cast are against the Remuneration Report at the 2016 Annual General Meeting or the 2015 Annual General Meeting, then there will be no "second strike" and Resolution 3 will not be put to the Meeting.

Mechanics of the potential Spill Meeting

Shareholders should note the following if the Spill Resolution is approved and a Spill Meeting is required to be held by the Company.

All of the Directors who remain in office as Directors at the time of the Spill Meeting and were in office when the Board resolution to approve the director's report for the financial year ended 30 June 2016 was passed (but excluding the Managing Director), being each of:

- (i) Mr. Kobi Tsaban;
- (ii) Mr. Gary Williams; and
- (iii) Mr. Wayne Knight;

(the Relevant Directors), will automatically vacate their office immediately before the end of the Spill Meeting unless they are willing to stand for re-election and are re-elected at the Spill Meeting. For the avoidance of doubt, this includes Mr. Kobi Tsaban despite this Director already being subject to re-election at the 2016 Annual General Meeting.

No voting exclusions will apply to any resolutions appointing Directors at a Spill Meeting. Accordingly, there is no barrier for any Shareholder exercising their voting rights to support the re-appointment of the existing Directors at a subsequent Spill meeting. If the Spill Resolution is passed, each of the Relevant Directors intends to stand for re-election at the Spill Meeting and if such Spill Meeting is held, may vote their own shares in support of their re-appointment.

Shareholders will be able to put forward their own nominees for consideration and potential election at the Spill Meeting.

The Corporations Act requires the Company to have a minimum of three directors. If, following the Spill Meeting, the Company has fewer than three directors (including the Managing Director), then the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be appointed, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

The 3rd edition of the ASX Corporate Governance Council's Corporate Principles and Recommendations recommend that a listed entity should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The Board also should be large enough to comprise a variety of perspectives and skills, and to represent the best interests of the Company as a whole. The skills and experience matrix of the current members of the Board may not be reflected in the Board elected as a result of the Spill Meeting.

Consequences of voting “for” the Spill Resolution

The impact of the Spill Resolution on the composition of the Board should be considered carefully by Shareholders.

If the Spill Resolution is put to the Meeting and passes:

The Company will need to incur expenses (including legal, printing, mail out and registry costs) which the board estimates will be in excess of \$10,000.

The Spill Meeting is likely to disrupt the Board and the Company’s focus away from core business operations due to the necessary diversions of resources and time towards organising the Spill Meeting.

There will be uncertainty as to the composition and continuity of the Board until the Spill Meeting is held. Such uncertainty may create instability within the Company and may have a negative effect on the Company’s share price, and potentially on its operations.

Board Comment and Recommendations:

If Resolution 3 is put to Shareholders and you support your current Directors and wish them to continue as Directors, you should vote against the Spill Resolution (Resolution 3).

If it is required to be put to the Meeting, the Board unanimously recommends that Shareholders vote against Resolution 3.

Enquires

Shareholders are encouraged to contact the Company Secretary on (+61 8) 6489 0600 if they have any queries in respect to the matters set out in the Notice and Explanatory Statement.

Glossary

In this Explanatory Statement and the Notice of Meeting:

2015 Annual General Meeting means the Annual General Meeting of the Company to be held at 3.00 pm (AEST) on Friday, 6 October 2017

2016 Annual General Meeting or **Meeting** means the Annual General Meeting of the Company to be the subject of the Notice of Meeting.

AEST time means Australian Eastern Standard Time as observed in Sydney, New South Wales.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the 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.

Closely Related Party has the meaning given to it in Section 9 of the Corporations Act.

Company or **SEA** means South East Asia Resources Limited (Subject to Deed of Company Administration) ABN 66 009 144 503 and its subsidiaries (where appropriate).

Constitution means the current constitution of the Company.

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

Deed of Company Arrangement or DOCA means the deed of company arrangement dated 16 April 2015 between the Company, the Administrators and the Directors and as varied.

Director means a director of the Company.

Eligible Persons means sophisticated and professional investors within the meaning of sections 708 (8) and (11) of the Corporations Act, and persons to whom section 708(1) of the Corporations Act applies.

Explanatory Statement means the Explanatory Statement to the Notice of Meeting.

Key Management Personnel or KMP has the meaning given to it in Section 9 of the Corporations Act.

Notice of Meeting means this notice of meeting.

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

Proxy Form means the proxy form attached to the Notice of Meeting.

Resolution means a resolution contained in this Notice of Meeting.

Section means a section of this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

Share Register means the register of members of the Company maintained by or on behalf of the Company.

Share Registry means Security Transfer Registrars Pty Limited.

Spill Meeting has the meaning given to that term in section 2 of this Explanatory Statement.

Spill Resolution has the meaning given to that term in section 2 of this Explanatory Statement.

Voting Exclusion means the exclusion of particular Shareholders from voting on a particular Resolution, as specified under that Resolution in the Notice of Meeting.

South East Asia Resources Limited
(Subject to Deed of Company Arrangement)
ABN 66 009 144 503
Proxy Form

The Company Secretary
South East Asia Resources Limited

By Delivery:
Level 5, 56 Pitt Street Sydney,
New South Wales 2000

By Post:
Level 5, 56 Pitt Street Sydney,
New South Wales 2000

By Facsimile:
Fax number: 02 8823 3188
International: +61 2 8823 3188

I/We ¹ _____
of _____

being a Shareholder of the Company and entitled to vote at the 2016 Annual General Meeting, hereby appoint ²

or failing such appointment, or if your named appointment fails to attend the 2016 Annual General Meeting, the Chairman of the 2016 Annual General Meeting as my/our proxy to vote for me/us on my/our behalf at the 2016 Annual General Meeting of the Company to be held at Level 5, 56 Pitt Street, Sydney NSW 2000 at 3.15 pm (AEST) Friday, 6 October 2017 and at any adjournment thereof in the manner indicated below or, in the absence of such directions, as he thinks fit. If no directions are given, the chairman will vote in favour of all of the resolutions.

The proxy is to vote for or against the Resolutions referred to in the Notice of Meeting as follows:

	For	Against	Abstain
Resolution 1 Adoption of the Remuneration Report for the year ended 30 June 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Jakob Tsaban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CONTINGENT BUSINESS

Note: Resolution 3 will only be considered at the Meeting if 25% of more of the votes cast on Resolution 1 are against that Resolution. If you mark "For" box to vote for Resolution 3, you are directing your proxy to vote for the holding of a special meeting of members to consider the spill for the whole of the Company's Board other than the Managing Director.

Resolution 3 Board Spill Meeting (contingent resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of shareholder

² Insert name and address of proxy

Proxy Notes

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies (an additional Proxy Form will be supplied by the Company on request). Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the meeting must produce the appropriate Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at Level 5, 56 Pitt Street Sydney NSW 2000 (facsimile 02 8823 3188 if faxed from within Australia or +61 02 8823 3188 if faxed from outside Australia) no later than 3.15 pm AEST on Wednesday, 4 October 2017.