

15 October 2020

SMALL HOLDING SALE FACILITY

Energy Action Limited (ASX:EAX, **Energy Action**) is establishing an opt-out share sale facility (**Facility**) for shareholders who hold less than A\$500 worth of fully paid ordinary EAX shares (**Small Holding**).

As at market close on 8 October 2020 (**Record Date**), the closing price of EAX shares on ASX was \$0.215 so a Small Holding is 2,325 shares or less. This represents approximately 214,535 ordinary Energy Action shares or 0.83% of Energy Action's total issued capital.

In accordance with Energy Action's Constitution and the ASX Listing Rules, the attached letter and Share Retention Form will be sent to all shareholders holding a Small Holding of shares as at the Record Date.

Shareholders with a Small Holding who wish to retain their shareholding need to give Energy Action written notice by returning the Share Retention Form so that it is received by no later than 7.00pm (Sydney time) on 4 December 2020 (**Closing Date**). Shares held by any other shareholder with a Small Holding as at the Closing Date will be sold by Energy Action.

Shareholders who continue to hold a Small Holding as at the Closing Date who wish to take advantage of the Facility and have their shares sold by Energy Action do not need to take any action.

Energy Action has instructed the trustee of the Energy Action Employee Share Trust, Pacific Custodians Pty Ltd (**Trustee**), to purchase the shares to be sold under the Facility at the price of A\$0.24 per share, with those shares to be held by the Trustee to satisfy entitlements under Energy Action's Tax Exempt Plan. The Trustee's maximum voting power in Energy Action immediately after completion of the sale of shares under the Facility will be 1.75%, assuming that all Small Holdings are sold under the Facility to the Trustee.

Energy Action has instituted the Facility to assist shareholders with Small Holdings to sell their shares without having to use a broker or pay brokerage, and to reduce the administration costs associated with maintaining a large number of Small Holdings.

Energy Action will bear the costs of sale including all stamp duty and government taxes and charges (except for tax on income or capital gains from the sale of shares, which will remain the shareholder's responsibility).

A summary of the key dates in relation to the Facility is set out below:

- Record Date – 7.00pm (Sydney time) on 8 October 2020
- Announcement to ASX – 15 October 2020
- Letters sent to shareholders with Small Holdings – 22 October 2020
- Closing Date (last date for receipt of Share Retention Forms) – 4 December 2020
- Payment date – 17 December 2020

Energy Action may modify these dates or suspend or terminate the Facility. Any modification, suspension or termination will be notified to shareholders through an announcement to the ASX.

The release of this announcement was authorised by the Board.

Further information:

John Huggart, CEO: **02 9633 6476**

Tracy Bucciarelli, CFO: **02 9633 6407**

About Energy Action

Energy Action is a leading provider of innovative Energy Procurement, Contract Management & Environmental Reporting, and Retail Services. As the energy market experts, we are committed to bringing innovation to energy category management and services, enabling our people to deliver cost savings, simpler category management and lower emissions for our clients through the best insights. We are authorised to provide financial product advice on electricity derivatives to wholesale clients under the Corporations Act AFSL no. 362843.

22 October 2020

Dear Shareholder

IMPORTANT NOTICE – Intention to Sell Your Small Holding of Energy Action Shares

We are writing to advise you that Energy Action Limited (**Energy Action or Company**) has established a small holding sale facility (**Facility**) for holders of parcels of Energy Action shares (**Shares**) with a market value of less than A\$500 (**Small Holding**) as at 7.00pm (Sydney time) on 8 October 2020 (**Record Date**).

Energy Action has instructed the trustee of the Energy Action Employee Share Trust, Pacific Custodians Pty Ltd (**Trustee**), to purchase the shares to be sold under the Facility at the price of A\$0.24 per share, with those shares to be held by the Trustee to satisfy entitlements under Energy Action's Tax Exempt Plan. The Trustee's maximum voting power in Energy Action immediately after completion of the sale of shares under the Facility will be 1.75%, assuming that all Small Holdings are sold under the Facility to the Trustee.

Energy Action will bear the costs of sale including all stamp duty and government taxes and charges (except for tax on income or capital gains from the sale of shares, which will remain the shareholder's responsibility).

Shareholders with a Small Holding on the Record Date (**Eligible Small Shareholdings**) who do not wish to participate have the ability to opt-out of participating in the Facility so as to retain their shareholding.

By facilitating the sale of Eligible Small Shareholdings, Energy Action expects to reduce the administrative costs associated with maintaining a large number of Small Holdings. The Facility will also enable investors with Small Holdings, who may otherwise find it difficult or expensive to dispose of their Shares through normal means, to dispose of their Small Holding in a cost effective manner without having to use a broker or pay brokerage.

As at market close on the Record Date, the closing price of Shares on ASX was A\$0.215 so a Small Holding is 2,325 Shares or less. This represents approximately 214,535 Shares or 0.83% of Energy Action's total issued capital. Our records show that you held a Small Holding as at the Record Date.

The Company intends to sell your Shares through the Facility to the Trustee, in accordance with clauses 94-107 of the Company's Constitution and the ASX Listing Rules, if the market value of your holding remains below A\$500 at 7.00pm (Sydney time) on 4 December 2020, unless you opt-out of participation in the Facility by following the opt-out procedure set out below. Payment will be made via a direct credit to your bank account at an Australian financial institution (where we have your details or upon nomination by you of a relevant bank account), or otherwise by cheque.

A summary of the key dates in relation to the Facility is set out below:

- Record Date – 7.00pm (Sydney time) on 8 October 2020
- Announcement to ASX – 15 October 2020
- Letters sent to shareholders with Eligible Small Shareholdings – 22 October 2020
- Closing Date (last date for receipt of Share Retention Forms) – 4 December 2020
- Payment date – 17 December 2020

Energy Action may modify these dates or suspend or terminate the Facility. Any modification, suspension or termination will be notified to shareholders through an announcement to the ASX.

If you do NOT wish to sell your Shares through the Facility, you must complete and return the attached form (**Share Retention Form**) to the address on the form so that it is received by 7.00pm (Sydney time) on 4 December 2020 (**Closing Date**). Please read the instructions on your

Energy Action (Australia) Pty Ltd Level 5, 56 Station Street, Parramatta NSW 2150
1300 553 551 | info@energyaction.com.au | www.energyaction.com.au

personalised Share Retention Form carefully before completing it. Note that if you follow these instructions, Energy Action will not be entitled to sell your Shares under this notice.

If you want to sell your Shares through the Facility, you do not need to take any action other than to continue to hold a Small Holding as at the Closing Date. Your Shares will be sold through the Facility after the Closing Date and the proceeds of the sale paid to you in accordance with the timetable. Any income or capital gains tax consequences arising from the sale of your Shares will be your responsibility.

Important Notices

Energy Action makes no recommendation as to whether you should participate in the Facility. If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility, you should consult your legal, financial or taxation adviser. The market price of Shares is subject to change from time to time. Current information on the price of Shares is available on the ASX website www.asx.com.au.

The attached Q&A Information Sheet sets out further details of the Facility, which you should read before making any decision. If you require information on how to complete the Share Retention Form please contact Link's information line on 1800 220 771.

By order of the Board

Murray Bleach
Chairman

Small Holding Sale Facility Q&A Information Sheet

1. What is a Small Holding?

A Small Holding (which is a parcel of Shares with a market value of less than A\$500 on the Record Date) will be any registered shareholding of less than 2,325 Shares based on the closing price of Shares of A\$0.215 on the Record Date. The Record Date for the purposes of determining holders of Small Holdings has been set at 7:00 pm (Sydney Time) on 8 October 2020.

2. Why is Energy Action doing this?

As outlined in the letter, by facilitating the sale of Eligible Small Shareholdings, the Company expects to reduce the administrative costs associated with maintaining a large number of Small Holdings. The Facility will also enable investors with Small Holdings, who may find it difficult or expensive to dispose of those Shares through normal means, to dispose of their Small Holdings in a cost effective manner without having to use a broker or pay brokerage.

Based on the register of ASX shareholders of Energy Action as at 7.00pm (Sydney time) on the Record Date, 179 of the Company's 426 shareholders hold an Eligible Small Shareholding.

If all shareholders with Eligible Small Shareholdings wish to sell their Shares under the Facility, there will be a 42% reduction (approximately) in the number of Energy Action shareholders (assuming no other change to the number of shareholders) that will result in significant administrative savings for the Company.

3. Does Energy Action have the authority to sell my Shares?

Under ASX Listing Rule 15.13 and clauses 94 -107 of Energy Action's constitution, Energy Action has the right to sell Small Holdings, unless a shareholder elects to retain their Shares before the Closing Date.

Pursuant to clause 99 of Energy Action's constitution, Energy Action, each of its directors and its company secretary may do all acts and things which Energy Action considers necessary or appropriate, as attorney on behalf of each shareholder who does not elect to retain their Shares before the Closing Date, to effect the sale of Shares through the Facility, including executing on such shareholder's behalf any necessary deeds, instruments or documents and delivery of these to the purchaser (further details below).

4. Who will be the purchaser of Shares sold under the Facility and at what price?

Energy Action has instructed the trustee of the Energy Action Employee Share Trust, Pacific Custodians Pty Ltd (**Trustee**), to purchase the Shares to be sold under the Facility at the price of A\$0.24 per Share, with those shares to be held by the Trustee to satisfy entitlements under Energy Action's Tax Exempt Plan. The power of attorney granted by shareholders to Energy Action, its directors and its company secretary under Energy Action's constitution (described above) will be utilised to facilitate the sale of Shares under the Facility, on behalf of Eligible Small Shareholders who do not follow the opt-out procedure and where the market value of their holding remains below A\$500 at 7:00pm (Sydney time) on 4 December 2020.

The Trustee's maximum voting power in Energy Action immediately after completion of the sale of Shares under the Facility will be 1.75% (representing 453,352 Shares), assuming that all Small Holdings are sold under the Facility to the Trustee. As at the date of this letter, the Trustee holds 238,817 Shares, representing 0.92% of the voting power in Energy Action.

Energy Action will bear the costs of sale including all stamp duty and government taxes and charges (except for tax on income or capital gains from the sale of Shares, which will remain the shareholder's responsibility).

When will my Shares be sold under the Facility?

The Shares (under the Facility, other than those held by Eligible Small Shareholders who follow the opt-out procedure) will be sold as soon as practicable after the Closing Date.

5. What are the key dates?

A summary of the key dates in relation to the Facility is as follows:

- Record Date – 7.00pm (Sydney time) on 8 October 2020
- Announcement to ASX – 15 October 2020
- Letters sent to shareholders with Eligible Small Shareholdings – 22 October 2020
- Closing Date (last date for receipt of Share Retention Forms) – 4 December 2020
- Payment date - 17 December 2020

6. What is the price of Energy Action's shares?

The sale price of Energy Action's shares on 13 October 2020 was A\$0.24. The share price changes frequently and more recent prices are available on the ASX website (www.asx.com.au) under the ASX code: EAX.

7. What if Energy Action's share price changes between the Record Date and Closing Date?

If Energy Action's share price on the ASX increases between the Record Date and Closing Date such that at the Closing Date the value of your Shares is equal to or greater than A\$500, your Shares will not be sold under the Facility and you will continue to retain your Shares.

8. When will the proceeds from the sale of Shares be sent to me?

Payment of the proceeds of sale (less any unpaid calls and interest) will be sent to you following settlement of the sale.

You will receive a transaction statement confirming the number of Shares you sold.

Payment will be made via a direct credit to your bank account at an Australian financial institution (where we have your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars to your postal address as shown in the share register, or if you are a joint holder to the address shown in the share register as the address of the member whose name first appears in the register.

9. If I buy more Shares, can I retain my holding?

Yes, if you buy more Shares before the Closing Date so that you hold Shares worth A\$500 or more on the Closing Date, your Shares will not be sold through the Facility. Any additional Shares must be registered by 7.00pm (Sydney time) on 4 December 2020 under the same name and address and with the same holder number (SRN or HIN) as set out in the Share Retention Form.

10. What if my Shares are held in a CHESS holding?

If your Shares remain in a CHESS holding at 7.00pm (Sydney time) on 4 December 2020, the Company may move those Shares to an issuer sponsored holding or certificated holding for the purposes of divestment and the Shares will then be sold through the Facility in accordance with clauses 94-107 of the Company's Constitution and the ASX Listing Rules.

11. Where can I get further information?

Should you have any questions concerning your shareholding or how the Facility will work, please contact Link's information line on 1800 220 771.

12. What if I hold multiple Small Holdings?

If you hold multiple holdings that, in isolation, are deemed to be Small Holdings, but when aggregated would constitute a parcel worth A\$500 or more, you can contact Link to have those holdings merged into one holding so that this is reflected on the register before the Closing Date. If you do not do this, each of your holdings will be treated as a separate Small Holding.

Important notes

Energy Action reserves the right to change any of the dates referred to in this letter by notice to the ASX or to vary, delay or cancel the sale of your Shares and not proceed with any sale of Shares at any time before your Shares are sold. This letter does not constitute advice nor a recommendation to buy, sell or hold Shares nor that the Facility is the best way to sell Shares. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.