

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this document and accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

ALTONA ENERGY PLC

(Registered in England and Wales with registered number 05350512)

Proposals relating to a re-organisation of share capital

and

placing of ordinary shares to raise £210,000 before expenses

Notice of a General Meeting of Altona Energy PLC, to be held at the offices of Welbeck Associates, 30 Percy Street, Fitzrovia, London W1T 2DB on Tuesday 31 October 2017 at 11.30 a.m. to consider the Capital Re-organisation, Placing and Resolutions set out on page 8 of this document.

To be valid, the Form of Proxy accompanying this document for the General Meeting (and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority) should be returned not less than 48 hours (excluding weekends and public holidays) before the time and date for which the General Meeting is convened, either by post or by hand (during normal business hours only) to The Company Secretary, Altona Energy Plc, c/o Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR.

CONTENTS

	<i>Page</i>
Letter from the Chairman of the Company	5
Notice of General Meeting	8
Proxy Form	13

EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Proxy
for General Meeting

11.30 a.m. on Friday 27 October 2017

General Meeting

11.30 a.m. on Tuesday 31 October 2017

Note:

The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified through the Regulatory Information Service.

DEFINITIONS

The following words and expressions have the following meanings in this document:

AIM	the AIM Market of the London Stock Exchange plc
Board	the board of directors of the Company
Capital Re-organisation	the re-organisation of the Company's share capital to be effected by Resolutions 1 and 2
Company	Altona Energy Plc
Director	a director of the Company
Existing Ordinary Shares	ordinary shares of £0.001 each in the capital of the Company
General Meeting	the general meeting of the Company convened for 31 October 2017 by the Notice of Meeting on page 8
New Ordinary Shares	the ordinary shares of £0.0001 each in the capital of the Company which result from the sub-division of the Existing Ordinary Shares to be effected by Resolution 1
Placees	Eaton Equities Ltd (company number 10478830) and Leon Hogan
Placing	the proposed placing of 420,000,000 New Ordinary Shares at a placing price of £0.0005 per share
Placing Shares	the 420,000,000 New Ordinary Shares to be subscribed under the Placing
Resolutions	the resolutions set out in the Notice of General Meeting on page 8 of this document

LETTER FROM THE CHAIRMAN OF THE COMPANY

Qinfu Zhang (*Chairman*)
Phillip Sutherland
Nicholas Lyth
Chi Ma

Registered Office:
30 Percy Street
Fitzrovia
London
W1T 2DB

13 October 2017

Dear Shareholder,

Recommended proposals relating to a re-organisation of the Company's share capital and a placing of ordinary shares to raise £210,000 before expenses

The purpose of this document is to explain the proposed Capital Re-organisation, the Placing and the Resolutions.

Background to and reasons for the Placing

On 25 September 2017 the Company announced that further studies were required at the Arckaringa coal project to establish the presence of dry coal in any of the areas covered by the Company's exploration licences. In addition, also on 25 September 2017, the Company announced that a default judgment had been entered against the Company for £238,680.68 in respect of a claim by a former director, who has alleged entitlement to a termination payment under a settlement agreement. On 11 October 2017, the Company announced that it had been successful in its application to the court to set aside the default judgment, which is consequently no longer a current liability for Altona. The Company will now proceed with its defence against the claim.

The services of Runge Pincock Minarco Global (specialist mining consultants) mentioned in the announcement of 25 September 2017, have not yet been engaged, pending detailed discussions, which are expected to take place in the next month, between the Company's Australian joint venture and WSP Australia Pty Ltd, regarding its report, which addresses the possibility of the conventional mining within the Company's licenced areas.

The Company has limited working capital and it has become necessary for the Board to undertake the Placing to provide additional funding.

The investors who are participating in the Placing (the "Placees") are experienced in the natural resources sector and have indicated that they will work closely with the existing Board to establish the best way to exploit the significant coal resources at the Arckaringa project.

The Company has agreed that the Placees may, for as long as the aggregate of their shareholdings in the Company is equal to or in excess of 15 per cent. of the Company's issued ordinary share capital, nominate up to two persons to be directors of the Company. The Placees have therefore proposed that Henry Kloepper joins the Board of Altona, subject to the passing of the resolutions at the General Meeting.

Mr. Kloepper is the Executive Chairman of URU Metals Limited (AIM: URU) and is CEO of Captor Capital Corporation. Until February this year, he was non-board CEO of Frontier Lithium Inc., which is developing a world-class lithium deposit in northwestern Ontario. Mr. Kloepper has worked in investment banking and structured finance throughout a 30 year career. He has held executive positions with JP Morgan, Citibank, Bank of America, and North American Trust, in Canada, the US and Europe.

The net proceeds of the Placing are expected to provide sufficient funding to meet Altona's immediate corporate costs.

Capital Re-organisation

Company law prohibits the issue of shares at a discount to their nominal value. The proposed Placing price per share is less than the nominal value (£0.001) of the Existing Ordinary Shares. Accordingly, it is necessary to carry out the Capital Re-organisation which will result in the nominal value of the New Ordinary Shares being £0.0001. This is achieved by sub-dividing each Existing Ordinary Share into one New Ordinary Share of £0.0001 and one Deferred Share of £0.0009.

The Deferred Shares are effectively valueless and, in accordance with current practice, the Company is to be given the right by Resolutions 2 and 3 to acquire them for nil consideration and cancel them.

Placing

The Placees have each conditionally agreed to subscribe for 210,000,000 New Ordinary Shares under the Placing at a subscription price of £0.0005 per share payable in full in cash on subscription. The New Ordinary Shares so subscribed, will rank *pari passu* with the other New Ordinary Shares which will be in issue following the passing of the Resolutions.

The placing commitments of the Placees are conditional upon:

- 1 The passing of the Resolutions;
- 2 Wintask Group Limited providing an irrevocable undertaking to vote the 230,000,000 Existing Ordinary Shares held by it (representing approximately 23.2 per cent. of the Company's issued share capital) in favour of the Resolutions; and
- 3 Admission of the Placing Shares to trading on AIM.

Condition (2) above has already been satisfied. It is expected that the Placing will be completed shortly after the passing of the Resolutions.

The Resolutions

The purpose and effect of the Resolutions may be summarised as follows:

- Resolutions 1 and 2 implement the Capital Re-organisation;
- Resolution 3 gives the Company the right to acquire the Deferred Shares for nil consideration and to cancel them;
- Resolution 4 authorises the Placing;
- Resolution 5 gives the Directors new authority to allot equity securities (meaning ordinary shares and instruments which entitle the holder to acquire ordinary shares) in addition to the Placing Shares, up to a nominal amount of £58,000. By way of illustration, if this authority were used in full to allot New Ordinary Shares, the number of shares authorised for allotment would be 580,000,000 since their nominal value is to be £0.0001; and
- Resolution 6 dis-applies statutory pre-emption rights in relation to the equity securities and shares authorised to be allotted by Resolutions 4 and 5.

The General Meeting

Notice of the General Meeting is on page 8 of this Circular, and contains the terms of the proposed Resolutions.

Action to be taken

Towards the end of this Circular, shareholders will find a Form of Proxy for use at the General Meeting.

Whether or not you propose to attend the General Meeting, **you are requested to complete and return the Form of Proxy as soon as possible**, and in any event so that it is received **no later than 11.30 a.m. on Friday 27 October 2017**. Completion and return of a Form of Proxy will not prevent you from attending the meeting and voting in person should you wish to do so.

Recommendation

The Board consider that the Capital Re-organisation and Placing are necessary to provide the Company with additional working capital to assist in funding its immediate obligations, and are therefore in the interests and for the benefit of the Company and shareholders generally.

Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions being proposed at the Extraordinary General Meeting, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holdings. Wintask Group Ltd which holds Existing Ordinary Shares representing 23.2 per cent. of the present issued share capital of the Company, has given an irrevocable undertaking to vote in favour of the Resolutions.

Yours faithfully,

Qinfu Zhang

Chairman

ALTONA ENERGY PLC

Notice of General Meeting

Notice is hereby given that a General Meeting of ALTONA ENERGY PLC (the "Company") will be held at the offices of Welbeck Associates, 30 Percy Street, Fitzrovia, London W1T 2DB at 11.30 a.m. on 31 October 2017 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions 1, 2, 4 and 5 will be proposed as ordinary resolutions and Resolutions 3 and 6 as special resolutions.

Ordinary Resolution

1. That each of the issued ordinary shares of £0.001 each in the capital of the Company be and it is hereby subdivided into one Ordinary Share of £0.0001 and one Deferred Share of £0.0009 ("Deferred Share"), having the rights and being subject to the restrictions set out in Resolution 2.

Ordinary Resolution

- 2.1 That conditionally upon the passing of Resolution 1 the rights and restrictions conferred upon and attaching to the Deferred Shares shall be as follows:

Dividends

- (i) The Deferred Shares shall have no right to participate in any dividend from the profits of the Company which are available for distribution.

Voting

- (ii) The holders of the Deferred Shares have no right to receive notice of or to attend or to vote at any General Meeting of the Company.

Return of capital

- (iii) The holders of the Deferred Shares have the right on a return of assets on liquidation or otherwise to receive out of the assets of the Company available for distribution such sum not exceeding the amount paid up on the Deferred Shares (excluding any premium) as may be available after payment to each holder of Ordinary Shares of the sum of £1,000 per Ordinary Share held by him.

Deferred Share certificates

- (iv) The holders of the Deferred Shares shall not be entitled to receive share certificates in respect of the Deferred Shares.

- 2.2 Save in the event of an offer for all the issued Deferred Shares or a purchase of the Deferred Shares by the Company (including for this purpose any person appointed in accordance with Resolution 2.3(a)) a holder of Deferred Shares shall not transfer all or any of his Deferred Shares to another person and any purported transfer shall be void and of no effect.

- 2.3 The Company shall have the right to purchase, in accordance with the Companies Act 2006 (or any re-enactment thereof, the "Act") all the Deferred Shares in issue at any time at an aggregate price of £1 (for all the Deferred Shares) out of the profits of the Company which would otherwise be available for distribution or out of the proceeds of a fresh issue of shares. Pending such purchase each holder of Deferred Shares shall be deemed to have irrevocably authorised the Company, at any time:

- (a) to appoint any person without prior notice to the holders of Deferred Shares to execute (on their behalf) a transfer thereof for no consideration to the Company or to such a person or persons as the Company may determine as custodian thereof and of any purchase consideration for the Deferred Shares, and
- (b) pending such transfer, to retain any certificate for the Deferred Shares.

- 2.4 Neither the Company nor any person appointed in accordance with paragraph 2.3 of this Resolution shall be obliged to account to any holder of Deferred Shares for purchase consideration otherwise due to him for Deferred Shares which is less than £1 in aggregate.

Special Resolution

3. That the purchase by the Company of all the Deferred Shares in issue at any relevant time for an aggregate consideration of £1 prior to 31 March 2019 is hereby authorised for the purposes of section 694 of the Companies Act 2006.

Ordinary Resolution

4. That the Directors be unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot up to 420,000,000 Ordinary Shares of £0.0001 each in the capital of the Company for cash at a subscription price of £0.0005 per share in accordance with and pursuant to the placing letters dated 11 October 2017 issued by the Company to Eaton Equities Limited and Leon Hogan respectively. The authority conferred by this resolution shall expire on 31 December 2017.

Ordinary Resolution

5. That in substitution for existing authorities to the extent unutilised other than the authority conferred by Resolution 4, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £58,000. The authority referred to in this resolution shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 31 December 2018. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require equity securities to be allotted after the expiry of the authority and the Directors are hereby authorised to allot equity securities in pursuance of such offer or agreement as if the authority had not expired.

Special Resolution

6. (a) That the Directors, pursuant to Section 570 of the Act, be empowered to allot Ordinary Shares of £0.0001 each in the capital of the Company for cash pursuant to the authority conferred by Resolution 4 as if Section 561 of the Act did not apply to any such allotment. The power conferred by this resolution shall expire on 31 December 2017.
- (b) That the Directors, pursuant to Section 570 of the Act, be empowered to allot Ordinary Shares of £0.0001 each in the capital of the Company for cash pursuant to the authority conferred by Resolution 5 as if Section 561 of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (i) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such Ordinary Shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory; and
 - (ii) the allotment, other than pursuant to (a) above, of equity securities:
 - (A) arising from the exercise of options and warrants outstanding at the date of this resolution; and
 - (B) other than pursuant to paragraph 6(b)(i) of this Resolution, up to an aggregate nominal value of £58,000

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire on 31 December 2018. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

If you are a registered holder of Ordinary Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by facsimile transfer to 01252 719 232 or by mail to:

The Company Secretary
Altona Energy Plc
c/o Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

In either case, the signed proxy must be received no later than 48 hours (excluding any part of a day which is not a working day) before the time of the meeting, or any adjournment thereof.

By Order of the Board

Stephen Ronaldson
Company Secretary

13 October 2017

Registered office:

30 Percy Street
Fitzrovia
London W1T 2DB

Notes to the Notice of General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by facsimile transmission to 01252 719 232; and
- received by Share Registrars Limited no later than 48 hours (excluding any part of a day which is not a working day) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding any part of a day which is not a working day) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at the date of this Notice, the Company's issued share capital comprised 991,956,853 ordinary shares of £0.001 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights exercisable as at the date of this Notice is 991,956,853.

Communications with the Company

11. Except as provided above, members who have general queries about the Meeting should telephone Nicholas Lyth (Director) on 0776-9906686 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

ALTONA ENERGY PLC

FORM OF PROXY FOR USE AT THE GENERAL MEETING

c/o Share Registrars Limited
The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR

I, a Member of **ALTONA ENERGY PLC** (hereinafter referred to as 'the Company') and entitled to vote, hereby appoint the Chairman, or as my proxy to attend, speak and vote for me and on my behalf at the General Meeting of the Company to be held on 31 October 2017 at 11.30 a.m. and at any adjournment thereof.

(Please indicate below how you wish your votes to be cast. If the form of proxy is returned without any indication as to how the proxy should vote on any particular matter, the proxy will vote as they think fit.)

	Resolutions	FOR	AGAINST	WITHHELD
Resolution 1	To sub-divide each existing ordinary share into one ordinary share of £0.0001 and one deferred share of £0.0009			
Resolution 2	To determine the rights and restrictions applicable to the deferred shares			
Resolution 3	To authorise the Company to purchase the deferred shares for a nominal sum			
Resolution 4	To authorise the Directors to allot up to 420 million ordinary shares of £0.0001 each at a subscription price of £0.0005 per share			
Resolution 5	To authorise the Directors to allot equity securities up to a maximum aggregate nominal value of £58,000 in addition to those authorised by Resolution 4			
Resolution 6	To dis-apply pre-emption rights in respect of the shares authorised to be allotted pursuant to Resolutions 4 and 5			

I/We authorise my/our proxy to act at his/her discretion in relation to any other business arising at the General Meeting (including in respect of the question whether to adjourn such meeting) and at any adjournment of such General Meeting.

Signature.....

Date

Full name

Address

.....

Notes:

1. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, speak and vote at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, speak and vote on his/her behalf.
2. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please insert his/her name and delete "the Chairman of the Meeting or".
3. Please indicate how you wish your proxy to vote by deleting either for or against. Unless otherwise instructed the person appointed a proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting on any particular resolution as he/she thinks fit.
4. A corporation must seal this form of proxy or have it signed by an officer or attorney or other person authorised to sign.
5. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members will be entitled to attend, speak and vote at the meeting if they are registered on the Company's register of members 48 hours excluding weekends and public holidays before the time appointed for the meeting or any adjournment thereof.
7. To be valid this form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must reach Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR not later than 48 hours before the time of the Meeting (excluding any part of a day which is not a working day). Lodgement of a form of proxy does not preclude a member from attending the Meeting and voting in person.
8. Any alteration to this form must be initialled.
9. The completion and return of a proxy card will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice.

