

14 July 2016

### Confirmations by Company

BidEnergy Limited (ACN 131 445 335) (formerly Cove Resources Limited) (**Company**) is pleased to confirm the following:

1. The offer under the Company's prospectus dated 29 April 2016 (**Prospectus**) is closed, and the conditions to the offer have been satisfied.
2. Capitalised terms which are not defined in this letter of confirmation have the meaning given to them in the Prospectus.
3. The Company has achieved the appropriate spread of shareholders, being at least 300 shareholders with each having a parcel of shares with a value of at least \$2,000, and at least 50% of the Company's ordinary shares are not held by related parties, excluding restricted securities.
4. The share sale and purchase agreement entered into between the Company and the shareholders of BidEnergy (Operations) Pty Ltd (formerly BidEnergy Pty Ltd) (**BidEnergy** or **Vendors**) has been completed with all conditions precedent being satisfied, including the issue of:
  - (a) 201,396,700 fully paid ordinary shares (**Vendor Shares**);
  - (b) 35,000,000 performance shares upon the achievement of milestone A (**Performance A Shares**);
  - (c) 35,000,000 performance shares upon the achievement of milestone B (**Performance B Shares**);
  - (d) 10,798,670 unquoted options, exercisable at \$0.10 each, expiring 30 September 2017 (**New Series A Cove Options**);
  - (e) 9,243,759 unquoted options, exercisable at \$0.125 each, expiring 31 December 2018 (**New Series B Cove Options**); and
  - (f) 23,514,921 unquoted options, exercisable at \$0.15, expiring three years from the date of issue (**New Series B Follow-on Cove Options**),

to the Vendors.

5. The Company has also issued the following securities:
  - (a) 11,060,722 performance rights to BidEnergy employees under the Company's long term incentive plan (**Performance Rights** or **Employee Offer**); and
  - (b) 25,000,000 unquoted options, exercisable at \$0.15 each, expiring 30 June 2019 to Cygnet Capital Pty Ltd (or its nominee) (**Advisory Options** or **Lead Manager Offer**).
6. The conditions to the Public Offer, Vendor Offer, Employee Offer and Lead Manager Offer have been satisfied.
7. There has been no material adverse change in the business, financial or trading position or assets, liabilities or profitability or prospects of the Company and BidEnergy.
8. There are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.
9. There have been no material subsequent events to alter the Company's consolidated statement of financial position as detailed in section 7 of the Prospectus.
10. The Company is in compliance with the ASX Listing Rules (**Listing Rules**) and in particular Listing Rule 3.1, all financial reports have been lodged and there are no outstanding documents required by Listing Rule 17.5.
11. The capital structure of the Company following completion of the Public Offer, Vendor Offer, Employee Offer and Lead Manager Offer is as follows:

Item	
Fully Paid Ordinary Shares	321,156,351
Class A Performance Shares	35,000,000
Class B Performance Shares	35,000,000
Listed Options, exercisable at \$0.10 each, expiring on 30 June 2019	28,430,000
New Series A Cove Options	10,798,670
New Series B Cove Options	9,243,759
New Series B Follow-on Cove Options	23,514,921
Advisory Options	25,000,000
Performance Rights	11,060,722

For personal use only

12. Subject to the Company's securities being reinstated to trading on the ASX, the following securities are expected to be classified by ASX as restricted securities and required to be held in escrow as set out below:

For personal use only

**Restricted securities (and required to be held in escrow for 24 months) issued to related vendors**

Holder	Class A Performance Shares	Class B Performance Shares	Fully Paid Ordinary Shares	New Series A Cove Options	New Series B Cove Options	Advisory Options	Performance Rights
Robert and Nancy Browning	1,160,571	1,160,571	4,178,396				
Auction Design Pty Ltd as trustee for Du Preez Family Trust	5,992,765	5,992,765	34,483,519				
Anthony Du Preez							212,706
Allinson Trauts Pty Ltd as trustee for Allinson Family Trust	2,532,154	2,532,154	14,570,501				
Carolyn Palmer	2,532,154	2,532,154	14,570,501				
Morris & Hay Pty Ltd as trustee for as trustee for B Macfarlane Family Trust	2,532,154	2,532,154	14,570,501				
Philip Murphy Investments Pty Ltd	1,688,103	1,688,103	9,713,667				
Ivonne Sobirin-Wenas	844,051	844,051	4,856,834				
Jesco D'Alquen	759,646	759,646	4,371,150				
Canaccord Genuity (Australia) Limited				10,798,670	9,243,759	17,000,000	
White Swan Nominees Pty Ltd						8,000,000	

Holder	Class A Performance Shares	Class B Performance Shares	Fully Paid Ordinary Shares	New Series A Cove Options	New Series B Cove Options	Advisory Options	Performance Rights
Clive Stuart Allinson							182,709
<b>Total</b>	<b>18,041,598</b>	<b>18,041,598</b>	<b>101,315,069</b>	<b>10,798,670</b>	<b>9,243,759</b>	<b>25,000,000</b>	<b>395,415</b>

For personal use only

**Restricted securities (and required to be held in escrow for 12 months) issued to unrelated vendors**

<b>Holder</b>	<b>Class A Performance Shares</b>	<b>Class B Performance Shares</b>	<b>Fully Paid Ordinary Shares</b>	<b>New Series B Follow-on Cove Options</b>
Blue Lagoon International Corporation	2,932,024	2,932,024	4,871,148	
Amadeus Consulting Pty Ltd as trustee for the Palmer Family Trust	69,986	69,986		267,246
George and Pollyanna Martin	246,182	246,182		389,961
IBM Investments Pty Ltd as trustee for the Macfarlane Orthopaedics Pty Ltd Superannuation Fund	205,738	205,738		324,513
Nailo Pty Ltd	1,406,752	1,406,752	5,594,723	
Bellwether Super Pty Ltd as trustee for the Craig Super Fund	1,140,173	1,140,173	1,560,849	1,628,019
Capital Accretion Pty Ltd as trustee for the Fortified Value Trust	712,168	712,168	1,896,823	389,961
Sapeame Pty Ltd as trustee for the Crowe Grilld No 2 Family Trust	711,465	711,465	1,894,291	389,961
Spring Plains Pastoral Co (Vic) Pty Ltd as trustee for the Spring Plains Trust	690,715	690,715	1,374,346	651,753
Merriwee Pty Ltd as trustee for the Merriwee Super Fund	644,293	644,293	1,207,210	651,753
G4 Investors Pty Ltd as trustee for the G4 Investors Trust	644,293	644,293	1,207,210	651,753

Holder	Class A Performance Shares	Class B Performance Shares	Fully Paid Ordinary Shares	New Series B Follow-on Cove Options
Andama Holdings Pty Ltd as trustee for the J & M Barlow Pension Fund	644,293	644,293	1,207,210	651,753
JJEP Pty Ltd as trustee of the J & E Maniatis Trust	644,293	644,293	1,207,210	651,753
St Baker Investments Pty Ltd as trustee for the ST Baker Trust	464,228	464,228	1,671,358	
RJIR Pty Ltd	547,227	547,227	1,150,503	2,091,609
Wilbow Group Pty Ltd	366,459	366,459	608,815	
Elsing Pty Ltd	281,350	281,350	1,118,945	
Mutual Trust Pty Ltd	282,757	282,757	825,251	196,344
Tom Cregan And Associates Pty Ltd	232,114	232,114	835,679	
Tacdbm Pty Ltd as trustee for the Cregan Family Trust	122,036	122,036	202,747	
Jonathan Edgar	205,738	205,738		324,513
BS Carter Superannuation Pty Ltd	205,738	205,738		324,513
LGC Superannuation Pty Ltd	205,738	205,738		324,513
Kitebrook Pty Ltd	205,738	205,738		308,151
Campbell Alder	48,885	48,885	81,212	
Alex Berezner	85,461	85,461		275,427

Holder	Class A Performance Shares	Class B Performance Shares	Fully Paid Ordinary Shares	New Series B Follow-on Cove Options
Daniel Baohm	17,936	17,936		32,724
UBS Nominees Pty Ltd	755,074	755,074		2,928,798
Stamina Pty Ltd	117,464	117,464		455,409
Todd Radons	42,203	42,203		155,439
Daniel Sharp	54,863	54,863		212,706
Derida No 2 Pty Ltd as trustee for the Derida No 2 Trust	33,762	33,762		130,896
Pachypus Pty Limited	33,762	33,762		130,896
18 Knots Ventures Pty Ltd as trustee for the Green Arrows Trust	67,172	67,172		261,792
R J & A Investments Pty Ltd as trustee for The Muller Morvan Family Trust	67,172	67,172		261,792
Bamburgh Pty Ltd as trustee for The Bamburgh Trust	327,070	327,070		1,268,055
Domain Investment Holdings Pty Ltd as trustee for the Peter Los Family Trust	100,934	100,934		392,688
CAMAC Investments Pty Ltd	100,934	100,934		392,688
Como Super Funds Pty Ltd as trustee for the Como Executive Superannuation Fund	304,035	304,035	406,061	231,795



Holder	Class A Performance Shares	Class B Performance Shares	Fully Paid Ordinary Shares	New Series B Follow-on Cove Options
JAM Ventures Pty Ltd as trustee for the Joel Mahemoff Family Trust	686,143	686,143		4,297,752
Instanz Nominees Pty Ltd as trustee for Hearts Trust				1,636,200
Instanz Employee Investments Pty Ltd as trustee for Instanz Investments Trust	304,034	304,034	406,061	231,795
<b>Total</b>	<b>16,958,402</b>	<b>16,958,402</b>	<b>29,327,652</b>	<b>23,514,921</b>

For personal use only

13. The Company's expected use of funds in the 12 month period following completion of the Public Offer and based on the actual funds raised remains the same as set out in section 1.11 of the Prospectus. Accordingly, the Company's expected use of funds in the 12 month period is as follows:

<b>Funds Available</b>	<b>Use of Funds</b>	<b>Percentage of Funds</b>
Existing cash reserves of BidEnergy <sup>1</sup>	\$3,761,042	32.86%
Existing cash reserves of the Company <sup>2</sup>	\$684,000	5.98%
Proceeds from the Capital Raising (before costs)	\$7,000,000	61.16%
<b>TOTAL</b>	<b>\$11,445,042</b>	<b>100.00%</b>
<b>Allocation of Funds<sup>3</sup></b>	<b>Use of Funds</b>	<b>Percentage of Funds</b>
Estimated business development, customer operations and general administration costs FY 2016-17	\$5,292,856	46.26%
Estimated software research and development budget FY 2016-17	\$2,197,322	19.20%
Estimated costs of the transaction	\$707,320	6.18%
Working capital <sup>4</sup>	\$3,247,544	28.36%
<b>TOTAL</b>	<b>\$11,445,042</b>	<b>100%</b>

**Notes:**

1. These funds represent existing cash held by BidEnergy at 1 March 2016.
2. These funds represent existing cash held by the Company at 1 March 2016.
3. The above table is a statement of the Board's intention as at the date of this letter of confirmation. As with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions. Consequently, the Board reserves the right to alter the way the funds are applied.
4. Working capital and corporate administration costs include the general costs associated with the management and operation of the business including administration expenses, management salaries, Directors' fees, rent and other associated costs.

The Board believes that its current cash reserves and the funds raised from the Public Offer will provide the Company with sufficient funding to achieve the Company's main objectives upon completion of the BidEnergy Acquisition, which are to:

- (a) develop the BidEnergy Product;
- (b) develop its channel strategy and product offering; and
- (c) expand BidEnergy's business into the market in the United States of America.

The above estimated expenditures will be subject to modification on an on-going basis depending on the results obtained from the Company's activities. Due to market conditions and the development of new opportunities or any number of other factors (including the risks outlined in

For personal use only

section 7 of the Prospectus), actual expenditure levels may differ significantly to the above estimates. The Company also intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in the above estimates.

For personal use only