



GB ENERGY LIMITED

ABN 30 118 758 946

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT AND

PROXY FORM

TIME: 9.00 am (WST)

DATE: 17 November 2010

PLACE: 6 Ord Street
WEST PERTH WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9321 1200.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.00am (WST) on 17 November 2010 at:

6 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the 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 enclosed Proxy Form and return by:

- (a) post to Advanced Share Registry Services, PO Box 1156, NEDLANDS WA 6909; or
- (b) facsimile to Advanced Share Registry Services on facsimile number (+61 8) 9389 7871.

so that it is received not later than 9.00 am (WST) on 15 November 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 9.00 am (WST) on 17 November 2010 at 6 Ord Street, WEST PERTH WA 6005.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are 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 Annual General Meeting are those who are registered Shareholders of the Company at 4.00 pm (WDST) on 15 November 2009.

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

AGENDA

1. ANNUAL FINANCIAL REPORT

To receive and consider the annual financial report of the Company together with the reports of the directors and the auditor for the financial year ended 30 June 2010.

The annual report has not been sent to members unless a member has specifically requested a hard copy.

The annual report is available on the Company website at: www.gbenergy.com.au

2. RETIREMENT OF MILES ASHTON

To receive and consider that, Miles Ashton, a director of the Company retires in accordance with clause 12.11 of the Company's constitution and, does not offer himself for re-election.

3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the financial year ended 30 June 2010 be adopted".

The vote on this resolution is advisory only and does not bind the directors of the Company.

4. RESOLUTION 2 – RE-ELECTION OF ANDREW ANDREJEWSKIS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Andrew Andrejewskis, a director appointed by the Board of Directors since the last Annual General Meeting, retires in accordance with Clause 12.17 of the Constitution of the Company and, being eligible, is re-elected as a director of the Company".

5. RESOLUTION 3 – RE-ELECTION OF GORDON HART

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, Gordon Hart, a director appointed by the Board of Directors since the last Annual General Meeting, retires in accordance with Clause 12.17 of the Constitution of the Company and, being eligible, is re-elected as a director of the Company”.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must 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.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form 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.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 15 November 2010 at 4.00pm WST.
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Mr Russell Barnett
Chairman

Dated: 13 October 2010

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9.00 am (WST) on 17 November 2010 at 6 Ord Street, WEST PERTH WA 6005.

The purpose of this Explanatory Statement is to provide information which the directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. ANNUAL REPORT

Section 317 of the Corporations Act requires the reports of the directors and of the auditors and the Annual Report, including the financial statements to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and the statements at the Annual General Meeting.

The Company's 2010 Annual Report is available at www.gbenergy.com.au. Those holders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting.

2. RETIREMENT OF MILES ASHTON

Clause 12.11 of the Constitution provides that at each Annual General Meeting one third of the directors shall retire from office. Miles Ashton retires from office in accordance with this requirement and does not offer himself for re-election.

3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

Section 300A of the Corporations Act sets out the information that should be included in the Remuneration Report. Section 250R(2) of the Corporations Act requires a resolution, that the Remuneration Report be adopted, be put to a vote of Shareholders at the Company's Annual General Meeting. The vote on this resolution is only advisory to the Company and does not bind the Board.

The Remuneration Report is set out in and forms part of the Director's Report within the Annual Report. The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- discusses the relationship between such policy and the Company's performance; and
- sets out remuneration details for each director.

Under section 250SA of the Corporations Act, Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The directors consider that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and the individual. On that basis, the directors unanimously recommend that members vote in favour of this advisory resolution.

Whilst there is no legal requirement to abstain from voting, the Company expects directors and the senior executives whose remuneration details are disclosed in the report not to vote on this item.

4. RESOLUTION 2 – RE-ELECTION OF ANDREW ANDREJEWSKIS

The Company's Constitution requires directors who are appointed during the year under clause 12.16 hold office only until the next annual general meeting after the appointment and is then eligible for re-election.

Andrew Andrejewskis, a geologist, was previously the Managing Director of SAPEX Limited, an oil and gas exploration company that was listed on the ASX in May 2007 (capitalised at \$14 million). In October 2008, SAPEX was merged into Linc Energy (at a value of \$104 million). He was also the Director-General of the Department of Mines & Energy in South Australia and has previously held a number of senior executive and Board positions in several companies. His petroleum experience includes technical, administration and management on projects in Australia, New Zealand, Indonesia, Far East Russia and Romania.

Andrew is currently the non-executive Chairman of Flinders Exploration Limited which is intending to proceed with an IPO listing on the ASX in late 2010.

The Board unanimously recommends that shareholders vote in favour of the re-election of Mr. Andrejewskis as a director.

5. RESOLUTION 3 – RE-ELECTION OF GORDON HART

The Company's Constitution requires directors who are appointed during the year under clause 12.16 hold office only until the next annual general meeting after the appointment and is then eligible for re-election.

Mr Gordon Hart has over 30 years experience in the stockbroking and merchant banking industry. He was instrumental in assisting SAPEX Limited listing on the ASX in 2007, and was retained as advisor to the board.

Gordon is a director of ASX listed Convergent Minerals Limited.

The Board unanimously recommends that shareholders vote in favour of the re-election of Mr. Hart as a director.

6. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9321 1200 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current 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.

Company means GB Energy Limited (ABN 30 118 758 946).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the explanatory statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

GB ENERGY LIMITED

ABN 30 118 758 946

PROXY FORM

APPOINTMENT OF PROXY

**GB Energy Limited
ABN 30 118 758 946**

I/We

being a Member of GB Energy Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 6 Ord Street, West Perth, Western Australia 6005 on 17 November 2010 at 9am (WST) and at any adjournment thereof.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Andrew Andrejewskis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Gordon Hart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolution and that the votes cast by the Chair of the meeting for such a Resolution other than as proxy holder will be disregarded because of that interest. The Chair intends to vote any such undirected proxies in favour of the Resolution. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

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.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signed this _____ day of _____ 2010

By:
Individuals and joint holders

Companies (affix common seal if appropriate)

GB Energy Limited

ABN 30 118 758 946

Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) Post to Advanced Share Registry Services, PO Box 1156, Nedlands WA 6909; or
 - (b) Facsimile to Advanced Share Registry Services on facsimile number (+61 8) 9389 7871,

So that it is received not later than 9.00am (WST) on 15 November 2010

Proxy forms received later than this time will be invalid.