

28 March 2011

Ms Elizabeth Harris
Senior Adviser
ASX Limited
2 The Esplanade
PERTH WA 6005

Dear Elizabeth

Response to price and volume query


In response to your letter dated 3 March 2011, GB Energy Ltd (**company**) provides the following.

1. Yes the company was at the time in question involved in incomplete negotiations relating to a potential acquisition and capital raising.
2. The announcement regarding a potential acquisition and capital raising was made on 3 March 2011 when the company applied for a trading halt.

On 8 March 2011 details of the acquisition and capital raising were announced to ASX.

3. The company is not aware of any other explanation as to why there was an increase in the price and volume of the trading in the securities of the company as referred to in your letter.
4. The company confirms that it is in compliance with the Listing Rules, in particular, Listing Rule 3.1.

Yours faithfully



Anna MacKintosh
Company Secretary