



GB ENERGY LIMITED

ABN 30 118 758 946

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

TIME: 9.00 am (WST)
DATE: 7 November 2011
PLACE: Level 1, 26 Eastbrook Terrace
EAST PERTH WA 6004

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) 6555 0322.

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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 to will be held at 9.00am (WST) 7 November 2011:

Level 1, 26 Eastbrook Terrace
EAST PERTH WA 6004

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 GB Energy Ltd, PO Box 6377, EAST PERTH WA 6892; or
- (b) facsimile to GB Energy Ltd on facsimile number (+61 8) 9325 1238.

so that it is received not later than 9.00 am (WST) on 3 November 2011

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) 7 November 2011 at Level 1, 26 Eastbrook Terrace, EAST PERTH WA 6004.

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 9.00 am (WST) on 3 November 2011.

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 2011 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Director's Report in the Annual Financial Report for the year ended 30 June 2011 be adopted”.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

Please note that persons referred to in paragraphs (a) and (b) above, including the Chairman, cannot vote on Resolution 1 as proxy unless given voting directions on the proxy form. Please direct your proxy how to vote by crossing the “For” or “Against” box for Resolution 1 on the Shareholder Voting Form.

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

3. RESOLUTION 2 – RE-ELECTION OF RUSSELL BARNETT

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

“That, for the purpose of the Company’s Constitution and for all other purposes, Mr Russell Barnett, being a Director of the Company retires in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.

4. RESOLUTION 3 – RE-ELECTION OF GRAEME KIRKE

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

“That, for the purposes of the Company’s Constitution and for all other purposes, Mr Graeme Kirke, 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.

By order of the Board



Mr Russell Barnett
Chairman

Dated: 3 October 2011

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 7 November 2011 at Level 1, 26 Eastbrook Terrace, EAST PERTH WA 6004.

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 2011 Annual Report is available at www.gbenergy.com.au. The Company will not provide a hard copy of the Company's financial report to Shareholders unless specifically requested to do so. 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. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

2.1 General

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.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (Spill Resolution).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (Spill Meeting) within 90 days of the Company's 2012 Annual General Meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

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.

2.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key

Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

2.3 Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Remuneration Report means the remuneration report set out in the Director's report section of the Company's financial report for the period ended 30 June 2011.

3. RESOLUTION 2 – RE-ELECTION OF RUSSELL BARNETT

In accordance with ASX Listing Rule 14.4 and clause 12.11 of the Constitution, at every Annual General meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

A Director who retires by rotation under clause 12.11 of the Constitution is eligible for re-election.

Mr Barnett retires by rotation and seeks re-election.

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

4. RESOLUTION 3 – RE-ELECTION OF GRAEME KIRKE

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 Kirke was appointed as Managing Director following the resignation of Andrew Andrejewskis, and will retire in accordance with the Constitution and being eligible, seeks re-election.

Mr. Graeme Kirke has more than 25 years experience in stock broking and capital markets. He is currently Managing Director of Australian Financial Services Licensee KSLCORP Pty Ltd. He was a founding Director of GB Energy Ltd. Mr. Kirke is a member of the GB Energy Risk/Audit Committee and is also an Executive of Crown Energy sro a subsidiary of GB Energy .

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

5. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 6555 0322 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.

Proxy Form means the proxy form accompanying the Notice of Meeting.

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 Level 1, 26 Eastbrook Terrace, East Perth, Western Australia 6004 on 7 November 2011 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 Russell Barnett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Graeme Kirke	<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. 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.

Board recommendation and undirected proxies

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business other than in respect of **resolution 1**, where the Company has determined that the Chair is unable to do so.

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 _____ 2011

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. A member entitled to attend and cast two or more votes is entitled to appoint two proxies. When more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the member's voting rights. If portions are not specified, each proxy may exercise half the available votes. A proxy may not be a member of the Company. A form of proxy accompanies this notice.

2. Amendments to the Corporations Act have been made recently and apply to proxy voting on or after 1 August 2011. Members and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly the changes mean that:

- If proxy holders vote, they must cast all directed proxies as directed; and
- Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

3. Pursuant the Company's Constitution and the Corporations Act 2011, any person registered in the Register of Shareholders as a holder of one or more shares 48 hours prior to the time of commencement of the Meeting is entitled to attend and vote at the Meeting.

4. Corporate Representation

A Company may only vote by proxy, power of attorney or by appointment of a corporate representative. The instrument appointing a proxy is not valid unless the original instrument and the power of attorney or other authority (if any) under which the instrument is signed (duly stamped where necessary) or a copy or facsimile which appears on its face to be an authentic copy of that proxy, or power of attorney is submitted within the time set out herein. A Company must sign a proxy under common seal in accordance with its Constitution or under power of attorney, which must be produced with the Proxy Form.

5. To vote by proxy, please complete and sign the enclosed Proxy Form and if appropriate the Power of Attorney and return by:

- (a) Post to GB Energy Ltd, PO Box 6377, East Perth WA 6892; or
- (b) Facsimile to GB Energy Ltd on facsimile number (+61 8) 9325 1238 so that it is received not later than 9.00am (WST) on 3 November 2011.

6. Signing Instructions

Individual: Where the holding is in one name, the security holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders must sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

To be valid, a Proxy Form and the power of attorney under which is signed or proof thereof must be to the satisfaction of the Directors.