



16 August 2010

Letter of introduction to Shareholders

Dear Shareholder,

I am writing to introduce myself and my team to you.

Upon shareholder approval at the Extraordinary General Meeting of the company called for on 16 September 2010, I will be the Managing Director of GB Energy with Mr Gordon Hart as Executive Director.

I am a geologist and have been involved in the oil & gas and resources industry for more than 43 years. I was previously the Managing Director of SAPEX Limited, oil and gas exploration company which held 100% interest in 7 onshore petroleum tenements in South Australia covering some 75,000 sq km. SAPEX was listed on the ASX in May 2007 (capitalised at \$14 million). In October 2008, SAPEX was merged into Linc Energy in (at a value of \$104 million).

I was also the Director-General of the Department of Mines & Energy in South Australia and have previously held a number of senior executive and Board positions in several companies. My experience includes technical, administration and management on projects in Australia, New Zealand, Indonesia, Far East Russia and Romania.

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

Mr Gordon Hart has over 30 years of experience in Investment Banking including Stockbroking, M & A, and Corporate Finance. Gordon is currently Managing Director of Venture Group Equities Pty Ltd, specializing in activities associated with the emerging Resource and Energy sectors. Activities include IPOs & other raisings, strategic corporate advice, Mergers & Acquisitions, and project & business development.

Gordon is a Director of Convergent Minerals Ltd and a sponsor of The Sydney Mining Club.

Our strategy is to acquire a portfolio of assets with short, medium and long-term prospects which will be assessed on the basis of good technical and financial research. Both Gordon and I have good contacts in the petroleum exploration industry for leads and opportunities. We, and our advisory team, are currently investigating some potential assets as well as looking for additional opportunities in the oil & gas sector in Australia.

I look forward to reporting back to you with positive news.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Andrew J. Andrejewskis'.

Andrew J Andrejewskis

**GB ENERGY LIMITED**  
**ABN 30 118 758 946**

**NOTICE OF GENERAL MEETING  
AND  
EXPLANATORY STATEMENT**

**For a Shareholders' General Meeting to be held at 9.00am (WST)  
on 16 September 2010 at 6 Ord Street West Perth 6005, Western Australia**

*This is an important document. Please read it carefully.*

*If you are unable to attend the General Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.*

## TIME AND PLACE OF MEETING AND HOW TO VOTE

### Venue

The General Meeting of GB Energy Limited will be held at:

**6 Ord Street  
WEST PERTH 6005  
Western Australia**

**Commencing  
At 9am (WST)  
on 16 September 2010**

### How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

### Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 9am (WST).

### Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy form (by post or delivery) to the Company's office at 6 Ord Street, West Perth 6005, Western Australia; or
- send the proxy form by facsimile to facsimile number +61 8 9481 7519.

so that it is received not later than 9am (WST) on 14 September 2010.

**Your proxy form is enclosed**

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

**NOTICE OF GENERAL MEETING**

---

Notice is hereby given that the General Meeting of the Shareholders of GB ENERGY LIMITED will be held at 6 Ord Street, West Perth, 6005, Western Australia on 16 September 2010 at 9am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolution set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**BUSINESS**

**Resolution 1 – Approval to issue Shares and Options under Placement**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 54,500,000 fully paid ordinary shares in the capital of the Company at 2 cents each and 54,500,000 free attaching options to acquire fully paid shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Shareholder approval is sought under Listing Rule 7.1 to allow the Company to issue Shares and free attaching Options by way of a placement to raise funds because the number of shares to be issued is more than 15% of its ordinary share capital on issue at the commencement of the previous 12 month period.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

## Resolution 2 – Participation in Placement by Andrew Andrejewskis

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"For the purposes of Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 2,500,000 fully paid ordinary shares at 2 cents each and 2,500,000 free attaching options to acquire fully paid shares in the capital of the Company to Andrew Andrejewskis or his nominees on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Andrew Andrejewskis wishes to subscribe for Shares and Options under the placement. Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue Shares and free attaching Options to Andrew Andrejewskis or his nominees under the placement. Shareholder approval is required because Andrew Andrejewskis is the Managing Director of the Company and as such is a related party.

The Company will disregard any votes cast on this Resolution by a person who is to receive securities the subject of this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if this Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

## Resolution 3 – Participation in Placement by Gordon Hart

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"For the purposes of Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 3,000,000 fully paid ordinary shares at 2 cents each and 3,000,000 free attaching options to acquire fully paid shares in the capital of the Company to Gordon Hart or his nominees on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Gordon Hart wishes to subscribe for Shares and Options under the placement. Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue Shares and free attaching Options to Gordon Hart or his nominees under the placement. Shareholder approval is required because Gordon Hart is an Executive Director of the Company and as such is a related party.

The Company will disregard any votes cast on this Resolution by a person who is to receive securities the subject of this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if this Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

#### **Resolution 4 – Election of Andrew Andrejewskis**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Andrew Andrejewskis, who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."*

**Short Explanation:** Andrew Andrejewskis was appointed as a Director of the Company on 4 August 2010. Mr Andrejewskis is currently Managing Director and is presented for re-election in accordance with clause 12.9 of the Company's Constitution.

#### **Resolution 5 – Election of Gordon Hart**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Gordon Hart, who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."*

**Short Explanation:** Gordon Hart was appointed as a Director of the Company on 4 August 2010. Mr Hart is currently an Executive Director and presented for re-election in accordance with clause 12.9 of the Company's Constitution.

## 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 14 September 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: 16 August 2010

# **GB ENERGY LIMITED**

**ABN 30 118 758 946**

## **EXPLANATORY STATEMENT**

---

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolution.

### **INTRODUCTION**

On 9<sup>th</sup> August 2010 the Company announced that it appointed two new directors to the Board – Andrew Andrejewskis as Managing Director and Gordon Hart as Executive Director – and that the Company intends to refocus on opportunities in the oil and gas sector in Australia. To provide the Company with sufficient working capital to identify potential oil and gas projects and conduct negotiations including due diligence in respect of any potential projects, the Company proposes to undertake the Placement.

Resolutions 1, 2 and 3 seek approvals in respect of the Placement. Approval is sought by Resolution 1 to the issue of 54,500,000 Shares and Options to non-related parties while Resolutions 2 and 3 seek approval for the balance of the Placement to be taken up by the 2 new Directors.

### **RESOLUTION 1 – APPROVAL TO ISSUE SHARES AND OPTIONS UNDER PLACEMENT**

Resolution 1 seeks Shareholder approval to allow the Company to issue Shares and free attaching Options under the Placement.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders. The number of Shares to be issued under the proposed placement will exceed the Company's 15% capacity.

The following information is provided to Shareholders in relation to Resolution 1.

- (a) The maximum number of securities to be issued by the Company is 54,500,000 Shares and 54,500,000 free attaching Options on the basis of 1 Option for every 1 Share subscribed for.
- (b) The Shares and Options will be allotted and issued no later than 3 months after the date of this Meeting (unless a later date is permitted by ASX waiver).
- (c) The issue price of the Shares will be 2 cents each. The Options are free attaching and will be issued for nil consideration.

- (d) The allottees of the Shares will be sophisticated and professional investors that do not require a disclosure document under the Corporations Act. None of the allottees will be related parties of the Company.
- (e) The Shares to be issued will be fully paid ordinary shares of the Company that rank equally with the Company's current issued fully paid ordinary shares. The Options will have an exercise price of 3.5 cents each and are exercisable on or before 29 July 2011. The full terms of the Options are set out in Annexure A.
- (f) The Company intends to use the funds raised from the placement to identify and pursue the acquisition of oil and gas projects and general working capital.
- (g) It is intended that the Shares and Options will be allotted on one date.

### **RESOLUTIONS 2 AND 3 – PARTICIPATION IN PLACEMENT BY ANDREW ANDREJEWSKIS AND GORDON HART**

Resolutions 2 and 3 seek Shareholder approval for Mr Andrejewskis and Mr Hart to participate in the placement by the Company issuing up to 2,500,000 Shares and 2,500,000 free attaching Options to Mr Andrejewskis (or his nominees) and up to 3,000,000 Shares and 3,000,000 free attaching Options to Mr Hart (or his nominees).

Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party. As the Directors of the Company, Mr Andrejewskis and Mr Hart are related parties of the Company. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (and the issue of the Shares will not be included in the 15% calculation).

The following information is provided to Shareholders in relation to Resolutions 2 and 3.

- (a) The Shares and Options will be issued to Andrew Andrejewskis or his nominees (by Resolution 2) and Gordon Hart or his nominees (by Resolution 3).
- (b) The maximum number of securities the Company will issue is:
  - 2,500,000 Shares and 2,500,000 Options to Mr Andrejewskis or his nominees; and
  - 3,000,000 Shares and 3,000,000 Options to Mr Hart or his nominees.
- (c) The Shares and Options will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) The issue price of the Shares is 2 cents each and the Shares will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued fully paid ordinary Shares. The Options are free attaching on the basis of 1 Option for every 1 Share subscribed for. The Options have an exercise price of 3.5 cents each and are exercisable on or before 29 July 2011. The full terms of the Options are set out in Annexure A.
- (e) The Company intends to use the funds raised from the placement to identify and pursue the acquisition of oil and gas projects and general working capital.

## **RESOLUTIONS 4 AND 5 – RE-ELECTION OF ANDREW ANDREJEWSKIS AND GORDON HART**

Andrew Andrejewskis was appointed by the Board as the Managing Director and Gordon Hart was appointed as an Executive Director on 4 August 2010.

Mr Andrejewskis and Mr Hart voluntarily propose to retire and seek re-election at this Meeting in accordance with clause 12.9 of the Constitution.

Details of the qualifications and experience of Mr Andrejewskis and Mr Hart are set out at below.

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.

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.

# GB ENERGY LIMITED

ABN 30 118 758 946

## GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**ASX**" means the ASX Limited (ACN 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Chairman**" means the chairman of the Company.

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

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Statement**" means this Explanatory Statement.

"**General Meeting**" means this meeting.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to subscribe for a Share.

"**Placement**" means the placement of 60,000,000 Shares at 2 cents each and 60,000,000 free attaching Options on the basis of 1 Option for every Share subscribed for to raise \$1,200,000.

"**Resolution**" means a resolution referred to in the Notice.

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

"**Shareholder**" means a registered holder of Shares in the Company.

"**WST**" means Western Standard Time, Perth, Western Australia.

## ANNEXURE A

### TERMS OF PLACEMENT OPTIONS

- (a) Each Option entitles the holder to one (1) Share.
- (b) The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 29 July 2011 (the "**Expiry Date**").
- (c) The exercise price of the Options is 3.5 cents per Option.
- (d) The Options will not be listed and are not transferable except with the consent of the Board.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph (e) will be allotted and issued a Share ranking pari passu with the then issued Shares.
- (g) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity (where available) to exercise their Options prior to the date of determining entitlements to participate in any such issue.
- (h) If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the Listing Rules.

# 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 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 General Meeting to be held at 6 Ord Street, West Perth, Western Australia 6005 on 16 September 2010 at 9am (WST) and at any adjournment thereof.

### Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Approval to issue Shares and Options under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Participation in Placement by Andrew Andrejewskis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Participation in Placement by Gordon Hart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Andrew Andrejewskis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	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 \_\_\_\_\_ %

Please return this Proxy Form to the Company Secretary, GB Energy Limited, 6 Ord Street, West Perth, Western Australia or by fax to (08) 9481 7519 by 9am (WST) on 14 September 2010.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

By:

**Individuals and joint holders**

**Companies (affix common seal if appropriate)**

Signature

Director

Signature

Director/Secretary

Signature

Sole Director and Sole Secretary

**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. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office and Postal Address: 6 Ord Street, West Perth, 6005, Western Australia

Fax Number: +61 8 9481 7519

by no later than 48 hours prior to the time of commencement of the Meeting.