

27 May 2015

Dear Shareholder,

PRO-RATA NON-RENOUNCEABLE RIGHTS OFFER

As announced on 25 May 2015, GB Energy Limited ("Company") is seeking to raise up to approximately \$565,368 by a pro-rata non-renounceable rights offer ("Offer") of up to approximately 188,455,844 shares on the basis of 1 new share for every 4 shares held at an issue price of 0.3 cents per share. The Company expects to lodge an offer document for the Offer ("Offer Document") with the ASX on 4 June 2015.

The funds raised under the Offer will be used to fund ongoing exploration activities, identify and evaluate new opportunities, for working capital and to meet Offer expenses.

The Offer is not underwritten. Minimum Subscription under the Offer is \$250,000. Fractional entitlements will be rounded up to the nearest whole number.

The timetable for the Offer is as follows:

Pro-rata Offer announced	25 May 2015
Shares quoted on an "ex" basis (date from which the Shares commence trading without the entitlement to participate in the Offer).	28 May 2015
Record Date (date for identifying Shareholders entitled to participate in the Offer).	1 June 2015
Offer Document with Entitlement Form sent to Eligible Shareholders	4 June 2015
Offer opens	4 June 2015
Closing Date (last date for lodgement of Entitlement Forms and Application Money)	16 June 2015
Trading of New Shares commences on a deferred settlement basis	17 June 2015
Company to notify ASX notified of the Shortfall (if any)	19 June 2015
Issue of New Shares and issue of transaction confirmation statements for New Shares	23 June 2015
Normal trading of New Shares on ASX	24 June 2015

Subject to the Listing Rules, the above dates may be changed without notice.

The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("Eligible Shareholders").

The Company has no options on issue. The effect of the Offer on the Company's issued share capital at Minimum Subscription and Full Subscription is shown in the following table:

Shares	Minimum Subscription	Full Subscription
Existing Shares	753,823,375	753,823,375
New Shares issued under the Offer	100,000,000	188,455,844
Total Shares on issue after completion of the Offer	853,823,375	942,279,219

Shareholders may view all the Company's ASX announcements, including those relating to the Offer, on the ASX's website at www.asx.com.au or alternatively on the Company's website at www.gbenergy.com.au.

It is anticipated that the Offer Document offering shares for subscription will be mailed to Eligible Shareholders on 4 June 2015 and will be available on the ASX and Company's website on this day.

Application will be made to ASX for official quotation of the shares. No shareholder approval is required to the Offer.

Overseas Shareholders

The offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). **Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no offer will be made to you.** In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully



Graeme Kirke
Executive Chairman
GB Energy Limited