



10 March 2016

UNMARKETABLE PARCEL SALE FACILITY

Po Valley Energy Limited (ASX: PVE) (**Company**) is pleased to announce an unmarketable parcel sale facility for holders of unmarketable parcels of the Company's shares.

The ASX Listing Rules define an unmarketable parcel to include a parcel of shares with a market value of less than A\$500. As at 7:00 pm (AEST) on 8 March 2016 (**Record Date**), an unmarketable parcel of shares is any shareholding of 45,454 ordinary shares or less, based on the closing price of \$0.011 on the Record Date (**Closing Price**). This represents 5,674,756 ordinary shares, held by 633 shareholders (**Minority Members**).

The Company is offering this sale facility to assist holders of unmarketable parcels to sell shares without having to use a broker or pay brokerage. The Company will pay for all the costs of the sale for shareholders who use this facility, excluding tax consequences from the sale which remains the shareholder's responsibility.

The Company values all of its shareholders, however, it incurs significant administrative costs maintaining such a large number of unmarketable parcels. By facilitating this sale, the Company expects to reduce the administrative costs associated with maintaining a large number of very small holdings. Shareholders who own more than 45,454 shares as at the Record Date will not be eligible to participate.

If Minority Members wish to sell shares through this facility, they do not need to take any action. If Minority Members **do not** wish to sell shares through this facility, they **must** complete and return a notice of retention form to the Company's share registry, Link Market Services Limited, by 5:00pm (AEST) on 27 April 2016 (**Retention Date**).

Upon the sale of the unmarketable parcel shares, proceeds shall be forwarded to eligible shareholders as soon as practicable.

Attached is a copy of the letter and the notice of retention form that is currently being mailed to shareholders that are holding an unmarketable parcel of shares on the Record Date.

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Suite 8, 7 The Esplanade, Mt Pleasant WA 6153, Australia
Phone: +61 8 9316 9100 Fax: +61 8 9315 5475

10 March 2016

Dear Shareholder

First Notice – Sale of your unmarketable parcel of Po Valley Energy Limited shares

We are writing to you to advise that Po Valley Energy Limited (**Company**) is implementing a process for the sale of parcels of shares with a value of less than \$500 as at close of trade on 8 March 2016 (**unmarketable parcels**). On the basis of the below, you have been determined as currently holding an unmarketable parcel.

The Company incurs considerable expense in administering its share register and providing shareholder communications to each shareholder. In some cases these expenses are greater than the underlying value of shares in an unmarketable parcel.

To reduce these costs and to provide shareholders with unmarketable parcels the ability to dispose of their shares without brokerage or other expenses, the Board of the Company has resolved to implement a forced sale of unmarketable parcels unless the holders of those unmarketable parcels indicate that they wish to retain their shareholding (i.e. have their unmarketable parcel of shares exempted from the sale) in the manner set out below. This sale of unmarketable parcels is being implemented in accordance with the Company's constitution and the ASX Listing Rules.

The closing price of the Company's shares on 8 March 2016, as quoted on the ASX, was \$0.011 and on this basis an unmarketable parcel is 45,454 shares or less.

Our share register shows that the number of shares held by you in the Company as at 7.00pm (AEST) on 8 March 2016 is valued at less than \$500. Accordingly, the Company gives you formal notice pursuant to clause 3.13 of the Company's constitution that, if your shareholding constitutes an unmarketable parcel at the close of ASX trading on 5 May 2016 the Company intends to offer your shares (along with the shares of other shareholders with unmarketable parcels who have not elected to have their shares exempted from the sale) for sale on the ASX at the highest price achievable at that time (**Unmarketable Parcel Sale Facility**).

Please also note that the Company will not sell your shares in the event that a third party announces a takeover offer for the Company. Consistent with its continuous disclosure obligations, the Company may release to the ASX information that may be material to a shareholder's decision as to whether they wish to retain their shares. This information will, if released, be available on the ASX website www.asx.com.au (ASX code "PVE") and on the Company's website www.povalley.com.

If you wish to retain your holding of shares

If you wish to retain your unmarketable parcel of shares (i.e. you **do not** wish your shares to be sold) you must complete and return the enclosed retention notice to the Company's share registry, Link Market Services Limited, so that it is received by 5.00pm

(AEST) 27 April 2016 (**Retention Date**). Please read the instructions on your personalised retention notice carefully before completing it.

If you wish your holding to be sold under the Unmarketable Parcel Sale Facility

You may take advantage of the Unmarketable Parcel Sale Facility put in place for the Company to sell your holding without paying brokerage costs. You do not need to take any action to take advantage of this facility. Further details are included in the **attached** information sheet. Unless you complete and return the retention notice, if you still hold less than \$500 worth of shares at the close of ASX trading on 5 May 2016, those shares will be sold and the proceeds paid to you.

Please read all the materials provided in relation to the Unmarketable Parcel Sale Facility, including the attached information sheet before deciding whether to retain your holding or have the Company sell your holding. Please note that the tax consequences of any sale of your shares is your responsibility.

If you require advice as to whether to sell your shares, please consult your legal, financial or taxation adviser.

If you have any queries about lodging your form or the practical operation of the Unmarketable Parcel Sale Facility please contact the Company on +61 1300 910 051.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Lisa Jones", written in a cursive style.

Lisa Jones
Company Secretary
For and on behalf of
Po Valley Energy Limited

Further Information on selling your shares via the Unmarketable Parcel Sale Facility

1. *What is an unmarketable parcel of shares?*

An unmarketable parcel of shares is a holding of shares in the Company valued at less than A\$500. Based on the price of the Company's shares at the Record Date, this is currently a holding of 45,454 shares or less.

Selling your shares via the Unmarketable Parcel Sale Facility

2. *What are the arrangements for selling unmarketable parcels of shares?*

Those shareholders whose shareholding is valued at less than \$500 at the close of ASX trading on the Record Date (8 March 2016) and who still have an Unmarketable Parcel at the close of trading on 5 May 2016 can take advantage of the opportunity to have their shares sold without incurring brokerage costs via the Unmarketable Parcel Sale Facility. The Company will arrange the sale and will send the proceeds to you.

The term "unmarketable parcel" is used to describe a holding that is less than a "marketable parcel" for the purposes of the ASX Listing Rules. It does not mean that the holding is not capable of being sold.

3. *What do I need to do to take advantage of these arrangements?*

No action is required from you.

4. *When will my shares be sold?*

The Company is entitled to arrange the sale of unmarketable parcels after it meets certain notice requirements to shareholders about its intention to sell those shares. Enclosed with this Information Sheet is the first of these two notices.

We anticipate that the required notice periods will expire, and consequently the sale of the shares will occur, on or around 6 May 2016.

The Company reserves the right to withdraw the sale process at any time prior to the sale occurring.

5. *What will the sale price be?*

The aggregate unmarketable parcels will be sold on the ASX at the highest possible price available at that time. Under the Company's constitution, the price at which the shares can be sold cannot be less than the simple average of the last sale price of the shares on ASX for each of the 10 trading days immediately preceding the date of the sale. Your shares will therefore not be

sold on the ASX at the highest possible price at that time if that price does not meet this requirement.

You should be aware that the price for the Company's shares that are sold under the facility is not fixed; it may be less than the market price of the Company's shares at any given time (provided it meets the pricing requirement set out in the Company's constitution); and may not be the best execution price on the trading day or trading days that your shares are sold. Your shares will be pooled with all other sales and the price will be the volume weighted average price achieved for the sale of all the unmarketable parcels.

The Company will bear all costs of the sale of shares under the Unmarketable Parcel Sale Facility.

6. *When will I receive the sale proceeds?*

The proceeds from the sale of the shares will be held in a separate bank account established by the Company for that purpose and will be paid to the relevant shareholders on a pro-rata basis (in accordance with the number of shares by each relevant shareholders) within 14 days of the Company receiving the proceeds of the sale.

Retain your current holding

7. *What if I want to retain my current holding, what do I need to do?*

If you want to retain your current holding, you must complete the enclosed form, and return it is that it is received by 5.00pm (AEST) on 27 April 2016.

8. *If I buy more shares, will I retain my holding?*

You may choose to acquire more of the Company's shares on the market such that your registered shareholding will be valued at \$500 or more on the anticipated sale date of 6 May 2016. In this case your shares will not be sold under the Unmarketable Parcel Sale Facility.

9. *Need help?*

If you have any questions concerning your shareholding or how the Unmarketable Parcel Sale Facility will be administered, please do not hesitate to contact the Company on +61 1300 910 051.

10. *Important notes*

The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX.

The letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Unmarketable Parcel Sale Facility is the best way to sell Company shares.

We recommend that you consult your stockbroker, accountant, licensed financial or taxation adviser before making any decision to participate in the Unmarketable Parcel Sale Facility.

NOTE:

If you currently have more than one holding on the Company's share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being an unmarketable parcel. Under these circumstances your shares will not be sold as part of the Unmarketable Parcel Sale Facility.



PO VALLEY ENERGY LIMITED

ABN 33 087 741 571

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 910 051
ASX Code: PVE
Website: www.linkmarketservices.com.au

SRN/HIN:

**Number of Shares held as at
7:00pm (AEST) on 8 March 2016:**

IMPORTANT NOTICE

Please return this slip if you do not wish your Shares in Po Valley Energy Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

SHARE RETENTION FORM

If you wish to retain your Shareholding in Po Valley Energy Limited you must detach this slip and return it to Po Valley Energy Limited's Registry, so that it is received no later than 5:00pm (AEST), on 27 April 2016. You may choose to acquire more of the Company's Shares on the market such that your registered Shareholding will be valued at A\$500 or more on the anticipated sale date of 6 May 2016. In this case your Shares will not be sold under the Unmarketable Parcel Sale Facility. Slips may be mailed or delivered to the addresses below.

Mailing Address

Po Valley Energy Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Po Valley Energy Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138
(Do not use this address for mailing purposes)

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEST) ON 27 APRIL 2016**

If you require further information regarding this form, please contact Po Valley Energy Limited Information Line on +61 1300 910 051.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



PO VALLEY ENERGY LIMITED
ABN 33 087 741 571

Please detach

SRN/HIN:



RETENTION SLIP

I/We the Shareholder(s) described above by returning this retention slip, hereby give notice that I/we wish to retain my/our Shareholding in Po Valley Energy Limited, pursuant to Article 3 of Schedule of the Company's Constitution.



DO NOT SELL MY SHARES

CONTACT DETAILS – Telephone number

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Telephone number – after hours

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Contact name