

GB ENERGY LIMITED
ACN 118 758 946

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

For the Annual General Meeting to be held
on 25 November 2016 at 12.30pm (WST) at

Offices of HLB Mann Judd
Level 4, 130 Stirling Street
Perth, Western Australia

This is an important document. Please read it carefully.

If you are unable to attend the 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 ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the Company will be held at:

Offices of HLB Mann Judd
Level 4
130 Stirling Street
Perth, Western Australia

Commencing
12.30pm (WST)
25 November 2016

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 12.30pm (WST) on 25 November 2016.

Voting by Proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- post to PO Box 6377, East Perth, Western Australia, 6892;
- hand to the Company's office at Suite 2, 26 Eastbrook Terrace, East Perth, Western Australia, 6004;
- facsimile to facsimile number +61 8 9262 3723;
- email to anna@gbenergy.com.au

so that it is received not later than 12.30pm (WST) on 23 November 2016.

GB ENERGY LIMITED
ACN 118 758 946
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of GB Energy Limited will be held at Office of HLB Mann Judd, Level 4, 130 Stirling Street Perth WA, at 12.30pm on 25 November 2016 (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 Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2016."

Voting Exclusion:

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (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, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STUART RECHNER

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

"That Mr Stuart Rechner, who retires by rotation in accordance with clause 12.11 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DAVID DETATA

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

"That Dr David Detata, being a Director of the Company appointed by the Directors during the year as an additional Director and holding office until this Meeting in accordance with clause 12.17 of the Constitution of the Company and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

RESOLUTION 4 – RE-ELECTION OF DIRECTOR – NICK BURN

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

"That Mr Nick Burn, being a Director of the Company appointed by the Directors during the year as an additional Director and holding office until this Meeting in accordance with clause 12.17 of the Constitution of the Company and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

SPECIAL BUSINESS

RESOLUTION 5 – RATIFY THE ISSUE OF OPTIONS

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 7.4 and for all other purposes, Shareholders ratify the issue of 37,500,000 Options to James Allchurch or his nominees on the terms set out in the Explanatory Statement."

Voting exclusion:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of such a person. 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 6 – APPROVAL TO ISSUE OPTIONS TO DIRECTOR – STUART RECHNER

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

"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Stuart Rechner or his nominees up to 20,000,000 Options on the terms set out in the Explanatory Statement accompanying this Notice."

Voting exclusion: The Company will disregard any votes cast on this Resolution by Stuart Rechner or any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by an allottee 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 Chair of 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO DIRECTOR – DAVID DETATA

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

"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to David Detata or his nominees up to 5,000,000 Options on the terms set out in the Explanatory Statement accompanying this Notice."

Voting exclusion: The Company will disregard any votes cast on this Resolution by David Detata or any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by an allottee 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 Chair of 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

RESOLUTION 8: APPROVAL TO ISSUE OPTIONS TO DIRECTOR – NICK BURN

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

"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Nick Burn or his nominees up to 12,500,000 Options on the terms set out in the Explanatory Statement accompanying this Notice."

Voting exclusion: The Company will disregard any votes cast on this Resolution by Nick Burn or any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by an allottee 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 Chair of 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

RESOLUTION 9 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms set out in the Explanatory Statement."

Voting exclusion:

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 of a Shareholder, if the Resolution is passed and any associates 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 proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 10 – ADOPTION OF NEW CONSTITUTION

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

"That, the New Constitution (which includes proportional takeover provisions), in the form of the proposed constitution initialled by the Chairman of the Meeting for the purposes of identification, be approved and adopted, in accordance with section 136(2) of the Corporations Act and for all other purposes, as the Company's constitution in substitution for the Existing Constitution of the Company."

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. The Chairman will vote undirected proxies on, and in favour of, all of the proposed Resolutions (including Resolutions 1, 6, 7 and 8). In relation to Resolutions 1, 6, 7 and 8, the proxy form expressly authorises the Chairman to exercise the proxy even though the Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the Chairman) will not be voted on Resolutions 1, 6, 7 and 8.
4. 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 23 November 2016 at 4.00pm (WST).
5. 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

Mrs Anna MacKintosh
Company Secretary

Dated: 18 October 2016

GB ENERGY LIMITED

ACN 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 Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at <http://www.gbenergy.com.au>.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2016;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2016.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

2.4 Proxy restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2016. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STUART RECHNER

Clause 12.11 of the Company's Constitution requires that at every annual general meeting of the Company one-third of the Directors (other than the managing director) or, if their number is not 3 or a multiple of 3, then the number nearest one-third and any other Director (other than the managing director) who has been in office for more than 3 years, shall retire from office. Listing Rule 14.4 further provides that no director (except the managing director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Stuart Rechner was last re-elected on 6 November 2014 and retires in accordance with these provisions and, being eligible, offers himself for re-election as a Director.

Stuart Rechner is the Executive Chairman of the Company. Details of the qualification and expertise of Mr Rechner are set out in the 2016 Annual Report of the Company.

The Board recommends the re-election of Stuart Rechner as a Director.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DAVID DETATA

Clause 12.17 of the Company's Constitution provides that any Director appointed by the Board as an additional Director holds office until the next following annual general meeting and is eligible for re-election at that meeting.

Dr David Detata was appointed by the Board as an additional Director on 22 April 2016.

Pursuant to clause 12.17 of the Company's Constitution, Dr Detata, holds office until this Meeting and, being eligible, offers himself for re-election as a Director of the Company.

Dr Detata is a non-executive Director of the Company. Details of the qualifications and expertise of Dr Detata are set out in the 2016 Annual Report of the Company.

The Board recommends the re-election of David Detata as a Director.

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – NICK BURN

Clause 12.17 of the Company's Constitution provides that any Director appointed by the Board as an additional Director holds office until the next following annual general meeting and is eligible for re-election at that meeting.

Nick Burn was appointed by the Board as an additional Director on 10 October 2016.

Pursuant to clause 12.17 of the Company's Constitution, Mr Burn, holds office until this Meeting and, being eligible, offers himself for re-election as a Director of the Company.

Mr Burn is an executive director of the Company. Mr Burn has over 25 years experience in the minerals exploration industry including extensive operational experience throughout Australia. Mr Burn was previously CEO of ASX listed uranium explorer Regalpoint Resources Ltd and Exploration Manager for Energy Metals Ltd. Mr Burn has served GB Energy as a key technical adviser for many years and was instrumental in the selection of several of GB Energy's existing projects

The Board recommends the re-election of Nick Burn as a Director.

6. RESOLUTION 5 – RATIFY THE ISSUE OF OPTIONS

6.1 Background

On 13 May 2016 the Company issued 75,000,000 Options to Mr James Allchurch (an unrelated party consultant) as an incentive and compensation for consulting services relating to identifying and assessing resource projects. The Company and Mr Allchurch have subsequently agreed to cancel 37,500,000 Options leaving 37,500,000 Options on issue.

The issue of the 37,500,000 Options is the subject to this Resolution.

6.2 Requirements of the Listing Rules

Listing Rule 7.1 provides that, without shareholder approval, during any 12 month period, a company must not issue or agree to issue more equity securities than 15% of the number of fully paid ordinary securities on issue 12 months before the issue date or the agreement to issue, unless an exception applies.

The Company issued the Options the subject of this Resolution within its 15% placement capacity.

Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, it was within the 15% placement capacity) and shareholders subsequently approve it. The effect of approval under Listing Rule 7.4 is to refresh a company's 15% placement capacity. Listing Rule 7.4 also applies to issues made without approval under Listing Rule 7.1A.

For the purposes of Listing Rule 7.5 the following information is provided to Shareholders in relation to this Resolution.

- (a) The number of securities issued was 37,500,000 Options.
- (b) The Options were issued for nil cash consideration and being in consideration of consultancy services.
- (c) The terms of the Options are listed in Schedule 1. The Options have an exercise price of 0.6 cents and an expiry date of 13 May 2019.
- (d) The Options were issued to James Allchurch or his nominees.
- (e) No funds were raised by the issue of the Options.

7. RESOLUTIONS 6, 7 AND 8 – APPROVAL TO ISSUE OPTIONS TO THE DIRECTORS

Resolutions 6, 7 and 8 seek Shareholder approval so that the Company may issue Options as an incentive to each of the Directors – Stuart Rechner, David Detata and Nick Burn.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 because Stuart Rechner, David Detata and Nick Burn as Directors are related parties of the Company.

7.1 Chapter 2E of the Corporations Act - Related Party transaction

The proposed issue of Options to the Directors is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 6, 7 and 8 for the purposes of the Corporations Act.

(a) The related party to whom the proposed Resolutions would permit the financial benefit to be given

The related parties are Stuart Rechner (Resolution 6), David Detata (Resolution 7) and Nick Burn (Resolution 8) or their nominees.

(b) The nature of the financial benefit

The proposed financial benefit to be given is the issue of up to:

- 20,000,000 Options to Stuart Rechner (or his nominees);
- 5,000,000 Options to David Detata (or his nominees); and

- 12,500,000 Options to Nick Burn (or his nominees).

The terms of the Options are set out in Schedule 1.

(c) Directors recommendation and basis of financial benefit

The Board currently consists of Stuart Rechner, David Detata and Nick Burn.

By Resolutions 6, 7 and 8 the Company is proposing to issue Options to each of the Directors.

The exercise price of 0.6 cents of the Options to be issued to Stuart Rechner and David Detata was determined by the Board on 22 April 2016 (as announced to ASX on 4 May 2016) and based on the trading price of the Shares at that time.

The exercise price of 0.6 cents for the Options to be issued to Nick Burn was determined by the Board on 10 October 2016 and is the same exercise price as the Options to be issued to the other Directors.

In each case, the number of Options to be issued and the terms of the Options was negotiated by the Directors independent of the particular Director to be issued the Options.

The Options under the Resolutions will be issued to the Directors (and/or their nominees) to align the long term goals of the Directors with that of Shareholders and to incentivise Directors to provide ongoing dedicated services to the Company. These Options are intended to provide remuneration to the Directors (and/or their nominees) that is linked to the performance of the Company. The benefit will only be received from the Options if the Company's Share price exceeds the exercise price of the Options and thereby warrants their exercise.

Under the Company's current circumstances, the Directors consider that the incentive of the issue of the Options, is a cost effective and efficient reward and incentive to be provided to the Directors by the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation. In addition, the Directors consider it prudent to make payment by way of the Options so as to preserve the cash reserves of the Company.

The independent Directors in each case (being the Directors that are not the subject of the particular Resolution) consider that the quantity of Options together with the terms of the Options in each case constitute an appropriate number to adequately incentivise the Director in light of that Director's skill and experience and their current remuneration as detailed below.

The Company acknowledges that the issue of the Options to David Detata as a non-executive Director may be contrary to guidelines for non-executive remuneration in recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of the Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The Options have an exercise price of 0.6 cents and an expiry date of 13 May 2019. The full terms of the Options are set out in Schedule 1.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Stuart Rechner abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Options.

David Detata abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

Nick Burn abstains from making a recommendation to Shareholders on Resolution 8 as he has a material personal interest in the outcome as the recipient of the Options.

(d) Dilution

The passing of the Resolutions would have the effect of granting the Directors (or their nominees) a total of 37,500,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all of 37,500,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 3.97% (based on the total current number of Shares on issue being 905,955,825 Shares).

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the Options are exercised.

(e) Remuneration of the Directors

The total remuneration arrangements for each of the Directors are set out below.

The current remuneration package received by Stuart Rechner is \$25,000 per annum plus statutory superannuation. A consulting fee of \$800 per day plus GST is payable for services up to a maximum of 7 days per month.

The current remuneration package received by David Detata is \$18,000 per annum plus statutory superannuation.

The current remuneration package received by Nick Burn is \$18,000 per annum plus statutory superannuation. A consulting fee of \$650 per day plus GST is payable for services up to a maximum of 3 days per week.

(f) Existing relevant interests

At the date of this Notice, the Directors the subject of the Resolutions and their associates have the following relevant interest in securities of the Company.

	Shares	Options
Stuart Rechner	11,718,750	0
David Detata	4,000,000	0
Nick Burn	3,125,000	0

(g) Trading history

The following table gives details of the highest, lowest and the latest closing market price of the Company's Shares trading on the ASX over the last 12 months.

	Date	Closing price
Highest price	4/12/2015	0.7 cents
Lowest price	11/10/2016	0.3 cents
Latest price	18/10/2016	0.4 cents

(h) Valuation of the Options

The Options will not be quoted on ASX.

The Company have valued the Options to be granted to the Directors or their nominees by reference to the Black and Scholes pricing model.

The following assumptions have been made regarding the inputs required for the option pricing model:

- Underlying share price of 0.3 cents based on the closing market price on 11 October 2016.
- Dividend yield of nil as the Company has not forecast any future dividend payments.
- Risk free rate of 2.5% being the Reserve Bank of Australia 3 year government interest free rate.
- Volatility rate of 204% based on the historical volatility of the Company's Shares over a 1 year period.
- No discount rate has been applied for the lack of marketability even though the options will not be listed on the ASX or transferable.
- Expiry date of 13 May 2019.
- An exercise price of 0.6 cents.

Based on the above assumptions the Options to be granted to the Directors under the Resolutions have been valued as follows:

The value of the Options to be granted to each Director are detailed below.

	Value per Option (\$)	Total value of Options (\$)
Stuart Rechner	0.26 cents	\$52,000
David Detata	0.26 cents	\$13,000
Nick Burn	0.26 cents	\$32,500

(i) Other Information

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in granting the Options.

For accounting purposes, the Options will be recognised as an expense.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolutions.

7.2 Listing Rule 10.11

Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party. Stuart Rechner, David Detata and Nick Burn are Directors and as such 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 Shares will not be included in the placement capacity calculations).

In accordance with Listing Rule 10.13, the following information is provided to Shareholder:

- (a) The Options will be granted to Stuart Rechner (Resolution 6), David Detata (Resolution 7) and Nick Burn (Resolution 8) or their nominees.
- (b) The maximum number of securities the Company will grant is:
 - 20,000,000 Options to Stuart Rechner (or his nominees);
 - 5,000,000 Options to David Detata (or his nominees); and
 - 12,500,000 Options to Nick Burn (or his nominees).
- (c) The Options will be granted 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 Listing Rules).
- (d) Stuart Rechner, David Detata and Nick Burn as Directors are related parties.
- (e) The Options will be granted for nil consideration. The exercise price of the Options is 0.6 cents and the expiry date is 13 May 2019. The full terms of the Options are set out in Schedule 1.
- (f) No funds will be raised by the issue of the Options.

8. RESOLUTION 9 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

8.1 General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("**Additional Placement Capacity**").

The Company seeks Shareholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

8.2 Requirements of Listing Rule 7.1A

(a) Eligible entities

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

(b) Shareholder approval

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Equity Securities that are quoted on ASX are fully paid ordinary Shares.

(d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none">• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;• plus the number of partly paid shares that became fully paid in the 12 months;• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;• less the number of fully paid shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(e) Interaction between Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 905,955,825 Shares on issue as at the date of this Notice. If all of the Resolutions in this Notice are passed, the Company will be permitted to issue (as at the date of this Notice):

- 135,893,374 Equity Securities under Listing Rule 7.1; and
- 90,595,582 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

8.3 Information for Shareholders as required by Listing Rule 7.3A

(a) Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the date above, the date on which the Equity Securities are issued.

(b) Risk of economic and voting dilution

If this Resolution is passed and the Company issues securities under the Additional Placement Capacity, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price at 6 October 2016.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		0.15 cents 50% decrease in Issue Price	0.3 cents Issue Price	0.6 cents 100% increase in Issue Price
Current 905,955,825 Shares	10% Voting Dilution	90,595,582 Shares	90,595,582 Shares	90,595,582 Shares
	Funds raised	\$135,893	\$271,787	\$543,573
50% increase in Variable A 1,358,933,737 Shares	10% Voting Dilution	135,893,374 Shares	135,893,374 Shares	135,893,374 Shares
	Funds raised	\$203,840	\$407,680	\$815,360
100% increase in Variable A 1,811,911,650 Shares	10% Voting Dilution	181,191,165 Shares	181,191,165 Shares	181,191,165 Shares
	Funds raised	\$271,781	\$543,573	\$1,087,147

This table has been prepared on the following assumptions:

- The total number of Shares on issue at the date of this Notice is 905,955,825.
- The issue price is 0.3 cents, being the latest closing price of the Shares on ASX on 11 October 2016.
- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval.

- (v) No quoted Options (including any quoted Options issued under the Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (vii) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (viii) The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under listing rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 25 November 2016 (the date of this Meeting) and expires on the earlier of:

- 25 November 2017, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking) (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that Shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the continued development on the Company's current assets, the acquisition of new assets or investments (including the expenses associated such acquisition) and for general working capital; or
- non-cash consideration for acquisition of new assets, investments or for the payment of goods or services or for the issue of Equity Securities associated with equity, debt or convertible security facilities that may be provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, a placement or a rights issue;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A on the issue of any new securities.

(f) Details of Equity Securities issued in the 12 months preceding the date of the Meeting

The Company has previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A.

Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 25 November 2015) is 75,000,000 Equity Securities, which represents approximately 8.28% of the total number of Equity Securities on issue at 25 November 2015 (12 months before this Meeting). 37,500,000 of these 75,000,000 Equity Securities have subsequently been cancelled.
- The details for issue of Equity Securities issued during the 12 months preceding the date of the Meeting are:

On 13 May 2016 the Company issued 75,000,000 Options to Mr James Allchurch (an unrelated party consultant) as an incentive and compensation for consultancy services relating to identifying and assessing resource projects. The Options have an exercise price of 0.6 cents and an expiry date of 13 May 2019. The Options were issued for nil consideration. 37,500,000 of these Options have subsequently been cancelled. The current value of the 37,500,000 Options on issue is \$93,750 (at 0.25 cents per Option).

(g) Voting exclusion

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

9. RESOLUTION 10 – ADOPTION OF NEW CONSTITUTION

9.1 Background

Resolution 10 is a special resolution proposing to replace the Existing Constitution in its entirety.

Section 136 of the Corporations Act allows a company to adopt a new constitution by a special resolution passed at a general meeting of the company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote at the meeting.

9.2 Reasons for the proposed Resolution

The Existing Constitution was adopted by the Company from its incorporation in March 2006. Since that time there have been a number of amendments to the Corporations Act, the Listing Rules and other applicable laws and rules which impact on the Company and for which provision has not adequately been made in the Existing Constitution.

The Company has conducted a review of the Existing Constitution with a view to making it consistent with current law and best market practice. The changes to be introduced affects numerous provisions in the Existing Constitution and therefore it is proposed that the New Constitution be adopted rather than amending the Existing Constitution.

The New Constitution reflects a public company constitution and is drafted in a modern, clear style. It is further appropriate for a company listed on ASX.

The New Constitution updates the definitions used to reflect the current terminology and where possible relies upon terms defined in the Corporations Act, the Listing Rules and ASX Settlement Operating Rules.

The New Constitution (as with the Existing Constitution) further includes provisions on proportional takeover bids and the Company's power to sell unmarketable parcels. Separate information on the proportional takeover provisions is set out below.

It is not practicable to list all of the changes to the Existing Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the New Constitution is available for review by Shareholders at the office of the Company. A copy will be available for inspection at the Meeting. Adoption of the New Constitution will provide consistency between the Company's constitution and the Listing Rules and the Corporations Act.

9.3 Adoption of proportional takeover provisions

A proportional takeover bid is where the bidder offers to buy a proportion only of each shareholder's shares in the Company. This means that control of the Company may pass without members having the chance to sell all their shares to the bidder.

The law regarding takeovers allows companies to amend their constitutions to prohibit the registration of a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders in a general meeting approve the bid.

The New Constitution (as with the Existing Constitution) contains proportional takeover provisions.

Section 648G of the Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt proportional takeover provisions. The Company is seeking member approval to adopt proportional takeover provisions for the statutory period of 3 years after the date of approval. Information in relation to this approval is set out below.

Effect of the proposed provisions

The effect of the proposed provisions is that where offers have been made under an off market bid in respect of shares included in a class of shares in the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the off market bid is prohibited unless and until a resolution to approve an off market bid is passed by Shareholders.

If a proportional takeover bid is made, the Directors must ensure that Shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote. If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's New Constitution.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for 3 years after the date of approval. The provisions may be renewed, but only by further Shareholder resolution.

Reasons for proportional takeover provisions

The Directors consider that proportional takeover approval provisions should be included in the New Constitution. Without the inclusion of such a provision, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder. Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proposed provisions deal with this possibility by providing that if a proportional takeover bid is made for Shares in the Company, Shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

No knowledge of any acquisition proposals

As at the date on this Notice the Directors are not aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders including the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

The Board of Directors considers that the potential advantages for Shareholders of adopting the proportional takeover approval provisions outweigh the potential disadvantages of not adopting the provisions.

9.4 Board recommendation

The Directors consider that the proposed proportional takeover provisions are in the interests of Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

GB ENERGY LIMITED
ACN 118 758 946

GLOSSARY

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

Additional Placement Capacity	means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.
ASX	ASX Limited (ACN 008 624 691).
ASX Listing Rules or Listing Rules	the listing rules of the ASX.
Annual General Meeting or Meeting	the meeting convened by this Notice.
Board	the Board of Directors of the Company.
Chair or Chairman	the chairman of the Company.
Company or GB Energy	GB Energy Limited (ACN 118 758 946).
Constitution or Existing Constitution	the constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Directors	Directors of the Company from time to time.
Equity Securities	has the same meaning as in the Listing Rules.
Explanatory Statement	this Explanatory Statement.
New Constitution	the constitution proposed to be adopted by Resolution 5.
Notice	notice of meeting that accompanies this Explanatory Statement.
Option	an option to acquire a Share.
Placement Period	means the period during which Shareholder Approval under Listing Rule 7.1A is valid.
Resolution	a resolution referred to in the Notice.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of Shares in the Company.

Trading Days	has the same meaning as in the Listing Rules.
WST	Western Standard Time, Perth, Western Australia.

SCHEDULE 1

TERMS OF OPTIONS (Resolutions 5, 6, 7 and 8)

The terms of the Options are:

1. Each Option entitles the holder to one Share in the capital of the Company.
2. The Options may be exercised at any time prior to 5.00pm WST on 13 May 2019.
3. The exercise price of the Options is 0.6 cents each.
4. The Options are only transferable with Board approval. The Options are not intended to be quoted on ASX.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
6. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX in accordance with the Listing Rules for all Shares issued pursuant to the exercise of the Options to be admitted to quotation.
7. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term 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. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
8. 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.
9. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

GB ENERGY LIMITED
ACN 118 758 946

PROXY FORM

APPOINTMENT OF PROXY
GB ENERGY LIMITED
ACN 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 Chair of the Meeting or the Chair'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 the Offices of HLB Mann Judd, Level 4, 130 Stirling Street Perth WA on 25 November 2016 at 12.30 pm (WST) and at any adjournment thereof.

Important for Resolutions 1, 6, 7 and 8

If you appoint a member of the Company's key management personnel (other than the chair of the Meeting) or a closely related party of a member of the Company's key management personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 1, 6, 7 and 8 your proxy will NOT cast your vote on these resolutions and your votes will not be counted.

If you appoint the chair of the Meeting as your proxy (or the chair of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 1, 6, 7 and 8 your vote will be cast FOR these Resolutions, and you hereby expressly authorise the chair of the Meeting to exercise your proxy even though these Resolutions are connected directly or indirectly with the remuneration of the members of the Company's key management personnel. **The chair of the Meeting intends to vote any undirected proxies in favour of all Resolutions.**

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 Director – Stuart Rechner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – David Detata	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Nick Burn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratify the Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Options to Director – Stuart Rechner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue Options to Director – David Detata	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue Options to Director – Nick Burn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 %

Please return this Proxy Form to the Company in accordance with the accompanying instructions.

Signed this day of 2016.

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Secretary

Sole Director and Sole Secretary

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 section 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. Lodgement of Proxy Form
 - post to PO Box 6377, East Perth, Western Australia, 6892;
 - hand to the Company's office at Suite 2, 26 Eastbrook Terrace, East Perth, Western Australia, 6004;
 - facsimile to facsimile number +61 8 9262 3723;
 - email to anna@gbenergy.com.au

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