

# ENERGY ONE LIMITED

ABN 37 076 583 018

## NOTICE OF ANNUAL GENERAL MEETING

**Date** Thursday 18 November 2010  
**Time** 9:00 am  
**Place** Level 8, 1 Castlereagh St  
Sydney NSW 2000

**THIS IS AN IMPORTANT DOCUMENT  
AND REQUIRES YOUR ATTENTION**

If you have any doubts about the contents of this document  
please consult your financial or other professional advisor.

# NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Energy One Limited [ABN 37 076 583 018] (“the Company”) will be held at Level 8, 1 Castlereagh St on 18 November 2010 at 9.00am

## AGENDA

### 1. Financial Statements and Reports

To consider the Directors’ Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2010.

### 2. Adoption of Remuneration Report

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

“That the Remuneration Report for the financial year ended 30 June 2010 be adopted.”

### 3. Election of Directors – Shaun Ankers

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

“That Mr. Shaun Ankers, who was appointed as Chief Executive Officer of the company on 22 June 2010 be confirmed as an Executive Director of the Company in accordance with Section 201H of the Corporations Act”

### 4. Election of Directors – Ian Ferrier

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

“That Mr. Ian Ferrier, a Director of the Company who retires by rotation at this Annual General Meeting in accordance with rule 11.3 of the Company’s Constitution and, being eligible, offers himself for re-election, be elected as a Non-executive Director of the Company.”

### 5. Options to Executive Director, under the Energy One Limited Tax Paid Option Plan

Having sought independent advice relating to Energy One’s Tax Paid Option Plan, the Company will, subject to shareholder approval, issue new options to Mr. Shaun Ankers, Chief Executive Officer.

The options to acquire shares in Energy One will have a strike price of 37 cents (this is 106% above the last traded share price of 18 cents). The options package also contains certain performance criteria.

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

"That, for all purposes including ASX Listing Rules 7.1 and 10.14, the board of directors of the Company be authorised, pursuant to the Energy One Limited Tax Paid Option Plan, to grant options to subscribe for fully paid ordinary Shares in the Company and to issue fully paid ordinary Shares following the valid exercise of any such options in the Company as follows:

<b>Name</b>	<b>Position</b>	<b>Number</b>	<b>Estimated Value</b>
Mr. Shaun Ankers	Chief Executive Officer	500,000	\$1,770

in accordance with the Energy One Limited Tax Paid Option Plan Rules and subject to the conditions set out in the Explanatory Notes, be approved."

## **6. General Business**

To transact any other business legally brought forward to the meeting in accordance with the Constitution.

Dated this 21st day of October 2010

**Reena Minhas**  
**Company Secretary**

A proxy form accompanies this Notice of Annual General Meeting.

## VOTING INSTRUCTIONS

### Voting entitlement

For the purposes of the Annual General Meeting, only those persons holding Shares at 9.00 am on 18 November 2010 will be treated as shareholders. This means that if you are not the registered holder of a relevant Share at that time you will not be entitled to vote in respect of that Share.

### Voting exclusion statement

The company will disregard any votes cast:

- in respect of resolution 5 by any director of the company and an associate of those directors, except one who is ineligible to participate in any employee incentive scheme in relation to the company.

However, in respect of resolutions 5, the company need not disregard a vote if:

- 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
- 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.

### How to vote

You may vote by attending the meeting in person or by proxy or a body corporate can appoint a corporate representative.

### Voting in person

You may vote in person by attending the meeting. The meeting details are at the front of this Notice of Meeting.

### Voting by proxy

A shareholder who is entitled to attend and vote at the meeting may appoint a person as the shareholder's proxy to attend and vote on behalf of the shareholder. Proxies need not be shareholders of the company.

A shareholder who is entitled to attend and cast two or more votes at the meeting may appoint not more than two proxies to attend and vote on behalf of the shareholder.

Where two proxies are appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.

Any person who is a joint holder of Shares may appoint a proxy by completing the proxy form attached to this notice of meeting. If more than one joint holder appoints a proxy or seeks to vote personally at the meeting, then the person whose name stands first on the register shall alone be entitled to vote.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

If you wish to vote by proxy, please complete and sign the proxy form included with this notice of meeting and return it to the company secretary, Energy One Limited so that it is received no later than 48 hours before the time for holding the meeting:

<b>By mail:</b>	<b>(reply paid envelope attached)</b>
<b>By facsimile:</b>	<b>02-8252-9888</b>
<b>By delivery:</b>	<b>Level 5, 62 Pitt Street, Sydney, NSW 2000</b>

Proxy forms received after the time stated above will not be accepted or valid.

**Corporate Representatives**

A shareholder that is a company may by resolution of its directors authorise a person to act as its representative to vote at the meeting. A certificate of appointment of a corporate representative must be executed in accordance with the relevant company's constitution and must be available for inspection at the meeting. Where the certificate of appointment is signed on behalf of the company by only one signatory and that signatory is not the sole director and sole company secretary, a certified copy of the company's constitution must also be available at the meeting.

## EXPLANATORY NOTES

### **Note 1: Financial Statements and Reports**

The Corporations Act requires the Financial Report, the Directors' Report and the Auditors' Report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or the Constitution of the Company for the shareholders to approve these reports. No resolution will be put to the meeting on this item of business.

The Chairman will provide an opportunity for shareholders to ask questions and make comment on the reports.

### **Note 2: Adoption of Remuneration Report**

The Remuneration Report is set out in the Directors' Report of the Annual Report on pages 16 through 19.

The Remuneration Report Sets out matters including (but not limited to):

- Energy One policies for determining the remuneration of directors and executives;
- The remuneration details for directors and executives;
- Certain 'prescribed details' of specified directors and executives of the Company.

Shareholders are asked to consider and adopt the Remuneration Report.

The shareholder vote is advisory only and does not bind the directors of the Company.

### **Note 3: Election of Directors Mr Shaun Ankers**

In accordance with Sec 201H of the Corporations Act 2001, the directors of EOL appointed Mr. Shaun Ankers as CEO and as an Executive Director of the Company on 22 June 2010. Confirmation of this appointment is now sought by resolution at this AGM.

### **Note 4: Election of Directors Mr Ian Ferrier**

Mr. Ian Ferrier is a non-executive director. He retires by rotation and, being eligible, offers himself for re-election.

### **Note 5: Issue of Options to Executive Director, under the Energy One Limited Tax Paid Option Plan (TPOP)**

The TPOP allows the Company to grant options or rights to acquire ordinary Shares in Energy One to selected key employees and selected Directors, subject to satisfying performance and service conditions set down at the time of offer.

Shareholder approval is sought for Mr. Shaun Ankers, Managing Director, pursuant to the Energy One Limited Tax Paid Option Plan (the "**Plan**"), to be granted 500,000 options to subscribe for fully paid ordinary Shares in the Company and for the Company to issue fully paid ordinary Shares following the valid exercise of any such options in the Company in accordance with the Energy One Limited Tax Paid Option Plan Rules. This grant is subject to the conditions set out below.

Shareholder approval is required under ASX Listing Rule 10.14 because Mr. Ankers is a Director of the Company. ASX Listing Rule 10.15A requires this Notice of Meeting to include the following information in relation to the options which may be granted pursuant to the Plan.

### Exercise price of Options

The exercise price of the options will be **\$0.37**

### Exercise dates for Options and Service Vesting Conditions

Options will progressively vest over three years.

The options will become exercisable on the fulfilment of the performance condition and service vesting condition set out below under performance conditions or where a special circumstance arises giving rise to an earlier exercise.

### Performance Conditions

Performance conditions are deemed to be an essential component of all equity incentives. The proposed issue of options is designed to provide both motivation to perform and to provide a retention incentive.

Tranche Details	Tranche 1	Tranche 2	Tranche 3
<b>Number of Options</b>	<b>166,667</b>	<b>166,667</b>	<b>166,666</b>
<b>First Exercise Date</b>	30 September 2011	30 September 2012	30 September 2013
<b>Last Exercise Date</b>	18 November 2015	18 November 2015	18 November 2015
<b>Performance Condition</b> Group net profit after tax* for the year ended:	30 June 2011 equals or exceeds <b>\$0.6m</b>	30 June 2012 equals or exceeds <b>\$0.9m</b>	30 June 2013 equals or exceeds <b>\$1.4m</b>

*\* Group net profit after tax will be determined under the Accounting Standards and as disclosed in the company's audited accounts. The directors will have discretion of deducting a 'cost of capital' amount, if the company undertakes a capital raising in the relevant performance periods which in the opinion of the directors increased reported NPAT (or equivalent).*

<b>Exercise Conditions</b>	Options which fail to meet the performance conditions shall be added to the next tranche, where they shall be subject to the performance condition for that tranche. Any options which fail to meet the performance conditions for Tranche 3 shall still be available to vest under the 'Change of Control' provision up until the Last Exercise Date.  Continuous employment with Energy One until the First Exercise Date of each tranche for each tranche to vest.
<b>Change of Control</b>	Overriding the Plan Rules, it is acknowledged that the options offered under this Invitation will vest immediately in the event of a Change of Control as deemed by determination under the Corporations Act 2001 (Cth).

## The date of grant of options

If approved, the options, up to the amount approved, will be issued within 3 years following the 2010 AGM.

## Estimated Value explained

The value assessed for the options will be calculated independently at the time of grant and the value will be expensed over the service period, in accordance with the Australian Accounting Standards (AASB 2).

For illustrative purposes only, if options were offered on 13 October (effective valuation date) the options would have an estimated value as follows:

Input variable	
Assumed grant date for purposes of the valuation*	13 October 2010
Energy One Share price	\$0.18
Exercise price	\$0.37
Risk free rate (5 year Bond Rate)	4.90%
Estimated Dividend Yield	0.0%
Estimated Stock Volatility (1 year XAO daily close)	16.1%
Estimated life	1,286 days
Estimated value for illustrative purposes**	\$0.003539
Number of options proposed	500,000
Estimated value of proposed grant, if approved	\$1,770

\* Assumed grant date for valuation purposes.

\*\* The estimated value is the value before any adjustment for performance or service vesting conditions are applied, if any.

## Other Information

ASX Listing Rule 10.15A requires disclosure of additional information in relation to offers of options to Directors, including: -

- Options issued under the TPOP will not be listed on ASX;
- Shares issued under TPOP to Directors will be offered for consideration equal to the exercise price;
- Shares allocated, if any, on exercise of the options will rank pari passu in all respects with the Company's Shares listed on ASX;
- No Director has previously received Shares under TPOP. Since the last approval for options the following Directors received options under the TPOP as follows for a nominal consideration (less than \$200):

Name	Position	Number
Mr. Richard Brys	Former Managing Director (resigned 22 June 2010)	500,000

- All directors are eligible to participate in the Tax Paid Option Plan on invitation from the Board. Mr. Ian Ferrier and his associates are specifically excluded from the issue of securities under the Executive and Director Option Plan.
- A voting exclusion statement is attached;
- There are no loans in relation to the acquisition of the securities under the TPOP.
- Details of any options and/or Shares issued under TPOP will be published in each annual report of the Company relating to the period in which options or Shares have been issued, and that approval for the issue of options or Shares was obtained under Listing Rule 10.14;
- Any additional persons who become entitled to participate in TPOP after the resolution is approved who are not named in the notice of meeting will not participate until approval is obtained under Listing Rule 10.14 or a waiver received.



## GLOSSARY

### In this Explanatory Memorandum:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means Australian Securities Exchange Limited ACN 008 624 691.

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

**Company** or **Energy One** means Energy One Limited (ABN 37 076 583 018)

**Constitution** means the constitution of the Company.

**Corporations Act** or **Corporations Regulations** means the Corporations Act 2001(C<sup>th</sup>)

**Director** means Director of the Company

**EOP** means Energy One Employee Option Plan

**Listing Rules** means the listing Rules of ASX and **Rules** means a particular rule of the Listing Rules as applicable.

**Member** is a shareholder entitled to vote at general meetings of the Company.

**Option** is an option to acquire Shares in the company on the terms specified and includes a right.

**Performance Right** or **Right** is a right to acquire a Share in the company on the terms specified and includes an option.

**Resolutions** means the resolutions referred to in the Notice of Annual General Meeting and **Resolution** means any one of them, as the context requires.

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

**Shareholder** means the holder of a Share.

Name / Address 1  
Name / Address 2  
Name / Address 3  
Name / Address 4  
Name / Address 5

**Please return your Proxy forms to:**  
Energy One Limited  
GPO Box 3968, Sydney NSW 2001  
Telephone: +61 2 8252 9898  
Facsimile: +61 2 8252 9888  
ASX Code: EOL

SRN Holder ID:

**APPOINTMENT OF PROXY**

I/We being a member(s) of Energy One Limited and entitled to attend and vote hereby appoint

The Chairman of the Meeting (mark with an 'X')

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered security holder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 9:00am on Thursday, 18 November 2010 and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from Energy One Limited. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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 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/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

**VOTING DIRECTIONS TO YOUR PROXY**

– PLEASE MARK  TO INDICATE YOUR VOTE

**Item 2**

To adopt the Remuneration Report

For      Against      Abstain\*

          

**Item 3**

To confirm the appointment of Mr Shaun Ankers

For      Against      Abstain\*

          

**Item 4**

To re-elect Mr Ian Ferrier

For      Against      Abstain\*

          

**Item 5**

Approval of the Issue of Options to Executive Director

For      Against      Abstain\*

          

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwth).