



CVI Energy Corporation Ltd

ASX: CVI
NASDAQ OTCBB: CTVWF
FSE: C4Z

21 July 2011

The Manager
Company Announcements Office
Australian Stock Exchange

By Electronic Lodgement

Dear Sir/Madam,

NOTICE OF GENERAL MEETING

Please find attached the Notice of General Meeting which has been dispatched to shareholders on 21 July 2011.

Yours faithfully
CVI Energy Corporation Limited

Mark Smyth
Company Secretary

*Suite 1, 56 Kings Park Road, West Perth, Western Australia, 6005
PO Box 964 West Perth, Western Australia, 6872
Telephone: (61-8) 9481 0544 Facsimile: (61-8) 9481 0655
Web: www.cvienergycorp.com
ABN: 59 009 235 634 ACN: 009 235 634*

CVI ENERGY CORPORATION LIMITED

ABN 59 009 235 634

NOTICE OF GENERAL MEETING

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The general meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:30am (WST) on 18 August 2011 at:

Level 1
33 Richardson Street
West Perth WA 6005

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

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

- (a) post to CVI Energy Corporation Limited, PO Box Z5467, Perth, WA 6831; or
- (b) facsimile to the Company on facsimile number (+61 8) 9200 4469; or
- (c) email to the Company at info@cvienergycorp.com

so that it is received not later than 9:30am (WST) on 16 August 2011.

Proxy Forms received later than this time will be invalid.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9200 4476.

NOTICE OF GENERAL MEETING

Notice is given that the general meeting of Shareholders will be held at 9:30am (WST) on 18 August 2011 at Level 1, 33 Richardson St West Perth WA 6005.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 9:30am (WST) on 13 August 2011.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – CAPITAL RAISING

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

“That, subject to the passing of Resolution 2, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 200,000,000 Shares at an issue price of \$0.01 per Share, on the terms and conditions in the Explanatory Statement.”

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

2. RESOLUTION 2 – PLACEMENT OF OPTIONS

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

“That, subject to the passing of Resolution 1, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 50,000,000 Options to Cunningham Peterson Sharbanee Securities Pty Ltd (and/or its nominee/s), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any 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 holder of ordinary securities, if the resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

3. RESOLUTION 3 – SHARE ISSUE

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue to Celtic Capital Pty Ltd as trustee for the Celtic Capital Trust (and/or its nominee/s (Lender) the number of Shares necessary to discharge the amounts payable under the Loan Agreement at an issue price of \$0.0005 per Share subject to the Lender issuing a conversion notice to convert the amounts payable under the Loan into Shares, and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any 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 holder of ordinary securities, if the resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

DATED: 18 JULY 2011

BY ORDER OF THE BOARD

**MARK SMYTH
COMPANY DIRECTOR**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9:30am (WST) on 18 August 2011 at Level 1, 33 Richardson St West Perth WA 6005.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. IMPORTANT INFORMATION AND CONSIDERATIONS

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

If the Resolutions are passed and the Recapitalisation Proposal is completed, the Company will seek re-quotations of the Company's Shares on ASX, further develop the Company's Velvogen subsidiary, review the Company's existing business and look for new investment opportunities.

If the Resolutions are not passed and the Recapitalisation Proposal is not completed, Shareholders should be aware that it is possible that the Company may proceed to liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders.

The Resolutions are therefore important and affect the future of your Company. You are urged to give careful consideration to the Notice of Meeting and the contents of this Explanatory Statement and obtain professional advice before making any decisions in relation to the resolutions to be put to Shareholders.

2. RECAPITALISATION PROPOSAL

2.1 Background

On 21 August 2009, the Company announced that it had received a determination from ASIC pursuant to Sections 708AA(3), 708A(2) and 713(6) of the Corporations Act (2001).

On 24 August 2009, the Company announced the effects of the determination from ASIC and the Company's views on the way forward. In summary the effects were to prevent the Company from lodging a "cleansing notice" or using a "transaction specific prospectus" under the Corporations Act.

On 9 October 2009, the Company released a Notice of Meeting for an Extraordinary General Meeting for the purposes of approving the issue of up to 300,000,000 Shares. This resolution was approved by Shareholders.

On 16 November 2009, the Company issued a full form prospectus for the raising of approximately \$1,200,000 (**November Prospectus**).

On 1 December 2009, the Company announced that ASIC had issued an interim stop order against the November Prospectus. On 17 December 2009, the Company issued a replacement prospectus (**Replacement Prospectus**). On 21 December 2009, the Company announced that ASIC had placed an interim stop order on the Replacement Prospectus as well.

On 5 February 2010, the Company announced that it had received a final stop order from ASIC in relation to the Replacement Prospectus and accordingly, the Replacement Prospectus and associated capital raising was abandoned.

On 1 April 2010, the Company announced that its shares had been suspended from quotation on the ASX as a result of the failure to lodge its full year accounts for the period ended 31 December 2009. The Company lodged its accounts on 1 April 2010; one day late.

During April to June 2010, the Company announced several interim funding measures that had been identified and ultimately on 13 July 2010 the Company announced the successful completion of a loan agreement with Celtic Capital Pty Ltd and that it had mandated CPS Securities to complete a recapitalisation programme. The resolutions proposed for the upcoming General Meeting are central to this recapitalisation programme.

On 6 August 2010 the Company released a Notice of Meeting for an Extraordinary General Meeting for the purposes of approving the Recapitalisation Proposal as outlined below (**2010 Notice of Meeting**). The Resolutions of the 2010 Notice of Meeting were substantially the same as the Resolutions in this Notice of Meeting. All Resolutions in the 2010 Notice of Meeting were approved by Shareholders.

The Company received a number of extensions on the requirement to issue the securities pursuant to the 2010 Notice of Meeting, with the final extension being granted until 31 May 2011.

On 8 April 2011, the Company lodged a Prospectus with the ASIC for the raising of approximately \$2,000,000 (**April Prospectus**) and on 15 April 2011, the Company announced that it had received an interim stop order from ASIC in relation to the April Prospectus.

On 4 May 2011, the Company announced that it had received a final stop order from ASIC in relation to the April Prospectus and accordingly the April Prospectus was withdrawn.

The purpose of this Notice of Meeting is to seek re-approval of the relevant resolutions which were passed at the meeting convened by the 2010 Notice of Meeting.

2.2 Principal Features of the Recapitalisation Proposal

The principal features of the Recapitalisation Proposal (as defined below) are set out below:

- (a) **Consolidation and change of name:** a 1 for 100 consolidation of capital and a change of the Company's name was approved by Shareholders at the meeting convened by the 2010 Notice of Meeting. Accordingly, this component of the Recapitalisation Proposal has been completed;
- (b) **Loan and Conversion:** the Company and Celtic Capital Pty Ltd as trustee for the Celtic Capital Trust (ABN 26 120 688 262) (**Lender**) entered into a loan agreement (**Loan Agreement**) pursuant to which the Lender agreed to loan the Company \$600,000 (**Loan**). The purpose of the Loan is to repay the Company's creditors and the Loan can only be used for that purpose. The Loan is convertible into Shares at the election of the Lender, and it is anticipated that the Lender will convert the Shares following completion of the issue of Options and Shares under Resolutions 1 and 2 (see Resolution 3); and
- (c) **Prospectus Issue:** The issue of up to 200,000,000 Shares in the Company at an issue price of 1 cent each under a prospectus to raise up to \$2,000,000 (**Prospectus**) (see Resolution 1). The purpose of this capital raising is to ensure that the Company can continue its operations,

(**Recapitalisation Proposal**). Upon completion of the Recapitalisation Proposal, it is intended to replace the entire current Board of Directors of the Company with new directors. These new directors will not be related to or associated with the existing Board of Directors.

Completion of the Recapitalisation Proposal will restructure the Company's issued capital and net asset base, provide working capital and provide a new direction for the Company (with new management).

For information on the Company's operational plans following the recapitalisation refer to Section 2.4.

2.3 Indicative Timetable

Set out in the table below is the expected timing for completion of the Recapitalisation Proposal, subject to compliance with all regulatory requirements. These dates are indicative only and may be varied without prior notice.

Event	Date
General Meeting of Existing Shareholders	18 August 2011
Lodgement of Prospectus with ASIC	19 August 2011
Prospectus offer opens	29 August 2011
Prospectus offer closes	29 September 2011
Allotment of all new Shares	5 October 2011
Commencement of trading of new Shares on ASX	19 October 2011

2.4 Operational and Expenditure Plans of the Company

The Company's priority is to regain the Official Quotation of its shares on the Australian Securities Exchange. To achieve relisting will require the raising of sufficient working capital (approximately \$2 million) to ensure that the Company can operate as a going concern for more than one year.

Pursuant to this Notice of Meeting the Company proposes to raise sufficient working capital to continue the existing activities of the Company, increase the current activities and as part of the working capital budget, the Company may pursue new projects by way of acquisition or investment.

(a) Capital Raisings

The Capital Raising of up to \$2,000,000, contemplated by Resolution 1 in the Notice of Meeting, will be completed to enable the recapitalisation of the Company to be completed and to enable the Company to meet its initial objectives and expenditure plans.

The purpose of the Capital Raising is to:

- (i) fund the Company's on-going operations;
- (ii) further develop the Company's Velvogen subsidiary;
- (iii) provide funds for the acquisition and development of additional opportunities in the resources sector, as identified by the Company; and
- (iv) meet the administration costs of the Company and the expenses of the recapitalisation of the Company.

(b) Expenditure Plans and Use of Funds

The Company's review and development plans are the best estimates available to the Company at this time. It is important to recognise that although certain of the budget allocations are committed expenditures, work programs are subject to changes in line with emerging results, circumstances and opportunities.

It is proposed that the funds raised under the Capital Raising will be applied as follows:

Item	Year 1 (\$)	Year 2 (\$)	Total (\$)
Funding of Velvogen	200,000	-	200,000
Review and evaluation of new projects	350,000	350,000	700,000
Payment to existing creditors	150,000	-	150,000
Unallocated working capital	350,000	450,000	800,000
Expenses of issue	150,000	-	150,000
Total	1,200,000	800,000	2,000,000

2.5 Capital Structure

The capital structure of the Company on completion of the Recapitalisation Proposal is as follows:

Shares

	Number
Shares currently on issue	12,424,074
Shares offered pursuant to the Capital Raising	200,000,000
Total Shares on issue after the Capital Raising ¹	212,424,074
Shares issued upon conversion of Loan ²	120,000,000
Total Shares on issue after the Capital Raising and conversion of the Loan	332,424,074

Notes

¹ Assumes the Capital Raising is fully subscribed and no Options are exercised.

² Assumes the Loan is converted at a conversion price of \$0.005 per Share.

Options

	Number
Options currently on issue	Nil
Placement of Options to Celtic Capital Pty Ltd ¹	50,000,000
Total Options on issue	50,000,000

Note

¹ Exercisable at \$0.005 on or before 31 December 2014.

2.6 Pro-forma Statement of Financial Position

Included below is a summary pro-forma balance sheet for the Company, assuming completion of the Recapitalisation Proposal should all the Resolutions be passed.

The net asset value of the Company if the Recapitalisation Proposal is approved is set out below:

	Audited at 31 Dec 2010 \$	Pro-forma Adjustment \$	Note	Unaudited Pro-forma Consolidated 31 Dec 2010 \$
Current assets				
Cash and cash equivalents	1,062	1,600,103		1,601,165
Trade and other receivables	10,397	-		10,397
Total current assets	11,459	1,600,103		1,611,562
Non-current assets				
Property, plant and equipment	-	-		-
Total non-current assets	-	-		-
Total assets	11,459	1,600,103		1,611,562
Current liabilities				
Bank overdraft	23,046	(23,046)		-
Trade and other payables	1,007,538	(1,007,538)		-
Loans and borrowings	280,595	(280,595)		-
Total current liabilities	1,311,179	(1,311,179)		-
Net assets/(deficiency)	(1,299,720)	2,911,284		1,611,562
Equity				
Contributed Equity	115,935,588	2,350,000	1	118,285,588
Accumulated losses	(117,235,308)	561,284	3	(116,674,026)
Total equity/(deficiency)	(1,299,720)	2,911,284		1,611,562

Notes

- 1 **Resolution 1 – Capital Raising:** the issue of 200,000,000 Shares at an issue price of \$0.01 to raise \$1,750,000 (net of capital raising costs which have been estimated at \$250,000).
 - 2 **Resolution 2 – Placement of Options:** the allotment and issue of 50,000,000 Options at an issue price of 0.0001 cents each raising \$5,000.
 - 3 **Resolution 3 – Share Issue:** the issue of Shares to Celtic Capital Pty Ltd to discharge the amounts payable under the Loan Agreement at an issue price of \$0.005 per Share. The total of the loan was \$600,000 which is to be used to pay outstanding creditors.
-

3. RESOLUTION 1 – CAPITAL RAISING

3.1 General

Resolution 1 seeks Shareholder approval for the allotment and issue of 200,000,000 Shares pursuant to a capital raising to raise \$2,000,000 (**Capital Raising**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

3.2 Technical information required by Listing Rule 7.1

The following information is provided in relation to the Capital Raising pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Shares to be issued is 200,000,000;
 - (b) the Shares will be issued at \$0.01 per Share;
 - (c) the Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
 - (d) the Company intends to issue a Prospectus in respect of the Capital Raising and as such, the Directors will issue the Shares to subscribers pursuant to the Prospectus (who will not be related parties of the Company);
 - (e) the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares; and
 - (f) the Company intends to use the amount raised from the Capital Raising as outlined in Section 2.4(b) of this Explanatory Memorandum.
-

4. RESOLUTION 2 – PLACEMENT OF OPTIONS

4.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of up to 50,000,000 Options (**Option Placement**).

The subscriber to this issue will not be a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of Resolution 2 will be to allow the Directors to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be granted is 50,000,000;
 - (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
 - (c) the Options will be issued for \$0.0001 each and accordingly \$5,000 will be raised from the issue;
 - (d) the Options will be allotted and issued to Cunningham Peterson Sharbanee Securities Pty Ltd and/or its nominee/s, who in any event, will not be a related party of the Company;
 - (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
 - (f) the funds raised from the Option Placement will be used for working capital purposes.
-

5. RESOLUTION 3 – SHARE ISSUE

5.1 General

On 12 July 2010, the Company and Celtic Capital Pty Ltd as trustee for the Celtic Capital Trust (ABN 26 120 688 262) (**Lender**) entered into a loan agreement (**Loan Agreement**) pursuant to which the Lender agreed to loan the Company \$600,000 (**Loan**).

The principal terms of the Loan Agreement are as follows:

- (a) the purpose of the Loan is to repay the Company's creditors and the Loan can only be used for that purpose;
- (b) the provision of the Loan is subject to certain conditions including the provision of confirmation by the Company of the sale of the shares held by the Company in the following companies:
 - (ii) European Oil Limited; and
 - (iii) Fortitude Minerals Limited;
- (c) interest is payable under the Loan at 18% p.a., however the Lender has agreed to forgo all interest in the event the Loan is converted as set out in paragraph (f) below;
- (d) the Loan is secured by a fixed and floating charge over all of the assets and undertaking of the Company;
- (e) the Loan must be repaid by the earlier to occur of 31 August 2011 and the date when an event of default under the Loan Agreement occurs, however the Loan cannot be repaid within the first 6 months;
- (f) the Lender may, at its election, elect to convert the Loan into Shares at an issue price of \$0.005 per Share to be issued to the Lender (and/or its nominee/s) (**Share Issue**); and
- (g) the Company must pay the Lender a \$500,000 loan establishment fee (**Establishment Fee**) and the relevant interest amount if the Loan is not converted in accordance with paragraph (f) above.

The Lender (and/or its nominee/s) is (or will not be) not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of Resolution 3 will be to allow the Directors to issue the Shares pursuant to the Share Issue, should the Lender elect to convert the Loan, during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) in the event the Lender elects to convert the Loan under the Loan Agreement into Shares, the maximum number of Shares to be issued under the Share Issue is the amount of Shares that result from the conversion of the Loan (plus any outstanding interest) under the Loan Agreement into Shares at the price set out in (c) below. On the assumption that the Loan is converted at a conversion price of \$0.005 per Share a total of 120,000,000 Shares will be issued;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Shares will be issued at \$0.005 per Share;
- (d) the Shares will be allotted and issued to the Lender, being Celtic Capital Pty Ltd as Trustee for the Celtic Capital Trust (ABN 26 120 688 262), and/or its nominee/s. Celtic will nominate various unassociated parties to take the Shares upon conversion of the Loan. This will ensure that control of the Company is not transferred to any one person or group of persons;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) as the Shares will be issued in satisfaction of the Loan the Company will not raise any funds from the Share Issue.

6. ENQUIRIES

Shareholders are requested to contact Mark Smyth on (+ 61 8) 9200 4476. if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising means the capital raising contemplated by Resolution 1.

Company means CVI Energy Corporation Limited (ABN 59 009 235 634)

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting or **Meeting** means the meeting convened by the Notice.

Lender means Celtic Capital Pty Ltd ATF the Celtic Capital Trust (ABN 26 120 688 262).

Loan Agreement means a loan agreement between the Company and the Lender.

Loan means the loan under the Loan Agreement.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option or Director Option as the context requires.

Proxy Form means the proxy form accompanying the Notice.

Recapitalisation Proposal has the meaning given to that term in Section 2.2.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 31 December 2014 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;(**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are freely transferable.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
 - (j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

CVI ENERGY CORPORATION LIMITED ABN 59 009 235 634
GENERAL MEETING - APPOINTMENT OF PROXY

I/We
of
being a member of CVI Energy Corporation Limited entitled to attend and vote at the General Meeting, hereby
Appoint
Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General 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 General Meeting to be held at 9:30am (WST) on 18 August 2011 at Level 1, 33 Richardson St West Perth WA 6005 and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not 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 _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (d) post to CVI Energy Corporation Limited, PO Box Z5467, PERTH WA 6831; or
 - (e) facsimile to the Company on facsimile number (+61 8) 9200 4469; or
 - (f) email to the Company at info@cvienergycorp.com

so that it is received not later than 9:30am (WST) on 16 August 2011.

Proxy forms received later than this time will be invalid.