



NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am
DATE: Tuesday, 30 May 2006
PLACE: Narrabeen Room,
Level 30, Citigroup Centre,
2 Park Street, Sydney, NSW

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 (08) 9278 2533.



1. TIME AND PLACE OF MEETING AND HOW TO VOTE

1.1 VENUE

The Annual General Meeting of the Shareholders of Po Valley Energy Limited which this Notice of Meeting relates to will be held at 11:00am:

Narrabeen Room, Level 30 Citigroup Centre, 2 Park Street, Sydney, New South Wales

1.2 YOUR VOTE IS IMPORTANT

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

1.3 VOTING IN PERSON

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

1.4 VOTING BY PROXY

To vote by proxy, please send the completed proxy form enclosed (and relevant authorities) to Link Market Services Limited so that it is received no later than 11.00am Sydney time on 28 May 2006.

To do this, you may:

- use the enclosed reply paid envelope; or
- fax to +61 2 9287 0309; or
- mail to Locked Bag A14, Sydney South NSW 1235 Australia; or
- deliver in person to Level 12, 680 George Street, Sydney Australia; or
- lodge online at www.linkmarketservices.com.au in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website). You will need your Holder Identification Number (HIN) or Securityholder Reference Number (SRN), which can be found on the front of the Proxy Form.

If you require further information on how to complete the proxy form, telephone Link Market Services Limited on +61 2 8280 7424.

Proxy forms received later than this time will be invalid.



2. NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Po Valley Energy Limited will be held in the Narrabeen Room at Level 30 Citigroup Centre, 2 Park Street, Sydney, New South Wales on Tuesday, 30 May 2006 commencing at 11.00am EST.

The Explanatory Statement to this Notice Meeting provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered Shareholders of the Company at 5:00pm on 28 May 2006 (EST).

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

2.1 AGENDA

BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Annual General Meeting.

1. FINANCIAL REPORTS

To receive and consider the financial statements of the Company for the year ended 31 December 2005 together with the declaration of the directors, the directors' report and the auditor's report.

2. RE-ELECTION OF DIRECTORS

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

- 2.1 "That Mr Byron Pirola being a Director of the Company retires under the director rotation provisions of Clause 13.2 of the Company's Constitution. Mr Pirola, being eligible, is hereby re-elected as a Director of the Company."

Short Explanation: Clause 13.2 of the Constitution requires that at the Company's annual general meeting one-third of the Directors shall retire from office provided always that no director holds office for a period in excess of 3 years. A retiring Director is eligible for re-election.

- 2.2 "That Mr Dietmar Greil, having been appointed as an additional Director of the Company in August 2005 under clause 13.4 of the Company's Constitution, and, being eligible and having consented to act, be re-elected as a Director of the Company."

Short Explanation: Clause 13.4 of the Constitution provides that any person elected by the Directors during the period subsequent to the Company's last general meeting of Shareholders holds office only until the next following general meeting and is then eligible for re-election.



3. REMUNERATION REPORT

To receive and consider the Remuneration Report of the company for the year ended 31 December 2005 as set out in the Company's 2005 Annual Report.

The vote on this resolution is advisory only and does not bind the Directors of the Company.

Dated: 24 April 2006

BY ORDER OF THE BOARD

DOM DEL BORRELLO
Company Secretary

Voting Exclusion Note:

Where a voting exclusion applies, 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.

Registered Office: Level 28, 140 St George's Terrace, Perth WA 6000, Australia

Phone: +61 8 9278 2533 Fax: +61 8 9278 2525



3. EXPLANATORY STATEMENT

This 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.

3.1 AGENDA ITEM 1 – FINANCIAL REPORTS

The Company's Annual Report 2005 has been sent to shareholders (other than those who do not wish to receive it). The report can be found on the company's website (www.povalley.com). There will be an opportunity for shareholders to ask questions about, or comment on, the Reports and the management and performance of the company.

3.2 AGENDA ITEM 2 – RE-ELECTION OF DIRECTORS

Clause 13.2 of the Constitution requires that at the Company's annual general meeting one – third of the Directors shall retire from office provided always that no directors holds office for a period in excess of 3 years.

Clause 13.2 of the Constitution also provides that a retiring Director is eligible for re-election.

Clause 13.4 of the Company's Constitution provides that any person elected by the Directors during the period subsequent to the Company's last general meeting of Shareholders must offer himself for election at the Company's next general meeting.

Pursuant to the Constitution, Mr Pirola and Mr Greil will retire and seek re-election.

Please refer to the 2005 Annual Report of the Company for information regarding Mr Pirola's and Mr Greil's qualifications and experience.

The Directors, other than those subject to re-election, support and recommend the re-election of Mr Pirola and Mr Greil as Directors of the Company.

3.2 AGENDA ITEM 3 – REMUNERATION REPORT

The Company's Remuneration Report for the year ended 31 December 2005 is set out in the Company's 2005 Annual Report.

Pursuant to section 250R(2) of the Corporations Act a resolution that the Remuneration Report be adopted must be put to vote at the Company's Annual General Meeting. In accordance with section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the Directors or the company. However, the Board will take the outcome of vote into consideration when reviewing the remuneration practices and policies of the company.

Shareholders will have the opportunity at the meeting to ask questions in relation to the Remuneration Report.



4. GLOSSARY

Annual General Meeting means the meeting convened by the Notice.

ASX means Australian Stock Exchange Limited.

Board means the current board of directors of the Company.

Company and **the Company** means Po Valley Energy Limited (ABN 33 087 741 571).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

EST means Eastern Standard Time, Sydney, New South Wales.

Explanatory Statement means the explanatory statement set out in this Memorandum.

Memorandum means all of the documents accompanying the Notice and referred to in the Contents section.

Notice means the notice of meeting which accompanies this Memorandum.

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

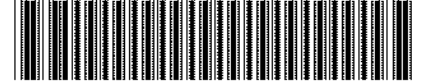
Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.



APPOINTMENT OF PROXY

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.



X99999999999

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

A the Chairman of the Meeting (mark box) **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 securityholder) 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 11:00am on Tuesday, 30 May 2006 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 the share registry. 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.

B To direct your proxy how to vote on any resolution please insert **X** in the appropriate box below.

	For	Against	Abstain*
Resolution 2.1 Re-Elect Mr Byron Priola as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.2 Re-Elect Mr Dietmar Greil as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 To receive and consider the Remuneration Report	<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 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.

C SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual) <input type="text"/>	Joint Securityholder 2 (Individual) <input type="text"/>	Joint Securityholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	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).

Link Market Services Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

