



NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am
DATE: Wednesday, 30 May 2007
PLACE: Whale Room,
Level 39, 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 10:00am:

Whale Room, Level 39 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 10.00am Sydney time on Monday, 28 May 2007

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 Whale Room at Level 39 Citigroup Centre, 2 Park Street, Sydney, New South Wales on Wednesday, 30 May 2007 commencing at 10.00am 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 on 30 May 2007 at 10:00am (EST).

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

2.1 AGENDA

REPORTS AND ACCOUNTS

To receive the financial report of the Company for the year ended 31 December 2006, together with the directors' report and the auditor's report.

RESOLUTION 1 - RE-ELECTION OF MR GRAHAM BRADLEY

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

"That Mr Graham Bradley being a Director of the Company retires under the director rotation provisions of Clause 13.2 of the Company's Constitution. Mr Bradley, 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.

RESOLUTION 2 - RE-ELECTION OF MR DAVID McEVOY

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

"That Mr David McEvoy being a Director of the Company retires under the Director rotation provisions of Clause 13.2 of the Company's Constitution. Mr McEvoy, 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.



RESOLUTION 3 - ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company’s annual general meeting. The vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

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 of the Listing Rules of ASX Limited and for all other purposes, the shareholders of the Company ratify the allotment and issue of 3,000,000 fully paid ordinary shares in the capital of the Company at an issue price of \$1.95 per Share, and otherwise on the terms and conditions which are 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 those persons.

Short Explanation: Under the Listing Rules, the Company may seek shareholder ratification after issuing securities to allow it the flexibility to make further issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

Dated: 24 April 2007

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Dom Del Borrello', written over a horizontal line.

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.



3. EXPLANATORY STATEMENT

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.

3.1 REPORTS AND ACCOUNTS

The 2006 Annual Report has been sent to Shareholders (other than those who do not wish to receive it) and can also 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 2006 Annual Report and the management and performance of the Company at the Annual General Meeting.

3.2 RESOLUTION 1 – RE-ELECTION OF MR GRAHAM BRADLEY

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.

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

Mr Bradley has retired by rotation and now seeks re-election in accordance with clause 13.2 of the Constitution.

Please refer to the 2006 Annual Report for information regarding Mr Bradley's qualifications and experience.

3.3 RESOLUTION 2 – RE-ELECTION OF MR DAVID McEVOY

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.

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

Mr McEvoy has retired by rotation and now seeks re-election in accordance with clause 13.2 of the Constitution.

Please refer to the 2006 Annual Report for information regarding Mr McEvoy's qualifications and experience.



3.4 RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the 2006 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 the vote into consideration when reviewing the remuneration practice and policies of the Company.

Shareholders will have the opportunity at the Annual General Meeting to ask questions in relation to the Remuneration Report.

3.5 RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

3.5.1 General

On 30 October 2006, the Company announced the completion of a placement of 3,000,000 Shares at an issue price of \$1.95 each to the parties listed in section 3.5.2(a) below. None of the subscribers pursuant to this placement were related parties of the Company. Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 3,000,000 Shares were allotted and issued to the parties set out below:

Allottee	No. of Shares
Harbinger Management Corporation	1,500,000
Hunter Hall Investor Management Limited	1,500,000
TOTAL	3,000,000

- (b) the Shares were allotted and issued on 3 November 2006;
- (c) the issue price of the Shares was \$1.95 each;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company; and
- (e) the funds raised have been and will continue to be used to progress existing projects to production and evaluate and progress exclusive license applications.



4. GLOSSARY

2006 Annual Report means the Company's annual report for the year ended 31 December 2006.

Annual General Meeting means the meeting convened by the Notice.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

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.

Remuneration Report means the remuneration report of the Company for the year ended 31 December 2006, as set out in the 2006 Annual Report.

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.



PO VALLEY ENERGY LIMITED
 ABN 33 087 741 571

Please return your Proxy forms to:
 Link Market Services Limited
 Level 12, 680 George Street, Sydney NSW 2000
 Locked Bag A14, Sydney South NSW 1235 Australia
 Telephone: 02 8280 7424
 Facsimile: (02) 9287 0309
 ASX Code: PVE
 Website: www.linkmarketservices.com.au

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.

You can also lodge your vote on-line at
 www.linkmarketservices.com.au



X99999999999

I/We being a member(s) of Po Valley Energy Limited 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 10:00am on Wednesday, 30 May 2007, at the Whale Room, Level 39 Citigroup Centre, 2 Park Street, Sydney 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 in the appropriate box below.

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Re-election of Mr. Graham Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 3 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr. David McEvoy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 4 Ratification of Issue of Shares	<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"/> Sole Director and Sole Company Secretary	Joint Securityholder 2 (Individual) <input type="text"/> Director/Company Secretary (Delete one)	Joint Securityholder 3 (Individual) <input type="text"/> Director
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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 (Cwlth).

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).

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How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Monday, 28 May 2007, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to Po Valley Energy Limited's share registry as follows:
Po Valley Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- lodging it online at Link's website (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);
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.