



11 April 2010

The Manager  
Company Announcements  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**2011 Annual General Meeting**

The directors of Po Valley Energy Limited are pleased to announce that the Notice of Meeting, Proxy Form and Shareholder Question Form for the company's 2011 Annual General Meeting are being mailed to shareholders today.

The 2011 Annual General Meeting will be held at 11.30am on 13 May 2011 at Level 39, Citigroup Centre, 2 Park Street, Sydney, New South Wales, Australia.

Po Valley's 2010 Annual Report will also be lodged today with the ASX and is being sent to those shareholders who have requested a copy.

The 2010 Annual Report, Notice of Meeting and Shareholder Question Form will be available on the company's website at [www.povalley.com](http://www.povalley.com) later today.

Pursuant to Listing Rule 3.17, attached are copies of the Notice of Meeting, Proxy Form and Shareholder Question Form.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Lisa Jones".

**Lisa Jones**  
**Company Secretary**



ABN 33 087 741 571

**NOTICE OF ANNUAL GENERAL MEETING**  
and Explanatory Notes

**2011**

**TIME:** 11.30am (EST)  
**DATE:** Friday, 13 May 2011  
**PLACE:** Citigroup Centre  
Level 39,  
2 Park Street, Sydney,  
New South Wales, Australia

***This Notice of Meeting should be read in its entirety. It contains the resolutions which will be voted upon at the Annual General Meeting (AGM) at 11.30am (EST) on Friday, 13 May 2011 and information in relation to those resolutions for your consideration.***

***If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***



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## 1. TIME AND PLACE OF MEETING AND HOW TO VOTE

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### 1.1 VENUE

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The Annual General Meeting of the Shareholders of Po Valley Energy Limited which this Notice of Meeting relates to will be held on Friday, 13 May 2011 at 11:30am (EST) at Level 39, Citigroup Centre, 2 Park Street, Sydney, New South Wales, Australia.

### 1.2 YOUR VOTE IS IMPORTANT

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

### 1.3 VOTING ENTITLEMENT

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For the purposes of the Annual General Meeting, only those persons registered as Shareholders of the Company at 7.00pm (EST) on 11 May 2011 will be entitled to vote. This means that if you are not a registered Shareholder at that time you will not be entitled to vote in respect of that Share. On a show of hands each Shareholder has one vote. On a poll each Shareholder has one vote for each Share they hold.

### 1.4 VOTING IN PERSON

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

### 1.5 VOTING BY PROXY

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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 11.30am (EST) on Wednesday, 11 May 2011. **Proxy forms received later than this time will be invalid.**

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 NSW Australia; or
- lodge online at [www.linkmarketservices.com.au](http://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 1300 554 474 or +61 2 8280 7111 if calling from overseas.



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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Po Valley Energy Limited will be held at Level 39, Citigroup Centre, 2 Park Street, Sydney, New South Wales, Australia on Friday, 13 May 2011 commencing at 11.30am (EST).

The Explanatory Notes to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Notes and the proxy form are part of this Notice of Meeting.

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

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## ITEMS OF BUSINESS

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### Item 1 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial report of the Company and its controlled entities, including the Directors' Declaration and the Reports of the Directors and the Auditor for the year ended 31 December 2010.

### Item 2: REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, pass 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 as contained in the Company's annual financial report for the year ended 31 December 2010."*

### Item 3: RE-ELECTION OF DR BYRON PIROLA AS A DIRECTOR

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

*"That, Dr Byron Pirola who retires as a director in accordance with Clause 13.2 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be elected as a Director of the Company."*

### Item 4: RE-ELECTION OF MR MICHAEL MASTERMAN AS A DIRECTOR

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

*"That, Mr Michael Masterman, who has ceased to act as Managing Director since the last annual general meeting and who having held office for more than three years, retires in accordance with Clause 13.2 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be elected as a Director of the Company."*

### Item 5: ELECTION OF MR GREGORY SHORT AS A DIRECTOR

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



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*“That, Mr Gregory Short, who having been appointed by the Board since the last annual general meeting, retires in accordance with Clause 13.2 of the Company’s Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be elected as a Director of the Company.”*

**Item 6: NON-EXECUTIVE DIRECTORS’ REMUNERATION**

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

*“That, for the purposes of ASX Listing Rule 10.17, the maximum aggregate remuneration which may be paid to non-executive directors under clause 13.7 of the Constitution be increased from A\$200,000 to €250,000 (equivalent of \$343,600 as at the date of this Notice of AGM based on the EURO/AUD exchange rate of 1.3744) (inclusive of superannuation contributions), effective from the date of this meeting.”*

**Note: A voting exclusion statement applies to this resolution (see Item 6 of the Explanatory Notes)**

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**Dated: 28 March 2011**

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Lisa Jones'.

**LISA MEREDITH JONES**  
**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.



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## EXPLANATORY NOTES

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The Explanatory Notes have been prepared to assist Shareholders to understand the reasons for and the effect of the resolutions to be put to the Shareholders at the AGM.

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

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The Corporations Act requires the financial report, directors' report and auditor's report to be laid before the AGM. There is no requirement in the Corporations Act or the Company's Constitution for Shareholders to vote on, approve or adopt these reports. Shareholders will have a reasonable opportunity at the AGM to ask questions about and make comments about these reports and the management and performance of the Company. Shareholders may also submit written questions on these matters to the Company by completing and returning the enclosed Question Form.

The 2010 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](http://www.povalley.com)).

### **ITEM 2: REMUNERATION REPORT**

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The Remuneration Report is set out on pages 21 to 25 of the Company's 2010 Annual Report.

The Corporations Act requires the business of the AGM to include a resolution in relation to the remuneration report. This provides Shareholders with the opportunity to comment and ask questions on the content of the remuneration report, and exercise a vote for its adoption. In accordance with 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.

### **ITEM 3 ELECTION OF DR BYRON PIROLA**

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Dr Pirola was last elected as a director at the Company's 2008 AGM. Under Clause 13.2 of the Company's Constitution and ASX Listing Rule 14.4, a director must not hold office for more than three years or past the third annual general meeting since his appointment, without submitting for re-election. Accordingly, Mr Pirola retires and offers himself for re-election.

#### **BYRON PIROLA (Non Executive Director) Bsc, PhD**

Byron is a co-founder of the Company and has been a non-executive director since 2002. He is currently a Director of Port Jackson Partners Limited, a Sydney based strategy management consulting firm. Prior to joining Port Jackson Partners in 1992, Byron spent six years with McKinsey & Company working out of the Sydney, New York and London offices and across the Asian Region. He has extensive experience in advising CEOs and boards of both large public and small developing companies across a wide range of industries and geographies. Byron is Chairman of the Audit & Risk Committee and member of the Remuneration & Nominations Committee.

#### ***Recommendation***

Dr Pirola's re-election is unanimously recommended to shareholders by the other Directors.



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#### **ITEM 4: RE-ELECTION OF MR MICHAEL MASTERMAN**

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Under the Constitution and the ASX Listing Rules, a director must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is the longer. Clause 13.2 of the Constitution and ASX Listing Rule 14.4 provide an exception to this rule in the case of a Managing Director. Mr Masterman retired as Managing Director since the Company's last AGM and is, therefore, now required to submit for re-election under the Constitution and the ASX Listing Rules. Accordingly, he retires and offers himself for re-election.

#### **MICHAEL MASTERMAN (Non-Executive Director and Deputy Chairman) BEcHons**

Michael is a co-founder of the Company and has been a director since 2002. He served as the Company's Chief Executive Officer from 2002 until October 2010 when he resigned his executive role to accept a position as International Projects Director with Fortescue Metals Group Limited, the world's 4th largest Iron Ore producer. Since then, he has continued as a non-executive director and assumed the role of Deputy Chairman. Prior to joining Po Valley, Michael was CFO and Executive Director of Anaconda Nickel (now Minara Resources). Michael oversaw the financing of the US\$1 billion Murrin Murrin Nickel and Cobalt project in Western Australia, involving the negotiation of a US\$220m joint venture agreement with Glencore International and the raising of US\$420m in project finance from a US capital markets issue – the first of its kind for a green fields mining project. Prior to joining Anaconda Nickel, he spent 8 years at McKinsey & Company serving major international resources companies principally in the area of strategy and development. He is also Executive Chairman of Caspian Holdings Plc, an AIM listed company with oil interests in the US. Mr. Masterman is a member of the Remuneration & Nominations Committee

#### ***Recommendation***

Mr. Masterman's re-election is unanimously recommended to shareholders by the other Directors.

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#### **ITEM 5: RE-ELECTION OF MR GREGORY SHORT**

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Under the Company's Constitution and the ASX Listing Rules, a director appointed by the Board to fill a casual vacancy or as an addition to the Board may hold office only until the next annual general meeting of the Company and then is eligible for election at that meeting. Mr Short is required to submit for election under this rule. Accordingly, he retires and offers himself for re-election.

#### **GREGORY SHORT (Non-Executive Director) BSc**

Greg was appointed Non Executive Director in July 2010. Greg is a geologist who worked with Exxon in exploration, development and production geosciences and management for 33 years in Australia, Malaysia, USA, Europe and Angola. During his time in Europe, Greg was actively involved in Exxon's activities in the Netherlands and Germany. Greg was Geoscience Director of Exxon's successful development of its Angola offshore operations. Greg retired from Exxon in 2006 and is a non-executive director of ASX listed MEO Australia and Pryme Oil and Gas Limited.



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***Recommendation***

Mr. Short's re-election is unanimously recommended to shareholders by the other Directors.



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## ITEM 6: NON-EXECUTIVE DIRECTORS' REMUNERATION

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Clause 13.7 of the Constitution provides that the remuneration of directors for their services as directors must not exceed a fixed sum per annum as is determined from time to time by Shareholders in general meetings. Pursuant to clause 13.7 of the Constitution and ASX Listing Rule 10.17, the Company is required to seek Shareholder approval to increase the maximum aggregate remuneration of non-executive directors.

The Company has not sought shareholder approval to increase these fees since 2004, prior to listing on the ASX. Since that time, the Company has added two non-executive directors to the Board, namely, Gregory Short and Michael Masterman.

The Company is seeking shareholder approval to increase the maximum aggregate remuneration that may be paid to non-executive directors from A\$200,000 to €250,000. The reason for the increase is that given the current number of directors, the Company has no flexibility to either add additional directors or to review the appropriate remuneration for directors in light of market relativities and the increased scope and complexity of the Company's operations. While there are no immediate plans to increase the size of the board, it is the Board's intention to begin putting in place an appropriate succession plan for long-serving directors, and this may require the addition of a further director for a period before it is appropriate for an existing director to retire. Accordingly, the Company seeks to increase the maximum aggregate remuneration of non-executive directors and, since the Company's functional and reporting currency is now Euros, to denominate this maximum amount in Euros.

As at the date of this Notice of AGM, the EURO/AUD exchange rate is 1.3744 meaning that the remuneration of €250,000 for which approval is sought would equate to A\$343,600. Exchange rates are variable and if Shareholders approve the maximum remuneration payable to non-executive directors at €250,000, the value of this amount in Australian dollars will vary from time to time. For example, based on prevailing exchange rates during 2010, an amount of €250,000 would have been worth anywhere between A\$324,725 (EUR/AUD 1.2989) and A\$395,200 (EUR/AUD 1.5808) during the course of the year.

### Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Item 6 by:

- the Directors; and
- any associates of the Directors.

However, 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.

### Recommendation

In light of the voting exclusion statement, the Board abstains from making a recommendation on this Resolution.



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## GLOSSARY

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**2010 Annual Report** means the Company's annual report for the year ended 31 December 2010.

**Annual General Meeting** or **AGM** means the annual general meeting of the Company to be held on 13 May 2011 at 11.30am **(EST)**.

**ASX** means ASX Limited.

**ASX Listing Rules** means the listing rules of ASX.

**Board** means the current board of directors of the Company.

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

**Constitution** means the constitution of Po Valley Energy Limited

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company.

**EST** means eastern standard time as observed in Sydney, New South Wales.

**Euro** means the basic monetary unit of most members of the European Union.

**Explanatory Notes** means the explanatory notes which accompanies and is incorporated as part of this Notice.

**Notice** and **Notice of Meeting** means this Notice of AGM.

**Remuneration Report** means the remuneration report of the Company for the year ended 31 December 2010, as set out in the 2010 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.



**By mail:**  
Po Valley Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



**By fax:** +61 2 9287 0309



**All enquiries to:** Telephone: 1300 554 7424 Overseas: +61 2 8280 7424



**X99999999999**

## SHAREHOLDER VOTING FORM

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

### STEP 1

#### APPOINT A PROXY

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 shareholder) 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 and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **11:30am (EST) on Friday, 13 May 2011, at Level 39, 2 Park Street, Sydney NSW** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours** before the meeting. Please read the voting instructions overleaf before marking any boxes with an **X**

### STEP 2

#### VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
<b>Item 2</b> Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Item 5</b> Election of Mr Gregory Short as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Item 3</b> Re-election of Dr Byron Pirola as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Item 6</b> Non-executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Item 4</b> Re-election of Mr Michael Masterman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**i** \* 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.

### STEP 3

#### IMPORTANT - VOTING EXCLUSIONS

If the Chairman 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 as your proxy in respect of Item 6 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Item and that votes cast by him/her for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 6 and your votes will not be counted in calculating the required majority if a poll is called on this Item.  
The Chairman of the Meeting intends to vote undirected proxies in favour of Item 6.

### STEP 4

#### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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 company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS PROXY FORM

### 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.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 Step 1. 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.

### Votes on Items of Business - Proxy Appointment

You may 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.

### 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 and return them both together.

To appoint a second proxy you must:

- 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.
- return both forms together.

### 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 shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge 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.

### Corporate Representatives

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 in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:30am (EST) on Wednesday, 11 May 2011**, 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:



**ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Select the 'Proxy Voting' option on the top right of the home page. Choose the company you wish to lodge your vote for from the drop down menu, enter your holding details as shown on this form, and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



**by mail:**

Po Valley Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**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.**



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## Questions from Shareholders

Shareholders who are unable to attend the Annual General Meeting (AGM), or who may prefer to register questions beforehand concerning the business of the Company or any resolution to be considered at the AGM, are invited to do so. Your questions are important to us.

Shareholder Questions must be received by 6 May 2011. We will respond to as many of the frequently asked questions as possible at the AGM, and those answers will be dealt with in the AGM presentations or posted separately on our website. Please note that we may not be able to reply to each question individually.

Please use this form to submit questions and return it by fax to **(08) 9278 2525** or, alternatively, email your questions to the Company Secretary at: **[ljones@povalley.com](mailto:ljones@povalley.com)**. If emailing your questions please include your name and Security holder Reference Number (SRN) or Holder Identification Number (HIN).

Shareholder's name

Address

Security holder Reference Number (SRN)

OR

Holder Identification Number (HIN)

### Questions

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