



14 January 2013

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

Dear Sir/Madam,

Extraordinary General Meeting of Shareholders

The directors of Po Valley Energy Limited (the **Company**) advise that the Company is convening an extraordinary general meeting (**EGM**) of shareholders to consider resolutions in relation to the Company's capital raising by means of a private placement as announced on 3 December 2012.

The EGM will be held on 15 February 2013 at 3.30pm at Level 32, 580 George Street, Sydney, New South Wales.

The notice of EGM including explanatory memorandum was despatched to shareholders today.

Pursuant to Listing Rule 3.17, attached are copies of the Notice of EGM and a sample Proxy 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 EXTRAORDINARY GENERAL MEETING
and Explanatory Memorandum

TIME: 3.30pm AEDT
DATE: Friday 15 February 2013
PLACE: Level 32, 580 George Street, Sydney, New South Wales.

This Notice of Meeting should be read in its entirety. It contains the resolutions which will be voted upon at the Extraordinary General Meeting (EGM) at 3.30pm (AEDT) on Friday 15 February 2013 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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TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Extraordinary General Meeting of the Shareholders of Po Valley Energy Limited which this Notice of Meeting relates to will be held on Friday 15 February 2013 at 3.30pm (AEDT) at Level 32, 580 George Street, Sydney, New South Wales, Australia.

Your vote is important

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

Voting Entitlement

For the purposes of the Extraordinary General Meeting, only those persons registered as Shareholders of the Company at 7.00pm (AEDT) on Wednesday 13 February 2013 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.

Voting in Person

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

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 3.30pm (AEDT) on Wednesday 13 February 2013. **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 1A Homebush Bay Drive, Rhodes NSW 2138 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 1300 554 474.



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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting (**Meeting**) of shareholders of Po Valley Energy Limited will be held at Level 32, 580 George Street, Sydney, New South Wales on Friday, 15 February 2013 commencing at 3.30pm (AEDT).

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

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

AGENDA

1: Ratification of Issue of Tranche One Placement Shares

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

“That, for all purposes including ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 7,416,667 Shares each at an issue price of \$0.12 to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by a person who participated in the first tranche of the Placement and any of their associates.

2: Approval of Participation of Mr Michael Masterman in the Placement

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

“That, for all purposes including for the purposes of ASX Listing Rule 10.11, Shareholders approve the issue of 3,000,000 Shares to Mr Michael Masterman or his associate at an issue price of \$0.12 under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Masterman or his associates.

3. Approval of Participation of Mr Kevin Eley in the Placement

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

“That, for all purposes including for the purposes of ASX Listing Rule 10.11, Shareholders approve the issue of 400,000 Shares to Kevin Eley or his associate at an issue price of \$0.12 under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.



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Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Eley or his associates.

4. Approval of Participation of Mr Graham Bradley in the Placement

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

“That, for all purposes including for the purposes of ASX Listing Rule 10.11, Shareholders approve the issue of 250,000 Shares to Graham Bradley or his associate at an issue price of \$0.12 under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Bradley or his associates.

5. Approval of Participation of Mr Gregory Short in the Placement

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

“That, for all purposes including for the purposes of ASX Listing Rule 10.11, Shareholders approve the issue of 200,000 Shares to Gregory Short or his associate at an issue price of \$0.12 under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Short or his associates.

Dated: 8 JANUARY 2013

BY ORDER OF THE BOARD

LISA 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 MEMORANDUM

This Explanatory Memorandum, which is included in and forms part of this Notice of Meeting, is to provide Shareholders with information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

On 3 December 2012, the Company announced the placement of up to 11,266,667 ordinary fully paid shares to raise approximately \$1.3 million. The Placement is to be completed in two tranches, the first tranche of 7,416,667 Shares (**Tranche One Shares**) was completed on 6 December 2012, with the Tranche One Shares issued to a small group of sophisticated and institutional investors (**Tranche One**). The Company seeks ratification of the issue of the Tranche One Shares in Resolution 1. The second tranche, being 3,850,000 Shares (**Tranche Two Shares**) to be issued to Participating Directors on equal terms as those investors who subscribed for Shares under Tranche One of the Placement, is subject to Shareholder approval which is sought under Resolutions 2, 3, 4 and 5 (**Tranche Two**).

Resolution 1 – Ratification of Issue of Shares under Tranche One of the Placement

ASX Listing Rule 7.1 provides that an ASX listed company may not issue equity securities comprising more than 15% of its issued shares in any 12 month period without obtaining shareholder approval unless the issue comes within any of the specified exceptions.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, permitting the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% limit set by ASX Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

Shareholder approval is therefore sought pursuant to ASX Listing Rule 7.4 to ratify the previous issue of 7,416,667 Shares under Tranche One of the Placement so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without further shareholder approval.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) 7,416,667 Shares were allotted under Tranche One of the Placement;
- (b) the issue price was \$0.12 per Share;
- (c) the Tranche One Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche One Shares were allotted and issued to sophisticated and institutional investors, none of whom were related parties of the Company; and
- (e) the funds raised from this issue of the Tranche One Shares will be used to upgrade the Company's Sillaro gas plant in order to enable higher production rates and for general working capital.

Resolutions 2, 3, 4 and 5: Participation in the Placement by Directors

Resolutions 2, 3, 4 and 5 relate to the proposed participation of the Participating Directors, being Michael Masterman, Kevin Eley, Graham Bradley and Gregory Short (or their respective nominees), in Tranche Two of the Placement (**Participation**).



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ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

If Resolutions 2, 3, 4 and 5 are passed, the Participating Directors may be issued shares under Tranche Two of the Placement, which would constitute the issuing of Shares to related parties of the Company. Accordingly, approval for the issue of the Tranche Two Shares to the Participating Directors is sought under ASX Listing Rule 10.11. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Separate approval under ASX Listing Rule 7.1 is not required in relation to the issue of the tranche two Placement Shares to the Participating Directors as approval is being obtained under ASX Listing Rule 10.11.

The following information is provided in relation to the approval sought as required under ASX Listing Rule 10.13:

- a) the number of Tranche Two Shares to be issued to the Participating Directors is as follows:
 - i. Michael Masterman 3,000,000 Shares;
 - ii. Kevin Eley 400,000 Shares;
 - iii. Graham Bradley 250,000 Shares; and
 - iv. Gregory Short 200,000 Shares,
- b) the Tranche Two Shares will be issued no later than one month after the date of the Meeting and it is anticipated that allotment will occur on the same date;
- c) the issue price is \$0.12 per Share;
- d) the Tranche Two Shares 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;
- e) the funds raised from this issue will be used to upgrade the Company's Sillaro gas plant in order to enable higher production rates and for general working capital.



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GLOSSARY

AEDT means Eastern Daylight Time as observed in Sydney, New South Wales.

ASX Listing Rules means the listing rules of ASX Limited.

Board means the current board of directors of the Company.

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

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum which accompanies and is incorporated as part of this Notice;

Meeting means the extraordinary general meeting of the Company to be held on 15 February 2013 at 3.30pm (AEDT)

Notice and **Notice of Meeting** means this notice of extraordinary general meeting.

Participating Directors means Michael Masterman, Kevin Eley, Graham Bradley and Gregory Short.


Placement means the placement announced by the Company on 3 December 2012 to raise approximately \$1.3million through the issue of Shares at an issue price of \$0.12 in two tranches, the first tranche being 7,416,667 Shares issued to sophisticated and institutional investors on 6 December 2012 and the second tranche being 3,850,000 Shares proposed to be issued to Participating Directors.


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.

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

 **By fax:** (02) 9287 0309

 **All enquiries to: Telephone:** 1300 554 474 or (02) 8280 7111

SECURITYHOLDER 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 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 and to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at **3:30pm (EST) on Friday, 15 February 2013, at Level 32, 580 George Street, Sydney, New South Wales, Australia** and at any adjournment or postponement of the meeting.
 The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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

STEP 2 **VOTING DIRECTIONS**

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Ratification of Issue of Tranche One Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 4 Approval of Participation of Mr Graham Bradley in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval of Participation of Mr Michael Masterman in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Approval of Participation of Mr Gregory Short in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of Participation of Mr Kevin Eley in the Placement	<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.

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 4 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 4 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 4.

STEP 4 **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 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 security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities 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 securityholder 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 securities 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 securities 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 security registry or you may copy this form and return them both together.

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 securities 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.

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 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 security 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 **3:30pm (EST) on Wednesday, 13 February 2013**, 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

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders 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:

(02) 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138

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