



ABN 33 087 741 571

## NOTICE OF ANNUAL GENERAL MEETING

**TIME:** 11.00am

**DATE:** Wednesday, 20 May 2009

**PLACE:** Davyhurst Room,  
Goldfields House,  
Level 8, 1 Alfred 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.***



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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 Wednesday, 20 May 2009 at 11:00am:

Davyhurst Room, Goldfields House, Level 8, 1 Alfred Street, Sydney, New South Wales

**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 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.

**1.4 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 11.00am Sydney time on Monday, 18 May 2009.

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](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 +61 2 8280 7424.

**Proxy forms received later than this time will be invalid.**



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## 2. 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 in the Davyhurst Room, Goldfields House, Level 8, 1 Alfred Street, Sydney, New South Wales on Wednesday, 20 May 2009 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 on 18 May 2009 at 11:00am (EST).

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

### 2.1 AGENDA

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#### REPORTS AND ACCOUNTS

To receive the financial report of the Company for the year ended 31 December 2008, together with the directors' report, the auditor's report and the remuneration report.

#### RESOLUTION 1 - 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 as contained in the Company's annual financial report for the year ended 31 December 2008."*

**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 1 is advisory only and does not bind the Directors or the Company.

#### 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.



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### RESOLUTION 3 – 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 up to 7,500,000 fully paid ordinary shares in the capital of the Company at an issue price of \$1.20 per Share, and otherwise on the terms and conditions which are set out in the Explanatory Statement.”*

**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.

**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.

### RESOLUTION 4 - ALLOTMENT AND ISSUE OF SHARES TO THE MASTERMAN SUPERANNUATION FUND

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 10.11 and for all other purposes, approval is given for the Company to allot and issue to the Masterman Superannuation Fund up to 833,333 Shares at an issue price of \$1.20 per Share, to be issued on the terms set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** The Company wishes to allow Masterman Superannuation Fund, of which Michael Masterman, an existing director of the Company is a related party, to subscribe for the placement as detailed in Resolution 3. Under Listing Rule 10.11, the issue of shares to a director requires prior shareholder approval. As such, shareholder approval is required. If approval is obtained under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Michael Masterman and any of his associates. 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.

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**Dated: 19<sup>th</sup> March 2009**

**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.



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### 3. EXPLANATORY STATEMENT

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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.

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#### 3.1 REPORTS AND ACCOUNTS

The 2008 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)). There will be an opportunity for Shareholders to ask questions about, or comment on, the 2008 Annual Report and the management and performance of the Company at the Annual General Meeting.

#### 3.2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the 2008 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.

#### 3.3 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 2008 Annual Report for information regarding Mr McEvoy's qualifications and experience.

#### 3.4 RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

##### 3.4.1 General

On 27 February and 3 March 2009, the Company placed a total of 7,500,000 Shares at an issue price of \$1.20 each to certain sophisticated and professional Australian investors. Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).



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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.

#### 3.4.2 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) 7,500,000 Shares were allotted and issued professional investors (in accordance with section 708(11) of the Corporations Act), certified high net worth individuals or sophisticated investors (in accordance with section 708(8) of the Corporations Act) or both;
- (b) None of the subscribers to those 7,500,000 Shares were related parties;
- (c) 7,004,167 Shares were allotted and issued on 23 February 2009 and 495,833 Shares were allotted and issued on the 3 March 2009;
- (d) the issue price of the Shares was \$1.20 each;
- (e) the Shares issued were all fully paid ordinary shares in the capital of the Company; and
- (f) the funds raised have been and will continue to be used to keep debt levels low, drill the Bezzacca gas appraisal project in northern Italy, and progress existing gas development projects to production.

#### 3.5 RESOLUTION 4 – ISSUE OF SHARES TO THE MASTERMAN SUPERANNUATION FUND

##### 3.5.1. General

The Company wishes to allow the Masterman Superannuation Fund to participate in the placement detailed in Resolution 3 (**Placement**), up to the amount of 833,333 Shares. Mr Masterman is a beneficiary of the Masterman Superannuation Fund.

ASX Listing Rule 10.11 requires shareholder approval to be obtained 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.

Mr Masterman, by virtue of being a Director, is a related party of the Company. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 10.11 for the Masterman Superannuation Fund to subscribe to the Placement.

It is noted that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and



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(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

Mr Masterman is a Director, and therefore a related party. Issuing the Masterman Superannuation Fund with Shares under the Placement constitutes giving a financial benefit to a related party.

It is the view of the Directors that the exception set out in Section 210 of the Corporations Act (arms length transaction) applies in the current circumstances. Accordingly, Shareholder approval is not being sought under section 208 of the Corporations Act for the Masterman Superannuation Fund to participate in the Placement.

### 3.5.2. Shareholder Approval (Listing Rule 10.11)

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to the Masterman Superannuation Fund:

- (a) the Shares are to be issued indirectly to Mr Masterman via the Masterman Superannuation Fund. As described in Resolution 3, the Placement was offered to existing professional and sophisticated Shareholders. The Masterman Superannuation Fund requested to participate in the Placement subject to Shareholder approval, the subject of this Resolution 4.
- (b) the maximum number of Shares to be issued to the Masterman Superannuation Fund is 833,333 Shares;
- (c) the Shares will be issued to the Masterman Superannuation Fund no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Shares will be issued for consideration of \$1.20 per Share. Accordingly a maximum of \$1,000,000 will be raised, which will comprise part of the Placement and be dealt with as per the other funds raised from the Placement as discussed in section 3.4.2 of this Explanatory Statement;
- (e) the Shares issued will rank equally with the Company's current issued Shares; and
- (g) the funds raised will be used to keep debt levels low, drill the Bezzecca gas appraisal project in northern Italy, and progress existing gas development projects to production.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Masterman Superannuation Fund as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Masterman Superannuation Fund will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.



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#### 4. GLOSSARY

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**2008 Annual Report** means the Company's annual report for the year ended 31 December 2008.

**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.

**Placement** means the placement of 7,500,000 Shares as described in, and subject to the passing of, Resolution 3.

**Remuneration Report** means the remuneration report of the Company for the year ended 31 December 2008, as set out in the 2008 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

**LODGE YOUR VOTE**

**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

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

All enquiries to:  
**Telephone:** 1300 554 474  
 (02) 8280 7424



**X99999999999**

**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 Annual General Meeting (mark box)  **OR** if you are **NOT** appointing the Chairman of the Annual General 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 Annual General 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 11:00am on Wednesday, 20 May 2009, at the Davyhurst Room, Goldfields House, Level 8, 1 Alfred Street, Sydney NSW and at any adjournment or postponement of the Annual General Meeting.

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

**STEP 2** **VOTING DIRECTIONS**

	For	Against	Abstain*
<b>Resolution 1</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-election of Mr David McEvoy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Allotment and Issue of Shares to the Masterman Superannuation Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Resolution, 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 Annual General 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 Resolutions 3 and 4 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Annual General Meeting may exercise your proxy even though he/she has an interest in the outcome of these Resolutions and that votes cast by him/her for these Resolutions, 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 Annual General Meeting will not cast your votes on Resolutions 3 and 4 and your votes will not be counted in calculating the required majority if a poll is called on these items. The Chairman of the Annual General Meeting intends to vote undirected proxies in favour of Resolutions 3 and 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).

**PVE PRX902**



## 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 Annual General 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 Annual General 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 Annual General Meeting, the Chairman of the Annual General 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 resolutions of business, your proxy may vote as he or she chooses. If you mark more than one box on a resolution your vote on that resolution will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Annual General 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:


- (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.

## 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 11:00am on Monday, 18 May 2009, being not later than 48 hours before the commencement of the Annual General 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 mail:**  
Po Valley Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

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

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

lodging it online at Link's website ([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);

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

### Attending the Annual General Meeting

Completion of a Proxy Form will not prevent you from attending the Annual General Meeting in person if you wish. Where you complete and lodge a valid Proxy Form and attend the Annual General Meeting in person, then the proxy's authority to speak and vote for you is suspended while the member is present at the Annual General Meeting

### 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 share registry.

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.