

18 November 2013

Dear Shareholder,

On the 14 November 2013, GB Energy Limited (GBX) announced a non-renounceable pro rata rights issue of approximately 277,789,155 shares at 0.3 cents per share (New Share) on the basis of one (1) new share for every one (1) share held by shareholders at 5.00pm WST on 25 November 2013. The Entitlement issue will raise \$833,367 before costs. The Document in relation to this issue was lodged with ASX on 14 November 2013 and can be viewed on the ASX website or the Company's website [www.gbenergy.com.au](http://www.gbenergy.com.au).

#### **Entitlement Issue**

The entitlement issue will only be open to existing holders of ordinary fully paid shares in GB Energy Limited at 25 November 2013 with registered addresses in Australia and New Zealand. The directors are of the view that a pro-rata entitlement issue is the most fair and sensible means of raising capital given the current market conditions. The funds raised will be used to advance the Stuart Shelf Project and Slovakian project, and general working capital. The new Shares will rank equally with the Company's existing shares and application will be made for them to be listed on ASX. The offer under the Entitlement Issue will be non renounceable. This means that the Eligible Shareholder cannot transfer their entitlement to subscribe for new Shares under the offer to anyone else.

#### **Shortfall Offer**

In addition to the Offer, eligible shareholders are entitled to subscribe for shares not otherwise taken up in the Offer at the same price of 0.3 cents per share (**Shortfall Shares**). The Directors reserve the right, subject to any restrictions imposed by the Corporations Act 2011 (Cth) and the ASX Listing Rules to issue the Shortfall Shares at their sole discretion.

#### **Indicative Timetable**

Shareholders with registered addresses in Australia and New Zealand as at 5.00 pm WST on 25 November 2013 (the Record Date) will receive a copy of the Offer document as set out in the timetable below. If you wish to acquire new shares under the Offer document, you will need to complete the entitlement and acceptance form that will accompany the Offer document.

The Indicative Timetable for the Entitlement Issue is as follows:

Lodgement of Offer Document and Appendix 3B .	Thursday, 14 November 2013
Letter to Option holder advising of Entitlement Issue	Thursday, 14 November 2013
Letter to Shareholders advising of Entitlement Issue	Monday , 18 November 2013
Ex-Date: Shares Quoted ex-Entitlement	Tuesday, 19 November 2013

Record Date	Monday, 25 November 2013
Despatch Offer Document to Eligible Shareholders and opening date	Friday, 29 November 2013
Closing Date	Friday, 13 December 2013
Securities quoted on a deferred settlement basis	Monday, 16 December 2013
Notification of under subscriptions	Wednesday, 18 December 2013
Allotment of securities and deferred settlement ends	Monday, 23 December 2013
Normal trading	Tuesday, 24 December 2013

The Company reserves the right to amend this timetable, subject to the Corporations Act 2001 and the ASX Listing Rules at any time.

#### Capital Structure of the Company

The share capital structure of the Company at minimum subscription (\$300,000) and maximum subscription (\$833,367) under the Entitlement Offer is as follows:

Shares	Number	
	Minimum Subscription	Maximum Subscription
Shares at the date of the Entitlement Offer	277,789,155	277,789,155
Shares subscribed pursuant to the Offer	100,000,000	277,789,155
Post Completion of Offer	377,789,155	555,578,310

The entitlement issue is not underwritten

This notice is to inform you of the offer. You are not required to do anything in respect to this letter.

If you have any questions in relation to the entitlement issue please do not hesitate to contact the Company on (08) 6555 0322.

Yours faithfully,



Russell Barnett  
Chairman