

14 November 2013

Dear Option holder,

On 14 November 2013, GB Energy Limited (GBX) announced a non-renounceable pro rata entitlement 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. This issue will raise a maximum of \$833,367 before costs.

### Entitlement Issue

The entitlement issue will only be open to existing holders of ordinary fully paid shares in GB Energy Limited on 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.

**As an option holder in the Company, you are not entitled to participate in the Offer. However, should you exercise your options prior to the Record Date, the shares issued as a result of the exercise will be eligible to participate in the Offer.**

The last closing market sale price of the Shares on ASX on the last date that trading took place in Shares prior to the date of this letter was 0.3 cents.

Please note that it is not compulsory to exercise your vested options. If you do wish to exercise your vested options, you may do so by completing all of the steps required by the terms and conditions of those options, including payment of the relevant exercise price.

### Indicative Timetable

The Indicative Timetable for the Entitlement Issue is as follows:

Lodgement of Offer Document and Appendix 3B with ASX	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 of Prospectus 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, including, subject to the Corporations Act 2001 and the ASX Listing Rules, to extend the closing date.

#### Capital Structure of the Company

The 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.

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