Energy Investments Limited

ABN 14 054 800 378
Level 1, 34 Colin Street, West Perth WA 6005
P O Box 1727 West Perth 6872
Phone (+61 8) 9443 2455 Fax (+61 8) 9443 2477

ELECTRONIC ANNOUNCEMENT

To: **Company Announcements Office**
Australian Stock Exchange

From:	**Brian J McGillivray** **Company Secretary**	Date:	17 January 2006
Re:	Notice of General Meeting	Pages:	50

STOCK EXCHANGE ANNOUNCEMENT

We attach a Notice of General Meeting despatched to Shareholders.

ENERGY INVESTMENTS LIMITED
A B N 14 054 800 378

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at Level 1, 34 Colin Street West Perth, Western Australia on Friday, 17 February 2006 at 11.00am (WST)

ENERGY INVESTMENTS LIMITED
A B N 14 054 800 378

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of shareholders of Energy Investments Limited (**"Company"**) will be held at Level 1, 34 Colin Street West Perth, Western Australia on 17 February 2006 at 11.00am (WST) (**"Meeting"**).

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

The Directors have determined pursuant to regulation 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 15 February 2006 at 5.00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of Issue of Shares for the Acquisition of BEL

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

> *"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to acquire all of the issued capital of Blue Energy Pty Ltd in consideration for the issue of a total of 91,412,801 Shares to the Shareholders of Blue Energy Pty Ltd (**"Acquisition"**) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, or any of their associates.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) 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.

2. Resolution 2 – Ratification of Placement

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

> *"That pursuant to and in accordance with ASX Listing Rule 7.4, and for all other purposes, the Shareholders approve and ratify the prior issue and allotment by the Directors of 17,093,334 Shares at $0.15 each to sophisticated investors ("**Placement**") on the terms and conditions in the Explanatory Memorandum"*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the Placement, or any associate of such a person. However, the Company will not disregard a vote if:

(a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Appointment of Mr Peter Meagher as a Director

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

> *"That, subject to the completion of the Acquisition, Mr Peter Meagher, who offers himself for election, be elected as a Director."*

4. Resolution 4 – Adoption of Employee Option Scheme

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

> *"That in accordance with Exception 9 of ASX Listing Rule 7.2 Shareholders approve the establishment of an employee option scheme to be called the "Energy Investments Employee Option Scheme" and the issue of Options pursuant to this scheme on the terms and conditions in the Explanatory Memorandum".*

Voting Exclusion

The Company will disregard any votes cast on this resolution by a Director or any associate of a Director. However, the Company will not disregard a vote if:

(a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Authorisation of Grant of Incentive Options to Mr Peter Meagher

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

> *"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders authorise the Directors to grant 1,000,000 Incentive Options to Mr Peter Meagher or his nominee on the terms set out in Schedule 5."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Peter Meagher or any of his associates.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) 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.

6. Resolution 6 – Authorisation of Grant of Incentive Options to Mr Brian McGillivray

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

> *"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves and authorises the directors to issue 1,000,000 Incentive Options to Mr Brian McGillivray or his nominee on the terms set out in Schedule 5."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Brian McGillivray or any of his associates.

However, the Company will not disregard a vote if:

(a) it is case by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) 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.

7. Resolution 7 – Section 195 Approval

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

"That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice."

Dated 9 January 2006
By Order of the Board

....
Shane Doherty
Managing Director

ENERGY INVESTMENTS LIMITED
A B N 14 054 800 378

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, 34 Colin Street West Perth, Western Australia on Friday, 17 February 2006 at 11.00am (WST).

1. Resolution 1 – Approval of Issue of Shares for the Acquisition of BEL

1.1 Acquisition of BEL

The Company has entered into conditional agreements with the shareholders of BEL to acquire all of the issued share capital of BEL on the basis of one Share for one BEL Share. In total the Company will issue 91,412,801 Shares to the BEL shareholders, which will represent approximately 36% of the issued Shares after completion of the Placement. BEL's principal shareholders representing 73,553,334 Shares have agreed to enter into voluntary escrow agreements restricting the sale of 50% of their shares for a period of 12 months from the date of issue.

As part of the consideration for the Acquisition the Company has also advanced a loan of $2.3 million to BEL ("Investment Loan") for BEL to meet its commitments under specified joint venture agreements. The Investment Loan has been made on commercial terms, is secured and repayable and/or convertible at the Company's option.

If the Acquisition is completed, the Company intends to provide its investment banking, transaction management and fund administration services to BEL. The Company also intends to rationalise the BEL portfolio of oil & gas assets as separate distinct projects.

Completion of the Acquisition is conditional upon the Company completing due diligence on the activities and undertakings of BEL on or before the date of the Meeting and obtaining Shareholder approval for the Acquisition.

The BEL shareholders have warranted good title to the BEL shares and waive their pre-emptive rights; several major BEL shareholders together with the BEL managing director have additionally warranted in relation to the assets and liabilities of BEL and its relevant activities and undertakings.

1.2 BEL Assets

BEL is a specialist energy company formed to appraise, invest and develop natural gas, coal bed methane and conventional oil & gas in eastern Australia. Schedule 2 provides details of the BEL portfolio with Schedule 3 exhibiting the scheduled commitments as the projects are officially granted.

In summary the BEL assets comprise a portfolio of energy activities spread geographically over South Australia and Queensland, geologically across five basins and across asset types of natural gas, CBM and conventional oil & gas.

In South Australia these comprise two conventional gas/condensate joint venture farmins on projects operated by Great Artesian Oil & Gas Limited ("GAOG"). These projects are within GAOG's Petroleum Exploration Licence (PEL) 106, located in the Cooper Basin of South Australia.

The first project is the Rossco prospect whereby BEL will earn a 37.5% interest in the Rossco 1 drill prospect by contributing 75% of the well costs, estimated at AUD$1.8million.

The second project is Paranta project which includes the Paranta 1 and Nutmeg conventional gas/condensate discoveries and the surrounding area which is subject to a 75 square kilometre 3D seismic study in which BEL will earn the right to earn up to 50% interest by contributing 100% of the costs of the survey. The survey is scheduled to start in December 2005/January 2006 with an investment estimated at $850,000.

In Queensland BEL has acquired the right to a 100% interest in nine Authorities To Prospect (ATP's); in areas totalling approximately 29,100 sq km which are considered prospective for CBM gas & natural gas, and in some cases potentially oil. BEL will particularly focus on the CBM targets for development within four of these areas.

The Company has identified other activities that it considers compliment specified activities within the BEL portfolio; including the recently announced applications in Papua New Guinea (being undertaken by a special purpose company formed by the Company) being undertaken with an associated specialist team with which the Company is establishing a strategic alliance.

1.3 Pro Forma Capital Structure

Shares	**No. of Shares**
Shares on Issue[1]	146,082,940
Acquisition	91,412,801
Placement	17,093,334
TOTAL	**254,589,075**

1. Lateral Nominees Pty Ltd, of which Mr Shane Doherty is a director, held the Lateral Convertible Note. On 25 October 2005, the Company, following receipt of notice from Lateral Nominees Pty Ltd of its intention to convert the Lateral Convertible Note, issued 131,474,646 Shares to Lateral Nominees Pty Ltd in full conversion of the Lateral Convertible Note. Lateral retains 69,737,323 Shares after distribution of entitlements to the beneficial holders of the Lateral Convertible Note.

1.4 Pro Forma Statement of Financial Position

The pro forma statement of financial position is set out in Schedule 4.

1.5 Regulatory Requirements – ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The 91,412,801 Shares proposed to be issued by the Company pursuant to Resolution 1 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

1.6 Specific Information required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, information regarding the Acquisition is provided as follows:

(a) the maximum number of securities to be issued pursuant to Resolution 1 is 91,412,801 Shares;

(b) no funds will be raised by the issue of the Shares as they will be issued in consideration for the acquisition by the Company of all of the issued capital of BEL at a deemed price of 15 cents per share;

(c) the Shares will be issued on one date (upon completion of the Acquisition) and in any event no later than 3 months after the date of the Meeting;

(d) the Shares will be allotted to the BEL shareholders set out in Schedule 7;

(e) the Shares are ordinary fully paid shares in the capital of the Company; and

(f) a voting exclusion statement is included in the Notice.

2. Resolution 2 – Ratification of Placement

2.1 General

On 27 October 2005 the Company issued 17,093,334 Shares at $0.15 to sophisticated investors (**"Placement"**).

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Placement.

Under ASX Listing Rule 7.1, a company may only issue a limited number of equity securities in any 12 month period.

By issuing the 17,093,334 Shares to sophisticated investors, the Company has partially used its 15% placement capacity.

The Company wishes to restore its 15% placement capacity and accordingly, under ASX Listing Rule 7.4, seeks Shareholder ratification for the Placement.

2.2 Specific Information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, information regarding the Placement is provided as follows:

(a) 17,093,334 Shares were allotted and issued to sophisticated investors set out in Schedule 8 (who are not related parties, or associates of a related party, of the Company);

(b) the issue price of each Share was $0.15;

(c) the Shares are fully paid ordinary shares in the capital of the Company;

(d) the funds raised pursuant to the Placement have been applied as follows:

  (i) Investment Loan $2,300,000; and

  (ii) working capital $ 264,000; and

(e) a voting exclusion statement is included in the Notice.

3. Resolution 3 – Appointment of Mr Peter Meagher as a Director

Article 13.5 of the Constitution provides that a person may be elected as a Director at a general meeting of the Company.

Subject to the completion of the Acquisition, it is proposed that Mr Peter Meagher be elected as a Director.

Mr Meagher is a CPA with a significant background in merchant banking in Australia, UK and Hong Kong; plus corporate finance and management in the industrial & resources sectors. He is Chairman of Coronet Resources Limited, Extract Resources Limited, Kalahari Copper plc and a director of Axiom Properties Limited.

The Board unanimously supports the election of Mr Peter Meagher.

4. Resolution 4 – Adoption of Employee Option Scheme

4.1 General

Resolution 4 seeks Shareholder approval in accordance with the ASX Listing Rule 7.2 for the establishment of the Energy Investments Employee Option Scheme and the issue of Options pursuant to this Scheme.

Please note that the Directors are eligible to participate in the Scheme.

The two main purposes of the Scheme are:

(a) to give an incentive to the Eligible Employees to provide dedicated and ongoing commitment and effort to the Company, thereby aligning the interests of both employees and Shareholders and;

(b) to enable the Company to reward Eligible Employees for their efforts.

The Scheme contemplates the issue to Eligible Employees of Options to subscribe for Shares.

4.2 ASX Listing Rules

ASX Listing Rule 7.1 places restrictions on the number of equity securities, including options, which a listed company may issue in any 12 months. However, certain issues are exempt from this ASX Listing Rule and are effectively disregarded for the purposes of counting the number of securities which a company may issue.

Exempt issues include an issue of securities to persons participating in an employee option scheme where shareholders have approved the issue of securities under the scheme as an exemption from ASX Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue where the Notice contains or is accompanied by certain prescribed information (set out below).

In order to take advantage of the exemption from ASX Listing Rule 7.1 and allow the Company greater flexibility to issue securities, Shareholders are requested to approve the Scheme as an exemption from ASX Listing Rule 7.1.

This approval will be effective for a period of 3 years from the date of the passing by Shareholders of Resolution 4.

For the purpose of ASX Listing Rule 7.2 Exception 9, the terms of the Scheme are set out in Schedule 6.

5. Resolution 5 – Authorisation of Grant of Incentive Options to proposed Director

5.1 General

Resolution 5 seeks Shareholder authorisation pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act for the Directors to grant a total of 1,000,000 Incentive Options to Mr Meagher on his appointment as a Director (or to his nominees) (**"Director Options Issue"**).

The Incentive Options are being granted to Mr Meagher as an incentive to perform.

Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because Mr Meagher as a proposed Director is a related party of the Company. Furthermore, Shareholder authorisation of the Director Options Issue means that the Director Options Issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

5.2 Specific Information Required by ASX Listing Rule 10.13 and section 219 of the Corporations Act

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act information regarding the Director Options Issue is provided as follows:

(a) 1,000,000 Incentive Options will be issued to the Mr Meagher, a proposed Director (or to his nominees) as follows:

Name of Participating Director	Number of 'A' Incentive Options	Number of 'B' Incentive Options	Number of 'C' Incentive Options	Total
Mr Peter Meagher	333,333	333,333	333,334	1,000,000

(b) The Company is a small listed energy and gas investment company. The Company has limited funds, most of which are allocated to specific exploration and development activities. As a result, the Board has chosen to issue Incentive Options to a Director as a key component of the incentive portion of his remuneration in order to retain the services of the Director and to provide incentive linked to the performance of the Company. The Board considers that the Director's experience and contact base will greatly assist the Company in progressing its projects. As such, the Board believes that the number of Incentive Options to be granted to the Director is commensurate with his value to the Company.

There are no additional performance criteria on the Incentive Options. Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. As such, the Incentive Options granted will generally only be of benefit if the Director performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options.

(c) The Incentive Options are being issued for nil consideration.

(d) The terms and conditions of the Incentive Options are detailed in Schedule 5.

(e) The Company will issue the Incentive Options no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(f) In relation to the issue of Incentive Options to be issued to Mr Meagher, a proposed Director, each Director is in favour of the Resolution.

(g) It is noted that the granting of Incentive Options to Mr Peter Meagher as a non-executive Director is contrary to ASX Corporate Governance Guideline 9.3. However, for the reasons outlined in paragraph (b), the Directors still consider the granting of Incentive Options in these circumstances to be appropriate and, accordingly, Shareholder approval is sought to grant these Incentive Options.

(h) The total remuneration of the proposed Participating Director (including remuneration by way of payment to consultant companies of which the Participating Director is a director) is as follows:

Participating Director	Total remuneration
Mr Peter Meagher	$42,000.00

The Directors are also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that a Director or alternate Director properly incurs in attending meetings of Directors or any meetings of committees of Directors, in attending any meetings of members and in connection with the business of the Company. Other than as set out in this Notice, the Directors do not receive any other emoluments.

(i) The current security holdings of Mr Meagher is as follows:

Name of Participating Director	Total securities held directly or indirectly
Mr Peter Meagher	Nil

(j) A valuation of the Incentive Options has been obtained from an independent expert and, on the basis of the assumptions set out below, the technical value of one Incentive Option is as follows:

Name of Participating Director	Value per 'A' Incentive Option	Number of 'A' Incentive Options	Value per 'B' Incentive Option	Number of 'B' Incentive Options	Value per 'C' Incentive Option	Number of 'C' Incentive Options
Mr Peter Meagher	$0.0350	333,333	$0.0388	333,333	$0.0318	333,334

Name of Participating Director	Total value 'A' Incentive Options	Total value 'B' Incentive Options	Total value 'C' Incentive Options	Total Value of Incentive Options
Mr Peter Meagher	$ 11,666.65	$ 12,933.32	$ 10,600.02	$ 35,199.99

This valuation imputes a total value of $35,199.99 to the Incentive Options. This value may go up or down after the date of valuation as it will depend on the future price of a Share. Black & Scholes and Binomial methodology has been used, together with the following assumptions:

(i) the risk free rate is the Commonwealth Government securities rate with a maturity date approximating that of the expiration period of the Incentive Options as at 30 November 2005;

(ii) the underlying security spot price used for the purposes of this valuation is based on the price of the Shares as at 29 November 2005;

(iii) for the purposes of the valuation, no future dividend payments have been forecast; and

(iv) for the purposes of the valuation it is assumed that the Incentive Options will not be exercised any earlier than the Expiry Dates as described in Schedule 5.

(k) The following tables demonstrate the dilution of all other Shareholders' holdings in the Company upon exercise of all Director Options issued to Mr Meagher in accordance with Resolution 5, assuming the Shareholders approve the proposed grant of the Director Options Issue:

Dilution Effect on Current and Future Shareholding upon the Exercise of Incentive Options

Shares on issue at date of this Notice	146,082,940
Shares issued under Resolutions 1 & 2	108,506,135
Shares issued assuming exercise of all Incentive Options under Resolution 5	1,000,000
Total Shares on issue assuming exercise of all Incentive	255,589,075

Options under Resolution 5	
Dilution Effect	**0.39%**

(l) Under the new accounting standard AASB Share based Payments, the Company would recognise the fair value of options granted to Mr Meagher as an expense of $35,199.99 in its income statement with a corresponding adjustment to equity.

(m) The market price of Shares would normally determine whether the Directors will exercise the Incentive Options or not. If the Incentive Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.

(n) No funds will be raised by the issue of the Incentive Options as they are being issued for nil consideration.

(o) Historical share price information for the last twelve months is as follows:

	Price per Share	**Date**
High	$0.25	11 November 2005
Low	$0.051	11 February 2005

The share price at 10 January 2006 was $0.16.

(p) Other than the information above and otherwise set out in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

(q) A voting exclusion statement is included in this Notice.

(r) As Shareholder approval is sought under ASX Listing Rule 10.11, approval under ASX Listing Rule 7.1 is not required.

6. Resolution 6 – Authorisation of Grant of Incentive Options to Mr Brian McGillivray

6.1 General

Resolution 6 seeks shareholder approval pursuant to Listing Rule 7.1 for the issue of 1,000,000 Incentive Options to Mr Brian McGillivray.

The Incentive Options are being granted to Mr Brian McGillivray as an incentive to perform.

Shareholder authorisation of the grant of Incentive Options to Mr Brian McGillivray means that the Director Options Issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Although the issue under Resolution 6 would not result in the Company exceeding this 15% threshold, Shareholder approval has been sought by the Company pursuant to Listing Rule 7.1 to preserve its ability to use the 15% threshold exemption going forward.

6.2 Specific Information Required by ASX Listing Rule 7.3

For the purposes of Shareholder approval of the issue and the requirements of Listing Rule 7.3, information is provided as follows:

(a) the number of Incentive Options being issued under Resolution 6 is 1,000,000;

(b) the Incentive Options are being issued to Mr Brian McGillivray as follows:

Name	Number of 'A' Incentive Options	Number of 'B' Incentive Options	Number of 'C' Incentive Options	Total
Mr Brian McGillivray	333,334	333,333	333,333	**1,000,000**

(c) The Company will issue the Incentive Options no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(d) the Incentive Options will issued to Mr Brian McGillivray for nil consideration;

(e) the terms and conditions of the Incentive Options being issued to Mr Brian McGillivray are detailed in Schedule 5;

(f) the Incentive Options will be issued for nil consideration and therefore no funds will be raised; and

(g) a voting exclusion statement is included in the Notice.

7. Resolution 7 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

Mr Meagher, on appointment as a Director, assuming Shareholders pass Resolution 3, will have a material personal interest in the outcome of Resolution 5. In the absence of Resolution 5, the Directors may not be able to form a quorum at a directors' meeting necessary to carry out the terms of Resolution 5.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

8. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Schedule 1 – Definitions

In this Explanatory Memorandum and Notice:

"Acquisition" means the acquisition in Resolution 1.

"Article" means an article of the Constitution.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means Australian Stock Exchange Limited.

"BEL" means Blue Energy Pty Ltd ACN 111 757 905.

"Board" means the board of Directors.

"Company" means Energy Investments Limited ABN 14 054 800 378.

"Constitution" means the Constitution of the Company.

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

"Director" means a director of the Company, and **"Directors"** means the directors of the Company.

"Director Options Issue" has the meaning described in paragraph 5.1 of the Explanatory Memorandum.

"Explanatory Memorandum" means the explanatory memorandum to the Notice.

"Further Placement" means the proposed further placement of Shares in Resolution 4.

"Incentive Option" means a class A Incentive Option, class B Incentive Option, or class C Incentive Option which entitles the holder to subscribe for a Share on the terms and conditions in Schedule 5.

"Incentive Optionholder" means a person who holds an Incentive Option.

"Investment Loan" means as defined in section 1.1.

"Lateral Convertible Note" means a convertible note in favour of Lateral Nominees Pty Ltd as more particularly defined in Note 1 to the table in section 1.3.

"Listing Rules" means the Listing Rules of ASX.

"Managing Director" means the managing director of the Company.

"Meeting" has the meaning given in the introductory paragraph of the Notice.

"Notice" means this notice of meeting.

"Option" means an option which entitles the holder to subscribe for one Share.

"Participating Directors" means Mr Peter Meagher.

"Placement" means the placement of Shares in Resolution 2.

"Proxy Form" means the proxy form attached to the Notice.

"Resolution" means a resolution contained in this Notice.

"Schedule" means a schedule to this Notice.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a shareholder of the Company.

"WST" means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 – Summary of BEL Projects and Investments

Background

BEL (or Blue Energy) is in the process of acquiring a diversified portfolio of base energy assets and projects incorporating exploration, appraisal and development investments. Blue Energy has completed the necessary requirements to acquire interests in nine Authorities To Prospect (ATP)'s. Blue Energy has also acquired, via Heads of Agreement, and subsequent Joint Operating Agreements the right to two joint-ventures in two conventional oil and gas projects in South Australia.

Eight of Blue Energy's ATPs and both of the company's farmins are located within basins, and are adjacent to operating CBM gas, conventional natural gas and oil developments. The existing portfolio of ATPs covers an area in excess of approximately 29,110km^2 and contains coal and hydrocarbon geology that in neighbouring areas is the focus of commercial CBM gas development and production, appraisal and exploration.

The Blue Energy asset portfolio comprises (Exhibit 1):

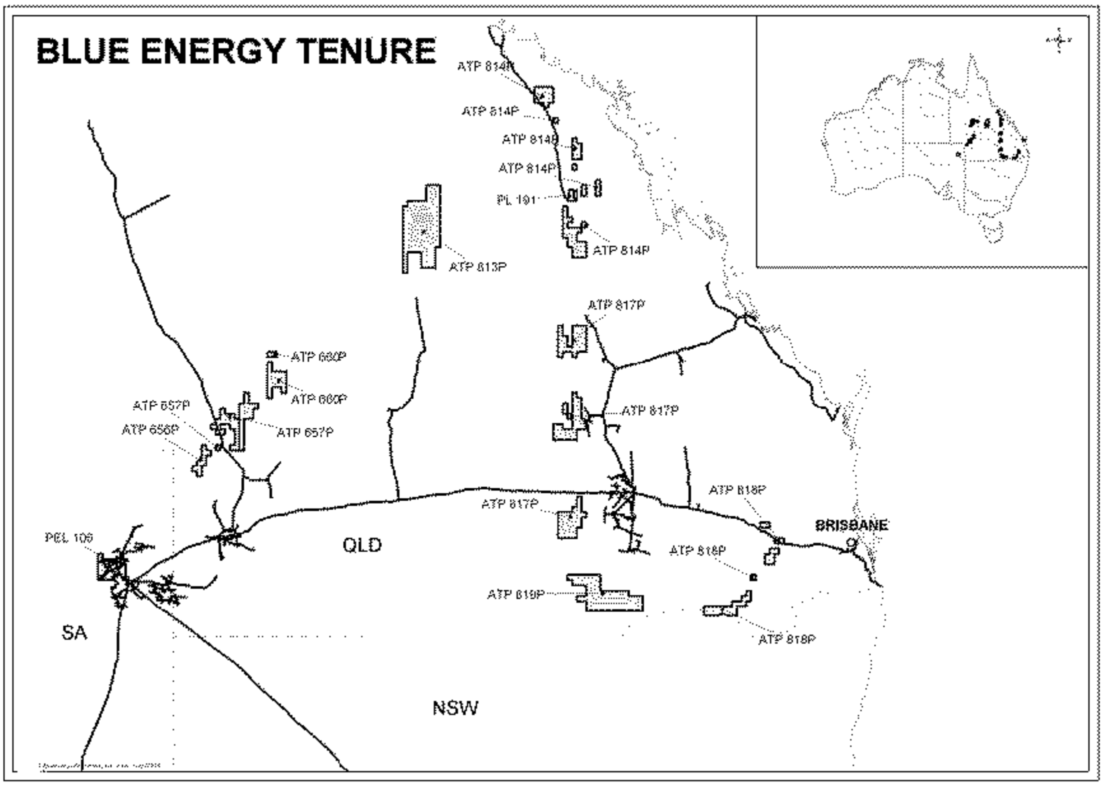
- the **Paranta Farmin** whereby Blue Energy will earn a 50% working interest, which includes the **Paranta 1** conventional gas/condensate discovery, as well as several other ready to drill gas/condensate targets within the Paranta 3D seismic footprint, and the **Rossco Farmin**, under which BE will earn a 37.5% interest in the ready to drill **Rossco 1** well, a gas/condensate prospect spudded on 14th December 2005. Both farmins are within the highly regarded PEL 106, of the Cooper Basin of South Australia; and

- a significant portfolio of Coal Bed Methane gas prospects, plus conventional gas and oil targets, ranging in maturity from exploration through to appraisal in Queensland. Blue Energy has acquired rights to earn 100% in 9 Authorities to Prospect (ATP)s 813, 814, 817, 818, 819 and ((ATP(A))s 656, 657, 658, 660 for petroleum and hydrocarbons in Queensland. BE has already undertaken the necessary requirements to acquire 100% in each of these assets. These ATPs are under application, and have been offered for granting by the Queensland government. ATP 818 was granted on 9 December 2005. Upon granting by the Queensland government, the assets will be transferred to Blue Energy, under the terms of agreement, signed with the original applicants.

Exhibit 1: Summary of Blue Energy's Portfolio

	Sate	Basin	AREA	Km^2	Interest	Expected Hydrocarbons
1	QLD	Galilee	ATP 813P	6240	100%	oil /natural gas / CBM gas
2	QLD	North Bowen	ATP 814P	3440	100%	CBM gas
3	QLD	Surat	ATP 817P	6720	100%	natural gas / CBM gas
4	QLD	Clarence Moreton	ATP 818P	2480	100%	natural gas / CBM gas
5	QLD	Surat	ATP 819P	5040	100%	natural gas / CBM gas
6	QLD	Cooper	ATP (A) 656	693	100%	oil and natural gas
7	QLD	Cooper	ATP (A) 657	1,624	100%	oil and natural gas
8	QLD	Cooper	ATP (A) 658	1,329	100%	oil and natural gas
9	QLD	Cooper	ATP (A) 660	1,481	100%	oil and natural gas
		TOTAL		**29,110**		
		Farm-in Agreements				
10	SA	Cooper Basin Paranta	PEL 106 –	100	50%	Oil / Gas
11	SA	Cooper Basin, Rossco	PEL 106	~75	37.5%	Oil / Gas

Location Map of Blue Energy Pty Limited ATP and PEL Investments



Paranta Farmin PEL 106 (Gas/Condensate)

The Cooper Basin is a Late Carboniferous to Middle Triassic, non-marine sedimentary basin which underlies north-eastern South Australia and southwest Queensland. The Cooper-Eromanga Basin is Australia's largest and most mature onshore hydrocarbon producing basin. PEL 106, operated by Great Artesian Oil and Gas Limited covers an area of 1010 km^2 (249,575 acres) and lies within the south-western Patchawarra Trough where it encompasses, or bounds, several producing oil and gas fields including Bindah, Cowrall, Ficus, Gidgealpa, Jack Lake, Kanowanna, Kurunda, Leleptian, Nephrite, Nephrite South, Nulla, Meranji, Mica, Moonanga, Raven, Vanarus and Welcome Lake production licences which are all excluded from the permit's exploration acreage.

Under a Heads of Agreement with Great Artesian Oil & Gas Limited (GAOG), Blue Energy will earn a 50% working interest (WI) in the Paranta 3D seismic area (Exhibit 3) by paying for the acquisition of the Paranta 3D survey over a series of leads similar in appearance to the Paranta 1 prospect and by the drilling of one exploration well, and one subsequent appraisal well up dip to the Paranta 1 discovery. Blue Energy will then have the right to participate its full working interest share in the drilling of any subsequent wells to test other drillable prospects identified by the seismic programme. Blue Energy will earn a similar interest in the Nutmeg discovery, under the same agreement. The Paranta 3D Seismic Survey was completed in December 2005 and is presently being processed and interpreted. The surface location of the Survey was cleared pursuant to the provisions of the Native Title Act and Clause 10 of the Native Title Petroleum agreement dated 6^{th} February, 2003 (pertaining to PEL106) under Cooper Basin Works area Clearance C00589 in December 2004. The first Paranta farm-in well is expected to spud early Q1-Q2 in 2006 after the processing and interpretation of the 3D seismic data.

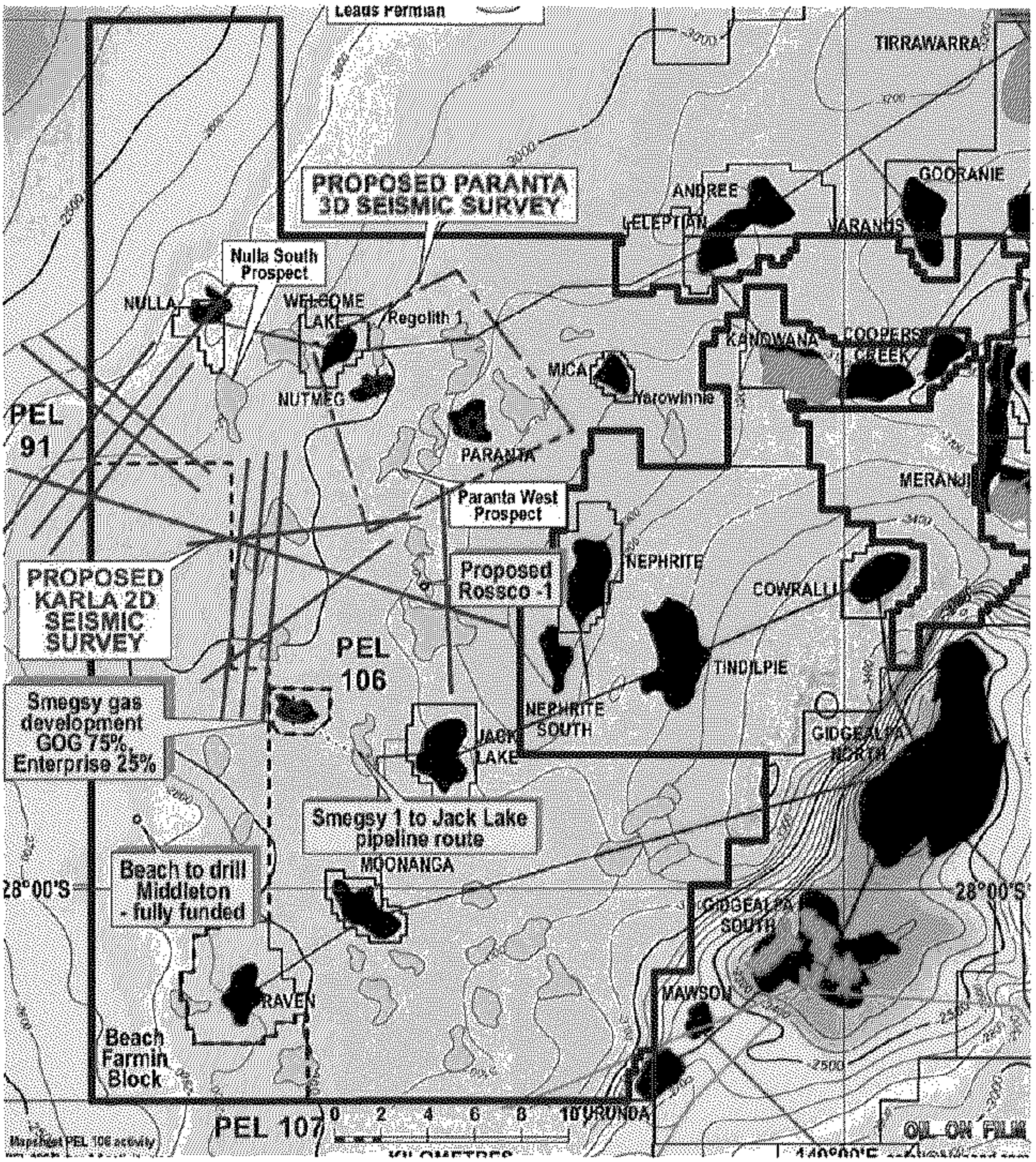


Exhibit 3 Location of the Paranta 3D seismic footprint and Rossco Farmin.

PARANTA-1 SUMMARY

The Paranta 1 well, drilled in February and March 2004 encountered several potential hydrocarbon zones. Subsequent production testing has confirmed in Paranta 1 that the interval 2885-2889m flowed gas at a rate of 1.86 million cubic feet per day and condensate at a rate of 75 barrels per day through a 1 inch choke, after an initial clean-up flow of between 5 and 10 million cubic feet per day. Paranta 1 has been declared a new field gas discovery well. Paranta 1 has been cased and suspended, having each encountered hydrocarbon bearing zones, which on test flowed gas to surface.

The principal reservoir objectives in PEL 106 farm-in are those traditionally sought within the Cooper Basin. Both the Tirrawarra and Patchawarra Formation sandstone reservoirs are commonly multilayered, some fields within the bounds of PEL 106 having more than 15 gas bearing Patchawarra Formation sandstone units. The Paranta gas discovery is a four way dip closure, draped over a low relief fault.

Paranta 1 was drilled as a gas exploration well to evaluate the hydrocarbon potential of a four-way dip closed anticline situated on the western margin of the Patchawarra Trough. Primary objectives were the gas/condensate charged middle to lower Patchawarra sandstones productive in the adjacent fields (Mica1, located 6 km ENE, Welcome Lake East 1, 6.5 km WNW and Nephrite 1, 8 km to the SE). The main secondary objective was the Tirrawarra Sandstone, containing net gas pay in Mica 1 and Welcome Lake East 1. Additional weak targets were possible oil reservoirs within the Birkhead Formation.

Paranta1 was drilled to a total depth of 3013 m terminating in the Late Carboniferous Merrimelia Formation. One potential gas reservoir was recognized in the lower Patchawarra Formation in the interval 2837-2847 m. A drill stem test DST#1 was run to evaluate this zone. Unfortunately it was a misrun after the packer seats failed after 20 minutes into the main flow period. Evaluations of another good gas show within the Patchawarra formation were attempted by the DSTs-1ST, 2ST and 3ST, but these were all misruns due to unobtainable or lost packer seats. However, DST-3ST did recover condensate and gas cut mud during circulation after testing the interval 2872.8-2894.2 m. Oil fluorescence shows were recorded from sandstones with generally poor visual porosity and common kaolinitic matrix in the lower Patchawarra Formation (2904-2958 m). Maximum fluorescence was 80% from 2934-2937 m. These shows have been interpreted to be residual oil only.

The Patchawarra and Tirrawarra Sandstone gas and oil shows were evaluated by wireline logs and a formation pressure survey (FMT). Results were ambiguous, in part, owing to low resistivity readings that are normally associated with water saturated sandstones. However, fair to good formation pressure readings closely matched some of the gas points in the survey taken in the producing Welcome Lake East 1 well that previously tested gas flows of 3.6 MMCFD. FMT pressure surveys across the main sandstone of interest in Paranta 1 did indicate good build-ups and permeability but there was no distinct gas-gradient derived from these tests to confirm commercial gas volumes.

Subsequently, the intervals 2885-2890 m and 2837-2847 m were subjects to cased hole production testing. The lower zone flowed gas and condensate at rates of 1.86 MMCF and 75 barrels, respectively, per day. The second zone (2837-2847m) flowed gas at 250 MCFD. The well has been declared a new gas field discovery. The production testing confirmed the Paranta Gas Field discovery and sufficient rates to justify the drilling of a Paranta 2 development.

Initial decline in production has been attributed to Paranta 1 being located close to a small fault. Paranta 1 is located on a “perched” fault block and scope for an up-dip, structurally higher location for Paranta 2 well has been recognized. However, and prior to drilling Paranta 2 or Paranta West, it is intended to conduct a 3D seismic program, of approximately 75 km^2 in order to better resolve potential well location. Interestingly, Paranta 1 lies on a geological shelf on which a number of separate structural targets have been identified. The 3D seismic is designed to image these in order to resolve the best location for future drilling.

The Paranta Farmin is regarded as an attractive area as it lies less than 2 kilometres from an existing gas pipeline (connecting Welcome Lake East 1and Nulla 1 gas discoveries). Even modest discoveries could prove economic given the proximity of this infrastructure. Great Artesian, as operator of PEL 106 has already successfully negotiated a gas sales agreement with the South Australia Cooper Basins Producers and it is anticipated that any future discoveries would benefit from the pre-existence of such a contract.

The principle style of hydrocarbon play within the 3D seismic footprint is that containing gas at Paranta 1 and Nutmeg 1 where gas and liquids occur within the sandstones of the Patchawarra Formation in four-way dip time closures or in combined stratigraphic and dip pinchouts. At least six strong leads or Paranta 1 'look-alikes' have been identified in the area and are to be evaluated by the proposed 3D seismic survey, and farmin work programme and Blue Energy is confident that many of these leads will become drillable exploration prospects which can be followed up after Blue Energy has completed the earning phase of the Paranta farm-in by drilling one of them and completing the Paranta 1 up-dip appraisal. Underbalanced or compressed air drilling may be required to minimise damage to the sandstones in poorer quality reservoirs and achieve a commercial flow.

Rossco Farmin PEL 106 (Gas/Condensate)

Also within PEL 106, and under a second agreement, Blue Energy will earn a 37.5% working interest in the area of the Rossco Prospect by funding 75% of the costs of drill Rossco 1, a low risk 'look-alike' gas/condensate prospect to the south of Paranta 1, by drilling a well which was spudded in December 2005. This prospect is located directly south of the Paranta 3D seismic footprint (Exhibit 3). The Rossco Prospect is another time closure similar to Paranta 1, only larger.

The proposed Rossco 1 exploration well will test an anticlinal structure approximately 6 km north of the Jack Lake Gas Field, 5 km west of the Nephrite Gas Field, 8 km south of the Paranta 1 new field gas discovery well and 7 km northeast of the Smegsy 1 new field gas discovery. Rossco 1 will be drilled to a total depth of approximately 3000 m, penetrating the top of the Tirrawarra Formation.

The Rossco Prospect has a four-way closure of approximately 19 m (62 ft) with a most likely (P50) aerial extent of approximately 222 acres at the Patchawarra Formation Vc50 level. Based on the section penetrated in the Nephrite South Gas Field up to 55 m (163 ft) of stacked net pay sands within the Patchawarra Formation is anticipated. Estimated in-place volumetrics for Patchawarra (primary) reservoir targets is calculated to be 12.8 BCF at the P50 level.

Secondary reservoir targets can be expected in the underlying Tirrawarra Formation based on the results from Nephrite South Gas Field and Mica 1. In Nephrite South 1 11.5 feet of gas pay (porosity 9.0% and Sw 46%) is interpreted in the Tirrawarra Formation. 56.5 feet of conventional net gas pay (average porosity 10.8%, average Sw 48%) within the 59 feet of the Tirrawarra Sandstone were penetrated in Mica 1. In the vicinity of the Rossco Prospect the Murteree Shale is quite thick (20m) and acts as a competent seal, therefore there are no secondary targets anticipated at shallower stratigraphic levels, above the Patchawarra Formation.

Whereas probabilistic, resource assessment, gives a mean (P50) in place gas reserves for both Permian reservoirs of 16.2 BCF, if net pays are similar to those encountered at Nephrite and Vatore fields (8 km to SSE), then the corresponding recoverable gas reserves would be similar to the P10 estimates, that is about 33.6 BCF. The geological probability of successfully encountering gas is deterministically estimated at 0.51, which is conservative given the historical exploration success rate in this region is approximately 0.70.

The primary target at Rossco Prospect is multiple gas/condensate charged Patchawarra Formation sandstones within a 4-way dip closure. Up-side potential is provided by a possible stratigraphic facies change facilitating an extension of pay outside of the mapped 4-way dip closure. Scope for such stratigraphic traps comes from development drilling at the Raven, Jack Lake and Tindilpie gas fields, all encompassed by PEL 106.

Gas in this part of the Patchawarra Trough is associated with condensate. Assuming a 12.8 BCF accumulation, and based on offset well data gas content, associated liquids are estimated to be in the range of 35,000 to 706,000 barrels for the Permian reservoirs.

Cooper Basin, Queensland ATP (A) 656, 657, 658 & 660 (Oil & Gas)

It is Blue Energy's expectation that, as a result of the ex-Santos acreage releases, the stimulus in exploration in the South Australian portion of the Cooer Basin will spill over into the neighbouring Queensland portions of the basin, where Blue Energy have completed the necessary requirements to acquire a 100% interest in 4 Applications to Prospect for Petroleum.

The Queensland portion of these basins is more frontier, and Blue Energy's acquisitions are adjacent to the Inland and Cook Oil Fields.

Three major exploration play types are predicted:

- Jurassic and Triassic traps containing oil as in Inland and the Cook and James discoveries;

- Permian gas and condensate trapped within local Permian sequences preserved beneath the basal Jurassic and Triassic unconformities; and

- Stratigraphic traps at the Cooper Basin pinchout edge.

All four blocks are close to or just beyond the zero edge of the Permian Cooper Basin source rocks but are expected to have Triassic reservoirs that could lie within the migration pathway of hydrocarbons escaping from the Cooper Basin as they have at the Inland oilfield.

The areas are large, and aggressive exploration programs will get underway, when the applications are granted, following the resolution of any Native Title Issue there. A summary of the ATPs minimum expenditure and work program is provided in Attachment 2.

Galilee (Oil and Gas) ATP813P

The Galilee Basin is north of and regarded as being similar to the Cooper Basin as an extension of the Permo-Triassic sediments including Permian Coals and source rocks. The Permian coals in the Galilee Basin form part of a very large coal depositional system, which includes the Bowen Basin to the east and the Gunnedah Basin to the south in New South Wales.

The application made over the Galilee Basin was lodged to explore for gas in the coals of the Betts Creek Group, equivalent in age to the Bandana Formation (from which the Fairview/Durham Ranch development produces gas). The Betts Creek Group coals have been intersected in a number of petroleum wells and coal exploration holes. Modern seismic coverage is sparse over the area and of variable quality.

ATP 813P will be evaluated for CBM gas as well as shallow biogenic gas. Previous exploration in the basin, and in particular the Lake Galilee 1 and Koburra 1 wells within the Koburra Trough (Eastern Galilee) have encountered good oil and gas shows and the Corona 1 well on the Maneroo Platform produced half a barrel of thick black waxy oil from the Westbourne Formation. These and numerous other shows, prove that hydrocarbons have been generated and have migrated into sandstone reservoirs within the basin. The area is lightly explored; no conventional oil and gas wells have been drilled within the boundaries of the application area. Reservoirs of the Eromanga sequence overlie the Permian Galilee Basin and are of high quality. Reservoir quality in the Permian will be adequate for gas at least.

The area is vast, over 6400km^2 and overlies the Koburra Trough and the flanks where Potential hydrocarbon traps are likely to be formed. As with the Cooper/Eromanga, the younger section is likely to be mainly an oil target (Corona 1) and the Permian section, as a gas target.

North Bowen Basin (CBM) ATP 814P

Blue Energy's Northern Bowen Basin project is located in North Central Queensland approximately 250 kilometres south west of Mackay. Comprising eight separate areas, the application is adjacent to the successful CH4 Limited ("CH4") Moranbah CBM gas development.

Blue Energy's project is 43 graticular blocks or approximately 3,000 square kilometres in size. Interestingly enough this acreage position compares well with that of CH4, which is almost 6,000 square kilometres, and owns a 50% interest. ATP 814P was applied for after a Queensland government mandatory relinquishment by CH4.

The Northern Bowen Basin comprises sediments mainly of Permian age and this region is renowned as a world class coalfield and has been the focus of world class coal exploration and mining activities for the past 50 years. ATP 814P contains extensive coal measures of the Late Permian Blackwater Group, which includes the Moranbah, Fort Copper and Rangal Coal Measures.

Extensive coal mining occurs on the Moranbah coal at the Newland Mine, and CBM development is being undertaken by CH4 to the east of this mining operation.

It is expected that the coal seams are thick (up to 5 metres in some places) and have a high gas content and are at economic drilling depth for CBM gas. Thick coals and shallow depths have historically allowed for cost effective drilling of CBM gas wells resulting in high gas flows following dewatering.

The primary drilling targets are the Moranbah Coal Measures are a package of Permian Sediments of coal, sandstone, siltstone and shales with aggregate coal thicknesses of up to 20 metres. The coals are known to be laterally persistent and are generally flat lying. The coals are known by other operators to contain extensive gas resources.

Bowen and Surat-Bowen Basin ATP 817P (CBM gas, GAS)

Blue Energy's Bowen-Surat Basin play comprises three separate areas within this application for an Authority to Prospect for Petroleum. The project area flanks the margin of the Denison Trough and surrounding it are several conventional gas developments and commercial CBM developments, in particular the Fairview/Durham Ranch development project which was recently sold to Santos Limited for USD$477 million. The prospective geological units are the Bandana Formation and the Mantuan Formation, which are an extension of the coals that host Fairview/Durham Ranch. Preliminary geologic work indicates these coal sections are present in the northern and central areas of the ATP, and for this reason we consider this area to be prospective for CBM gas developments.

The **Northern Area** lies on the western flank of the Denison Trough and the shelf area to the west of the flank. Gas may have migrated to the west out of the Denison Trough where there has been significant gas production. There are sandstone reservoirs within the Early Permian section; however, these are often of very poor quality. Coals of the Reid's Dome Beds and /or the Bandanna Formation may be present and buried to depths suitable for CBM gas exploration. There are geological structures that may provide traps for conventional gas accumulations or assist with coal seam permeability. Initial investigations will focus in and around the Springsure anticline.

There is sparse seismic coverage in the area, and several petroleum exploration wells fall within the boundaries of the application. The application area is some 1200 sq km. Blue Energy plans to review ATP817P areas for oil/gas and test the CBM gas potential.

The **Central Area** lies on the western edge of the Bowen Basin, adjacent to the Fairview and Durham Ranch coal seam gas fields, where gas is produced from the Permian Bandanna Formation. Previous drilling and seismic coverage indicate that high quality coals prospective for CBM gas extend into the application area, and are similar to the coals that host the Fairview/Durham Ranch CBM development. Previous exploration includes a good coverage of regional seismic data and two petroleum exploration wells and two coal seam gas exploration wells.

The **Southern Area** application area is located to the west of the Roma Shelf and producing areas, such as the Silver Springs Gas Field and west of oil fields such as Yellowbank Creek, Major and Alton. The area includes high quality sandstone reservoirs. Top seals are well developed and potential traps are likely. Migration of oil and/or gas is the main risk, though Donga 1 and 2 contain small quantities of oil some 30km from the nearest source rocks and other oil shows demonstrate that this is possible. There is minimal seismic data coverage though there are five petroleum exploration wells in this block. We believe there is little or no CBM gas potential in this area.

Surat Basin ATP 818P (CBM gas)

ATP 818P is located in South East Queensland in the vicinity of Toowoomba and is approximately 200km from Brisbane. The application area is large comprising some 2,000 square kilometres. In recent years much of the surrounding area has been the focus of intense CBM and conventional gas and oil exploration. The Walloon Coals of this area are not yet a commercially proven gas resource, however there are a number of neighbouring pilots designed to determine the economic viability of the Walloon Coal measures. The most advanced pilots are those at Berwyndale South operated by Queensland Gas Company Limited and Kogan North operated by Arrow Limited. The coals in this region are clearly gas bearing and have been shown in a number of places to be capable of producing gas, even early on in the dewatering process. The Walloon coals are often compared to similar coals of the Powder River Basin and the Raton Basin, which have proven to be commercially successful, the USA. There are no exploration wells for CBM gas in ATP 819, but exploration for CBM in northern NSW Clarence Moreton Basin, and the adjacent developments has shown that the coals, which are assumed to extend into this ATP, have high gas content.

Surat Basin ATP 819P (CBM gas)

Blue Energy will review regional seismic data. There is are no wells within the application area, but significant commercial CBM developments and conventional gas and oil discoveries and production immediately to the north indicate good potential for CBM and gas accumulations.

Both, ATP 818P & 819P are strategically located in the large and growing gas markets of South East Qld. Blue Energy plans to actively pursue the CBM potential of these assets.

Schedule 3 – Summary of Expenditure and Work Commitments on ATP's

Detail on the tenements

The Exhibit below details the number of blocks and the size of the blocks in the ATP's.

Exhibit 1: Summary of ATP Block number and size

ATP	Graticular Blocks	Km^2
Stage 1		
ATP 813P	78	6240
ATP 814P	43	3440
ATP 817P	84	6720
ATP 818P	31	2480
ATP 819P	63	5040
Subtotal	**299**	**23,920**
Stage 2		
ATP (A) 656	9	693
ATP (A) 657	21	1,624
ATP (A) 658	18	1,329
ATP (A) 660	19	1,481
Subtotal	**67**	**5,190**
TOTAL	**366**	**29,110**

EXPENDITURE

Blue Energy has established plans for commencement of and undertaking work commitments on specific ATPs. Minimum expenditure requirements will commence from the date of grant of the ATP's. The ATPs have been offered for granting by the Queensland department of Natural Resources & Mines.

ATP(A)'s 656, 657, 658 and 660 are subject to native title claims, they cannot be granted until native title issues are addressed. Blue Energy has plans to conclude these matters in a satisfactory manner and timetable. The minimum expenditure table below sets out the size of each ATP application, with the minimum expenditure required to be spent for each of the first four years of the licence. The minimum expenditure requirements do not commence until granting of the licences.

ATP 813, 814, 817, 818 and 819 have been offered for granting, and are subject to clearance for forestry and national park, they cannot be granted until these issues are addressed. Blue Energy's plans incorporate the accommodation of these requirements.

Work commitments for the ATPs are shown in summary below, with more detail provided in the following Exhibits.

Exhibit 2: Summary of annual expenditure over the 9 ATPs

	ATP 565, 657, 658, 660	ATP 813,814,817 ,818, 819	Total
1	$600,000	$150,000	$750,000
2	$2,650,000	$880,000	$3,530,000
3	$5,715,000	$3,100,000	$8,815,000
4	$6,810,000	$1,450,000	$8,260,000
	$15,775,000	**$5,580,000**	**$21,355,000**

Work Programme Summary

Exhibit 3 provides a summary the Minimum Expenditure and Work Program for the first 5 ATPs that are ready for development.

Exhibit 3: Minimum Expenditure and Work Program ATP 813,814,817,818, 819

	Year	Total	Description
ATP 813P			
	1	$30,000	Review existing data
	2	$250,000	50km seismic acquisition
	3	$650,000	Drill one well
	4	$400,000	100km seismic acquisition
Sub Total		**$1,330,000**	
ATP 814P			
	1	$40,000	Review existing data
	2	$200,000	50km seismic acquisition
	3	$750,000	Drill one well
	4	$400,000	100km seismic acquisition
Sub Total		**$1,390,000**	
ATP 817P			
	1	$30,000	Review existing data
	2	$130,000	20km seismic acquisition
	3	$550,000	Drill one well
	4	$250,000	50km seismic acquisition
Sub Total		**$960,000**	
ATP 818P			
	1	$25,000	Review existing data
	2	$150,000	25km seismic acquisition
	3	$550,000	Drill one well
	4	$250,000	50km seismic acquisition
Sub Total		**$975,000**	
ATP 819P			
	1	$25,000	Review existing data
	2	$150,000	30km seismic acquisition
	3	$600,000	Drill one well
	4	$150,000	30km seismic acquisition
Sub Total		**$925,000**	
TOTAL		**$5,580,000**	

Exhibit 4: The Minimum Expenditure and Work Program for ATP 565, 657, 658, 660

ATP	Year	Total	Description
ATP (A) 656			
	1	$150,000	Review existing data + seismic reprocessing
	2	$350,000	75 km seismic acquisition
	3	$750,000	Drill one well
	4	$750,000	Drill one well
Sub Total		**$2,000,000**	
ATP (A) 657			
	1	$200,000	Review existing data + seismic reprocessing
	2	$900,000	160km seismic acquisition
	3	$2,200,000	Drill two wells
	4	$3,300,000	Seismic + drill two wells
Sub Total		**$6,600,000**	
ATP (A) 658			
	1	$125,000	Review existing data + seismic reprocessing
	2	$850,000	160km seismic acquisition
	3	$2,000,000	Drill two wells
	4	$2,000,000	Drill two wells
Sub Total		**$4,975,000**	
ATP (A) 660			
	1	$125,000	Review existing data + seismic reprocessing
	2	$550,000	100 km seismic acquisition
	3	$765,000	Drill one well
	4	$760,000	Drill one well
Sub Total		**$2,200,000**	
Total		**$15,775,000**	

Schedule 4 – Statement of Financial Position as at 30 September 2005

The financial information set out below comprises;

- the historical consolidated statement of financial performance for the period from I July 2005 to 30 September 2005;and
- the historical consolidated statement of financial position as at 30 September 2005 together with notes thereto; and
- the pro forma consolidated statement of financial position as at 30 September 2005 which assumes completion of the contemplated transactions disclosed in Note 2.

The financial information is that of the entity, Energy Investments Limited (EIV) and the pro-forma is the consolidation of entities controlled by EIV. The controlled entities will be Energy Investments PNG Pty Ltd and Blue Energy Pty Ltd.

The financial information has not been subject to audit.

The historical and the pro forma financial information has been prepared in accordance with the measurement requirements, but not all the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

The pro forma statement of financial position has been prepared to reflect the financial position of the Company as if the conversion of the Lateral Convertible Note, Placement and Acquisition had occurred on 30 September 2005.

HISTORICAL STATEMENT OF FINANCIAL PERFORMANCE

	Note	Period from 1 July to 30 September 2005 $	Audited 30 June 2005 $
REVENUES FROM ORDINARY ACTIVITIES		337,609	4,960,427
Depreciation expense		(227)	(1,578)
Borrowing Costs		(50,969)	(44,188)
Cost of investments sold			(3,967,517)
Unrealised loss on revaluation of current investments			(41,045)
Provision for (write-down)/write-back of investments			(150,859)
Other expenses from ordinary activities		(36,655)	(370,196)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		249,758	385,044
INCOME TAX (EXPENSE)/BENEFIT RELATING TO ORDINARY ACTIVITIES			(22,396)
NET PROFIT FROM ORDINARY ACTVITIES AFTER RELATED INCOME TAX EXPENSE/BENEFIT		249,758	362,648

This statement of financial performance should be read in conjunction with the accompanying notes.

HISTORICAL AND PRO-FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		30 September 2005	Subsequent Events	Pro-Forma Adjustment	Pro-forma After Issue
		$	$	$	$
CURRENT ASSETS					
Cash Assets	3	306,652	2,564,000	13,632	2,884,284
Receivables	4	34,788		12,513	47,301
Other Financial Assets	5	1,395,522			1,395,522
TOTAL CURRENT ASSETS		1,736,963	2,564,000	26,145	4,327,107
NON-CURRENT ASSETS					
Property, Plant and Equipment	6	2,022		5,267	7,289
Other	7	12,608		190,000	202,608
Deferred exploration and evaluation expenditure	8			13,320,920	13,320,920
TOTAL NON-CURRENT ASSETS		14,630		13,516,187	13,530,817
TOTAL ASSETS		1,751,593	2,564,000	13,542,332	17,857,924
CURRENT LIABILITIES					
Payables	9	96,706	102,560	97,889	297,155
Borrowings	10	732,032			732,032
TOTAL CURRENT LIABILITIES		828,738	102,560	97,889	1,029,187
NON-CURRENT LIABILITIES					
Convertible Note	11	904,806	(904,806)		
TOTAL NON-CURRENT LIABIITIES		904,806	(904,806)		
TOTAL LIABILITIES		1,733,544	(802,246)	97,889	1,029,187
NET ASSETS		18,049	3,366,246	13,444,442	16,828,737
EQUITY					
Contributed equity	12	160,969	3,366,246	13,711,920	17,239,135
Accumulated losses		(142,920)		(267,478)	(410,398)
TOTAL EQUITY		18,049	3,366,246	13,444,442	16,828,737

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

1. STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies that have been adopted by Energy Investments Limited are as follows;

Basis of Accounting

The financial information has been prepared in accordance with the measurement and recognition, but not the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting including the historical cost convention and the going concern assumption.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial information.

Principles of consolidation

The consolidated financial information is that of the consolidated entity, comprising Energy Investments Limited and all entities that Energy Investments Limited controlled from time to time during the period and at the reporting date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control. Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Acquisition accounting

The acquisition price for all of the issued shares in Blue Energy Pty Ltd was settled by the issue of 91,412,801 shares.

The value of the consideration paid for the purposes of fair value accounting pursuant to Urgent Issues Group Abstract 41 "Fair Value of Equity Instruments issued as Purchase Consideration" is $13,711,920 The net asset position of Blue Energy Pty Ltd at the date of acquisition was $123,522. An amount of $13,588,398, being the difference between the fair value of net assets at the date of acquisition and the consideration paid, has been reflected as an uplift in the fair value of Deferred Exploration and Evaluation Expenditure.

Cash and cash equivalents

Cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

Exploration and evaluation expenditure
Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward where rights to tenure of the area of interest are current and;

i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and/or;

ii) exploration and evaluation activities are continuing in an area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

At the end of each reporting period the Directors assess the carrying value of the exploration expenditure carried forward in respect of each area of interest, and where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written down or provided against.

Payables
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Loans and borrowings
All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Revenue and gains and losses
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Tax
Income Taxes
Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. Any net future income tax benefit is only recognised where it is virtually certain of being realised.

Contributed Equity
Contributed equity is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

For equity-settled share-based payment transactions for goods or services received, excluding employee services, the consolidated entity recognises and measures the increase in equity at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the consolidated entity measures the value of the goods or services received, with reference to the fair value of the equity instrument granted.

2. ASSUMPTIONS USED IN PREPARING THE PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The pro-forma statement of financial position of Energy Investments Limited has been prepared as if the following transactions had taken place as at 30 September 2005:

- the issue of 131,474,646 shares on conversion of a Convertible Note with a face value of $1,000,000 and the recognition of the carrying value of the debt to the date of conversion of $63,126;
- the issue of 17,093,334 shares at 15 cents per share pursuant to a Placement to raise $2,564,000;
- the issue of 91,412,801 shares at 15 cents per share pursuant to offers made to and accepted by the shareholders of Blue Energy Pty Ltd, as consideration for their shares in Blue Energy Pty Ltd; and
- the payment and recognition directly in equity of costs incurred by the Company in relation to the Capital Raising estimated to be $102,560.

3. RECONCILIATION OF ADJUSTMENTS TO CASH

	$
Balance as at 30 September 2005	306,652
Issue of 17,093,334 shares at 15 cents per share pursuant to the Capital Raising	2,564,000
Cash Acquired on Consolidation of Blue Energy Pty Ltd	13,632
Pro-forma balance as at 30 September 2005	2,884,284

	30 September 2005 $	Pro-forma 30 September 2005 $
4. RECEIVABLES		
Net GST receivable	29,068	29,068
Other - advances	-	11,713
Rental Bonds-deposits	5,720	6,520
	34,788	47,301
5. OTHER FINANCIAL ASSETS		
Shares in corporations listed on a prescribed stock exchange at market value: 1,641,791 ordinary shares in Kids Campus Limited	1,395,522	1,395,522

	30 September 2005 $	Pro-forma 30 September 2005 $
6. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment at cost	25,496	31,697
Less: Accumulated Depreciation	(23,474)	(24,408)
	2,022	7,289
7. OTHER NON-CURRENT ASSETS		
Shares in unlisted company	92	92
Future Tax Benefit	12,516	12,516
Performance & Security Bonds	-	190,000
	12,608	202,608
8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE		
At cost	-	13,320,920

The ultimate recoupment of costs carried forwards for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

	30 September 2005 $	Pro-forma 30 September 2005 $
9. PAYABLES		
Trade creditors and accruals	96,706	194,595
Expenses relating to Capital Raising	-	102,560
	96,706	297,155
10. BORROWINGS		
Borrowings secured over shares in Kids Campus Ltd a listed public company: principal and capitalised interest	732,032	732,032
11. CONVERTIBLE NOTE		
Convertible Note held by Lateral Nominees Pty Ltd convertible into 131,474,646 shares	904,806	-

12. CONTRIBUTED EQUITY

a) Share Capital	**Number**	**Number**
Issued & Fully Paid Ordinary Shares	14,608,294	254,589,075
	$	**$**
Issued and Fully Paid Ordinary Shares	160,969	17,239,135

	Number of Shares	**$**
Reconciliation of share capital:		
Issued at 30 September 2005	14,608,294	2,649
Issue of shares on conversion of Convertible Note	131,474,646	1,063,126
Issued as consideration for the acquisition of shares in Blue Energy Pty Ltd at 15 cents per share	91,412,801	13,711,920
Issue of shares at 15 cents per share	17,093,334	2,564,000
Costs associated with the Capital Raising	-	(102,560)
Pro-forma balance at 30 September 2005	**254,589,075**	**17,239,135**

13. NET ASSETS PER SHARE

Net assets ($)	18,049	16,828,737
Number of shares on issue fully diluted	14,608,294	254,589,075
Net assets per share (cents)	0.12	6.61

14. EXPENDITURE AND OTHER COMMITMENTS

The consolidated entity has certain obligations with respect to tenements and minimum expenditure requirements on areas as follows:

Within 1 year	-	2,950,000
1-2 years	-	3,530,000
2-5 years	-	17,075,000
Total	-	23,545,000

The commitments may vary depending upon additions or relinquishments of tenements and the terms of farm-out agreements.

Schedule 5 – Terms and Conditions of Incentive Options

1. Entitlement

The 'A' Incentive Options, 'B' Incentive Options and 'C' Incentive Options (together the **"Incentive Options"**) entitle the Incentive Optionholder to subscribe for one Share upon exercise of each Incentive Option.

2. Exercise Price and Expiry Date

Class of Incentive Option	Exercise Price	Exercise Date on or after	Expiry Date on or before
'A' Incentive Options	$0.40	6 months from date of issue	36 months from date of issue
'B' Incentive Options	$0.50	12 months from date of issue	48 months from date of issue
'C' Incentive Options	$0.60	18 months from date of issue	48 months from date of issue

3. Exercise Period

The Incentive Options are exercisable at any time on or subsequent to the Exercise Date, and on or prior to the Expiry Date.

4. Notice of Exercise

The Incentive Options may be exercised by notice in writing to the Company. Any notice of exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.

5. Timing of issue of Shares

After an Incentive Option is validly exercised, the Company must as soon as possible:

(a) issue and allot the Share; and

(b) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than five days from the date of exercise of the Incentive Option.

6. Shares issued on exercise

Shares issued on exercise of the Incentive Options rank equally with the then shares of the Company.

7. Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Incentive Options.

8. Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to

Shareholders during the currency of the Incentive Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give Incentive Optionholders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

9. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Optionholder had exercised the Incentive Option before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

10. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Incentive Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E\,[P - (S+D)]}{N + 1}$$

O = the old Exercise Price of the Incentive Option.
E = the number of underlying Shares into which one Incentive Option is exercisable.
P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
S = the subscription price of a Share under the pro rata issue.
D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

11. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Optionholders will be varied to comply with any ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

12. Quotation of Incentive Options

No application for quotation of the Incentive Options will be made by the Company.

13. Incentive Options non-transferable

The Incentive Options are non-transferable.

14. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's Registry, Computershare Registry Services Pty Ltd, Level 2, Reserve Bank Building, Perth, WA.

Schedule 6 – Terms and Conditions of the Energy Investments Employee Option Scheme

1. **Scheme Terms and Conditions**

The Directors are empowered to operate the Scheme in accordance with the Listing Rules and on the following terms and conditions:

(a) Subject to paragraph 1(d), the Directors may offer to issue Options to Eligible Employees in accordance with Class Order 03/184, the Scheme and in such manner and on such terms and conditions as they in their absolute discretion determine.

(b) If the Company has offered you Options, to accept the offer complete the Acceptance Form or accept in such other form as the Directors may in their absolute discretion approve from time to time.

(c) The Eligible Employees to participate in the Scheme shall be as the Directors in their absolute discretion determine and shall take into account skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances.

(d) Options may not be offered under this Scheme without the issue of a prospectus in accordance with Chapter 6D of the Corporations Act, if the aggregate of:

(i) the number of Options to be issued;

(ii) the number of Shares which would be issued if all the current Options issued under any employment incentive scheme were exercised;

(iii) the number of Shares which have been issued as a result of the exercise of Options issued under any employee incentive scheme, where the Options were issued during the preceding five years; and

(iv) all other Shares issued pursuant to any employee incentive scheme during the preceding five years;

but disregarding any offer made, Options or Shares issued by way of or as a result of:

(v) an offer to a person situated at the time of receipt of the offer outside Australia;

(vi) an offer that was an excluded offer or invitation within the meaning of the Corporations Act as it stood prior to the commencement of Schedule 1 of the Corporate Law Economic Reform Program Act 1999;

(vii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or

(viii) an offer under a disclosure document,

would exceed 5% of the then current number of Shares on issue.

(e) The Directors may, in their absolute discretion, offer to Eligible Employees Options under the Scheme, notwithstanding that it has previously issued more than the 5% limit in paragraph 1(d), up to a maximum of 10%, provided that the issue is made in accordance with the requirements of Chapter 6D of the Corporations Act.

(f) Options will be issued free of charge to Eligible Employees. The exercise price of the Options shall be as the Directors in their absolute discretion determine, provided that it shall not be less than that amount which is equal to 90% of the average market price of the Shares in the 5 days in which sales in the Shares were recorded immediately preceding the day on which the Directors resolve to offer the Options.

(g) The Directors may limit the total number of Options which may be exercised under the Scheme in any year.

(h) The Directors, in their absolute discretion, having regard to skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances, shall determine criteria to establish the periods during which the Options may be exercised.

(i) All Options with a common expiry date shall have the same exercise price and rights to participate in issues of securities by the Company.

(j) Unless the Directors in their absolute discretion determine otherwise, Options shall lapse upon the earlier of:

    (i) the expiry of the exercise date;

    (ii) the Option holder ceasing to be an Eligible Employee by reason of dismissal, resignation or termination of employment, office or services for any reason;

    (iii) the expiry of 30 days after the Option holder ceases to be an Eligible Employees by reason of retirement; or

    (iv) a determination by the Directors that the Option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an Associated Body Corporate;

(k) If an Eligible Employee accepts an offer from the Company to participate in the Scheme then the Company will evidence the issue of an Option to an Eligible Employee by issuing that Eligible Employee a Certificate for that Option.

(l) Each Option entitles the holder to subscribe for and be issued with one Share.

(m) Shares issued pursuant to the exercise of Options will in all respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares on issue.

(n) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(o) The Options will not be quoted on the ASX. However, application will be made to the ASX for official quotation of the Shares issued on the exercise of the Options if the Shares are listed on the ASX at that time.

(p) An application to be issued Options may be made by Eligible Employees invited to participate in the Scheme in such form and on such terms and conditions concerning the closing date for applications as the Directors in their absolute discretion determine.

(q) If at any time the issued capital of the Company is reconstructed, all rights of Option holders are to be changed in a manner consistent with the Listing Rules.

(r) Subject to and in accordance with the Listing Rules (including any waiver issued under such Listings Rules), the Directors (without the necessity of obtaining the prior or subsequent consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Terms and Conditions in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option issued before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.

(s) At the absolute discretion of the Directors, the terms upon which Options will be issued may incorporate performance related factors. Such factors may reflect, inter alia, profitability levels, increases in production or decreases in production costs and may, subject to clause 1(r) above, be amended from time to time in a manner favourable to the Option holder. However such performance related factors, if included in the Option terms or so amended shall not act in any way to constitute a breach of the Terms and Conditions.

(t) Notwithstanding the Terms and Conditions, upon the occurrence of a Trigger Event the Directors may determine:

    (i) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or

    (ii) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

(u) An Option may not be transferred or assigned except that a legal personal representative of a holder of an Option who has died or whose estate is liable to be dealt with under laws relating to mental health will be entitled to be registered as the holder of that Option after the production to the Directors of such documents or other evidence as the Directors may reasonably require to establish that entitlement.

(v) An Option is exercisable by the holder lodging with the Company a Notice of Exercise of Option together with a cheque for the exercise price of each Option to be exercised and the relevant Option Certificate. If not all of the holder's Options are being exercised, a holder must exercise Options in multiples of 1,000.

(w) Neither participation in the Scheme by the Company or an Associated Body Corporate or any Eligible Employees or Option holders or anything contained in these Terms and Conditions shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Employees or Option holder or to vary the terms of employment of any Eligible Employees or Option holder. Nor shall participation or the rights or benefits of an Eligible Employees or Option holder under the Terms and Conditions be relevant to or be used as grounds for granting or increasing damages in any action brought by an Eligible Employees or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.

(x) At all times during which Eligible Employees may subscribe for or purchase Shares upon exercise of an Option issued pursuant to the Scheme, the Company shall provide, within a reasonable period of a request by Eligible Employees, the current market price of the Shares. Contact the Company Secretary to obtain this information.

(y) The Scheme shall be administered by the Directors who shall have power to:

(i) determine appropriate procedures for administration of the Scheme consistent with these Terms and Conditions;

(ii) resolve conclusively all questions of fact or interpretation or dispute in connection with the Scheme and settle as the Directors in their absolute discretion determine expedient any difficulties or anomalies howsoever arising with or by reason of the operation of the Scheme;

(iii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of the Directors' powers or discretions arising under the Scheme; and

(iv) subject to the Listing Rules, waive strict compliance with, amend or add to the Terms and Conditions of the Scheme except for the provisions of clause 1(d), and where such actions are taken such actions shall be conclusive, final and binding on Option holders.

2. Definitions

In this Schedule the following terms shall bear the following meanings:

"Acceptance Form" means the Acceptance Form which will accompany the invitation to the Eligible Employee to participate in the Scheme.

"Associated Body Corporate" means:

(a) a related body corporate (as defined in the Corporations Act) of the Company;

(b) a body corporate which has an entitlement to not less than 20% of the voting shares of the Company; and

(c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

"ASX" means the Australian Stock Exchange Limited.

"Business Day" means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

"Certificate" means a certificate for any Option issued to Eligible Employees which will include all of the terms and conditions of the Option and the Notice of Exercise of Option or such other evidence of ownership that the Directors may in their absolute discretion determine from time to time.

"Company" means Energy Investments Limited ABN 14 054 800 378.

"Company Group" means the Company and its Associated Bodies Corporate.

"Corporations Act" means the Corporations Act 2001 (Commonwealth).

"Directors" mean the directors from time to time of the Company.

"Eligible Employees" means any full or part time employees of the Company or its Associated Bodies Corporate including Directors and Contractors.

"Listing Rules" means the official listing rules of ASX as amended from time to time.

"Notice of Exercise of Option" means the Notice of Exercise of Option which will accompany the invitation to the Eligible Employee to participate in the Scheme.

"Offer Period" means the period referred to in the definition of that expression in Section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of an off-market bidder's statement on the Company in relation to that takeover bid the Offer Period shall be deemed to have commenced at the time of that announcement.

"Option" means an option to acquire a Share issued in accordance with the Scheme.

"Scheme" means the Energy Investments Limited ABN 14 054 800 378 Employee Option Scheme in which Eligible Employees may be invited to participate in accordance with the Terms and Conditions.

"Share" means a fully paid ordinary share in the capital of the Company.

"Terms and Conditions" means the terms and conditions in section 1 as amended from time to time.

"Trigger Event" means:

(a) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;

(b) the service of a bidder's statement or a like document on the Company; or

(c) the date upon which a person or a group of associated person becomes entitled, subsequent to the date of issue of the Option, to sufficient Shares to give it or them the ability, in general meeting to replace all, or allow a majority, of Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

SCHEDULE 7 – Blue Energy Pty Ltd Shareholders to receive Allotment

Name of Shareholder
Vandyson Pty Ltd ACN 104 270 019
Cumberland Investments (WA) Pty Ltd
ABN 55 105 656 844
Sharif Awad Oussa
Rockmaster Pty Ltd
ACN 100 852 622
Nitroshire Pty Ltd
ACN 084 884
Gas Exploration Pty Ltd
ACN 084 691 029
Sodell Investments Pty Ltd
ACN 057 459 533
Tyres Petroleum Pty Ltd
ACN 057 459 533
Goldmile Holdings Pty Ltd
ACN 083 29 300
Pinewood Holdings Pty Ltd
ACN 108 353 466
Spartan Nominees Pty Ltd
ACN 009 822 081
Beachcraft Pty Ltd
ACN 099 855 599
Robert John Charteris
John Wardman & Associates Pty Ltd
<The Wardman Super Fund A/c>
ACN 052 351 649
Gainfield Consultants Limited
Peter John Woodford
Yu-Hsiang Huang
Trust Company Superannuation Services Ltd ACN 004 027 749
<Korn PSF A/C>
H M Sutton Nominees Pty Ltd
Optex Exchange Pty Ltd
Julie McConaghy
Morshead Pty Limited
<Super Fund A/C>
Peter Smith
Stirling Jackson
ASEAN Capital Pty Ltd
Agent's Building Company "Nth Sydney" Pty Ltd,
Prema Nominees Pty Ltd
Jakor Pty Ltd
Fairbank Bond Pty Ltd
ACN 060 334 732
Trisha Luxford
Gerard Charles Doherty
Marindo Nominees Pty Ltd<Nominees A/C>
Elmoson Pty Ltd <Elmoson Trust A/c>
Labonne Enterprises Pty Ltd <McIntyre Family Trust>
Jervis Holdings Pty Ltd
Prema Nominees Pty Ltd <Sharif Oussa A/c>
Jasmah Investments Pty Ltd <atf The Jasmah Investments Trust>

Schedule 8 – Private Placement Allottees

Bartell Matthew
Jervis Holdings Pty Ltd
Elmoson Pty Ltd<Elmoson Trust A/c>
Anderson NP & S G <Anderson Superfund Account>
Robinson Luke
Sans Egal Pty Ltd
Coffman CW<West Point Media Group Pty Ltd>
Pacific Capital Management (Australia) Pty Ltd
Hawkins RB <Hawkins Super Fund a/c>
Gralor Investments Pty Ltd <Graham Catt Superfund a/c>
Holli Pty Ltd <Beck Family a/c>
Slevy LS & MA <Leon Levy Superfund a/c>
Jemaya pty Ltd <The Featherby Family A/c>
Featherby Nathan John
Malaxos Joanne Louise
National Nominees Limited (Caldwell A/c)
Stefanov Regina Valerie
St Barnabas Investments Pty Ltd <The Melvista Family Trust>
Henconner Pty Ltd
Coultas Donald Norman
Jamesbridge Pty Ltd
Savoy Management Pty Ltd
Tangee Pty Ltd <Affleck A/C>
Perth Select Seafoods Pty Ltd
Acumen Engineering Pty Ltd
Ian Wickens Pty Ltd
Beech MR & RL <MR Beech Super Fund A/C>
Regency Developments (WA) Pty Ltd
Wieland JM & Seward SM <The Wieland Super Fund A/C>
Fleay Benjamin James
Brentex Holdings Pty Ltd <atf The TLM Trust>
Tricom Nominees Pty Ltd <Nominee A/C>
Bouchi Pty Ltd
Australian Executor Trustees Limited
Hera Investments Pty Ltd
Wayne Knight
Larkins Pauline Margaret
Ligon 103 Pty Limited
Granna Investments Pty Limited
Grace Consulting Pty Ltd <No. 2 Account>
Michael Milman & Associates Pty Limited
Begg Gordon Geoffrey & Pam
Roken No. 2 Pty Ltd
France Maurice Brian & Alice Barbara
Walter Yvonne
Jill Coggan Pty Limited <Jill Coggan Super Fund A/c>
John Cook Super fund Pty Ltd <John Cook super Fund A/c>
Cole Timothy Edward Nobill <super fund A/c>
Balsalini Pau & Annette < A& K Mercantile ProvFund A/c>

Moustaka David Ross <Dave Moustaka Family A/c>
Midvale Assets Limited
Reynolds (Nominees) Pty Ltd <House Account>
Reynolds (Nominees) Pty Limited <Lothian & Co A/C>
Powell Jason Robert
Powell Brian
Stowpad Pty Ltd
Lewis Securities Ltd
Fransson Peter
Wood Harold David & Wood Matthew Charles <Wood Family Super Fund A/C>
J.P.S. Investments Pty Ltd
Jezdon Pty Ltd
Yelrif Investments Pty Limited

ENERGY INVESTMENTS LIMITED
ABN 14 054 800 378

PROXY FORM

The Company Secretary
Energy Investments Limited

For information on returning this proxy form please see instructions over the page.

I/We [1] ____

of ____

being a Shareholder/Shareholders of the Company and entitled to

____

votes in the Company, hereby appoint [2]

____

or failing such appointment the chairman of the general meeting as my/our proxy to vote for me/us on my/our behalf at the general meeting of the Company to be held at Level 1, 34 Colin Street, West Perth Western Australia on Friday 17 February 2006 at 11.00am (WST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * [ ]% of the Shareholder's votes*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

IMPORTANT:

☐ If the chairman of the annual general Meeting is to be your proxy and you have not directed your proxy how to vote on Resolutions 1, 2, 4-6 please tick this box. By marking this box you acknowledge that the chairman of the annual general Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1, 2, 4-6 and that votes cast by him, other than as proxy holder, 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 1, 2, 4-6 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions.

The chairman of the annual general Meeting intends to vote undirected proxies in favour of the Resolution.

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of Issue of Shares for the Acquisition of BEL	☐	☐	☐
Resolution 2	Ratification of Placement	☐	☐	☐
Resolution 3	Election of Mr Peter Meagher as a Director	☐	☐	☐
Resolution 4	Authorisation of Employee Option Scheme	☐	☐	☐
Resolution 5	Authorisation of Grant of Incentive Options to Mr Peter Meagher	☐	☐	☐
Resolution 6	Authorisation of Grant of Incentive Options to Mr Brian McGillivray	☐	☐	☐
Resolution 7	Section 195 Approval	☐	☐	☐

Authorised signature/s This section ***must*** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

....	....	....
Contact Name	Contact Daytime Telephone	Date

[1]Insert name and address of Shareholder [2] Insert name and address of proxy *Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the general meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that general meeting. If the Shareholder is entitled to cast 2 or more votes at the general meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that general meeting, the representative of the body corporate to attend the general meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding:	where the holding is in more than one name all of the holders must sign.
Power of Attorney:	if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
Companies:	a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the general meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Return of Proxy Forms
Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Company's office as set out below not less than 48 hours prior to the time of commencement of the general meeting (WST).

Facsimile: +618 9217 2229

Post/Delivery: PO Box 1727
WEST PERTH WA 6872

Level 1
34 Colin Street
WEST PERTH WA 6005