
Orca Energy Limited

ACN 009 121 644

NOTICE OF GENERAL MEETING

TIME: 9.30am (WST)

DATE: 7th December 2011

PLACE: 35 Richardson Street, West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9488 5220.

CONTENTS

NOTICE OF GENERAL MEETING	3
EXPLANATORY STATEMENT	5
GLOSSARY	8

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.30am (WST) on Wednesday 7th December 2011 at 35 Richardson Street, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by 9.30am (WST) on 5th December 2011 and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 9.30am (WST) on 7th December 2011 at 35 Richardson Street, West Perth WA 6005.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 9.30am (WST) on 5th December 2011.

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

AGENDA

The Explanatory Statement to this Notice of Meeting describes the matters to be considered at the General Meeting.

ORDINARY BUSINESS

1. RESOLUTION 1 - CONSOLIDATION OF CAPITAL

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

“That, pursuant to Section 254H of the Corporations Act, Article 2.5 (a) of the Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every twenty (20) Shares be consolidated into one (1) Share; and

(b) every twenty (20) Options be consolidated into one (1) Option,

and where this consolidation results in a fraction of a Share or Option being held by a Shareholder or Optionholder (as the case may be), the Directors be authorised to round that fraction up to the nearest whole Share or Option.”

2. RESOLUTION 2 – ISSUE OF CONSULTANT SHARES

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

“That, for the purposes of ASX Listing Rules 7.1 of the ASX Listing Rules and for all other purposes, Shareholders approve the issue and allotment of 100,000,000 ordinary shares (on a pre-consolidation basis) to Mark A. Patterson (or nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mark A. Patterson (or its nominees) who may participate in the issue and who might obtain a benefit in the proposed issue and any of its associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the 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.

DATED: 7 November 2011

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "R. Sandford", written in a cursive style.

Rebecca Sandford
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9.30am (WST) on 7th December 2011 at 35 Richardson Street, West Perth WA 6005.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of General Meeting.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

Shareholders should note the Shares subject to Resolution 2 has been stated on a pre-Consolidation basis, and will be subject to the Consolidation proposed in this Resolution 1.

1.1 Background

The Directors are seeking Shareholder approval to consolidate the number of Shares on issue on a one (1) for twenty (20) basis.

Section 254H of the Corporations Act provides that a company may, by a resolution passed in a general meeting of shareholders, convert all or any of its shares into a larger or smaller number of shares.

ASX Listing Rule 2.1, Condition 2, also requires that the number of options on issue be consolidated in the same ratio as the ordinary capital, and the exercise price amended in inverse proportion to that ratio.

If Resolution 1 is passed, the number of Shares on issue will be reduced from 9,100,671,434 to approximately 455,033,571.

As from the effective date of Resolution 1 (being the date of the General Meeting), all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of post-Consolidation Shares. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders.

1.2 Fractional entitlements and taxation

Not all Shareholders will hold that number of Shares which can be evenly divided by twenty (20). Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share.

It is not considered that any taxation consequences will exist for Shareholders holders arising from the Consolidation. However, Shareholders are advised to seek individual tax advice on the effect of the Consolidation. Neither the Company, nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Consolidation.

1.3 Effect of the Consolidation on the capital structure of the Company

The effect of the Consolidation, the other Resolutions contained within this Notice and the Entitlement Issue will have on the capital structure of the Company is set out below:

Shares	Number Post Consolidation
Fully paid ordinary shares ¹ (currently 9,100,671,434)	455,033,571
Issue of Shares pursuant to Resolution 2 ²	5,000,000
Total	460,033,571
Notes:	
1. Includes 2,750,000,000 shares subject to 12 months escrow from issue (15 August 2012)	
2. 100,000,000 shares on a pre-consolidation basis	

Options ³	Number Post Consolidation
Unlisted Options exercisable at \$1.50 on or before 31 December 2011 (currently 5,000,000)	250,000
Unlisted Options exercisable at \$0.26 on or before 31 December 2012 (currently 77,500,000)	3,875,000
Unlisted Options exercisable at \$0.16 on or before 3 December 2014 (currently 10,000,000)	500,000
Total	4,625,000
Notes:	
3. In addition there is currently 77,500,000 unlisted options on issue exercisable at \$0.006 which expire on 3 December 2011 prior to the date of the meeting.	

It is the responsibility of each Shareholder to check the number of Shares held prior to disposal or exercise (as the case may be).

1.4 Timetable for the Consolidation

The indicative timetable for the Consolidation is as follows:

Event	Date
General Meeting to approve Consolidation	7 th Dec 2011
Notification to ASX of results of General Meeting	7 th Dec 2011
Trading on a deferred settlement basis	9 th Dec 2011
Last day to register transfers on a pre-reorganisation basis	15 th Dec 2011
First day for Company to send notice to Shareholders of change of holdings as a result of reorganisation	16 th Dec 2011
First day for Company to register securities on a post-reorganisation basis and for issue of holding statements	16 th Dec 2011
Despatch date	22 nd Dec 2011
Deferred settlement market ends	22 nd Dec 2011

1.5 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – ISSUE OF CONSULTANT SHARES

3.1 Introduction

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 100,000,000 Shares (on a pre-consolidation basis) to Mark A. Patterson or nominee.

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of these Shares.

3.2 Resolution 2 seeks Shareholder approval for the allotment and issue of securities as set out below.

The effect of Resolution 2 will be to allow the Directors to issue the Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.3 Technical information required by ASX Listing Rules 7.1 and 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue:

- (a) the maximum number of shares to be issued is 100,000,000 Shares (on a pre-consolidation basis);
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur in one tranche on the same date;
- (c) the Shares will be issued for nil cash consideration pursuant to a services agreement in lieu of remuneration;
- (d) the Shares will be issued to Mark A. Patterson or nominee;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised by the issue of the Shares.

3. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9488 5220 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Orca Energy Limited.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Meeting means the annual general meeting convened by the Notice of Meeting.

Notice of Meeting means this notice of Meeting, including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Shareholder Details

Name:
Address:
Contact Telephone:
Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder(s) of Orca Energy Limited and entitled to attend and vote, hereby appoint

The Chairman of the Meeting (mark with an 'X') **OR** Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Orca Energy Limited to be held at 35 Richardson Street, Western Australia on 7th December 2011 at 9.30am (WST) and at any adjournment of that meeting.

IMPORTANT
If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a 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 Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

Voting directions to your Proxy – please mark **to indicate your directions**

	For	Against	Abstain*
Resolution 1. Consolidation Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Issue of Consultant Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.
Appointment of a second proxy (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

PLEASE SIGN HERE
This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

<p>Individual or Shareholder 1</p> <input type="text"/>	<p>Shareholder 2</p> <input type="text"/>	<p>Shareholder 3</p> <input type="text"/>
<p>Sole Director and Company Secretary</p>	<p>Director</p>	<p>Director/Company Secretary</p>

How to complete this Proxy Form

1. Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the General Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Annual General Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the General Meeting will be your proxy. A proxy need not be a shareholder of the company.

3. Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company Secretary on +61 8 9488 5220 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5. Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged a copy of the Power of Attorney with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of Meeting or may be obtained from the Company's share registry.

6. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent to the Company, PO Box 684, West Perth, WA or sent by facsimile to the Company on +61 8 9324 2400.