
ENERGIO LIMITED

ACN 001 894 033

NOTICE OF GENERAL MEETING

TIME: 10am (WST)

DATE: 9 February 2011

PLACE: FJH Solutions, 21 Teddington Road, BURSWOOD WA 6100

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) 9355 4580.

CONTENTS PAGE

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	10
Schedule 1	11
Schedule 2	13
Proxy Form	12

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 10am (WST) on 9 February 2011 at:

FJH Solutions
21 Teddington Road
Burswood WA 6100

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:

- (a) post to Energio Limited, C/- FJH Solutions Pty Ltd, PO Box 6918, East Perth, Western Australia, 6892; or
- (b) facsimile to the Company on facsimile number (+61 8) 9355 4580; or
- (c) email to the Company on seanh@fjhsolutions.com.au,

so that it is received not later than 10am (WST) on 7 February 2011.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 10 am (WST) on 9 February 2011 at FJH Solutions, 21 Teddington Road, Burswood WA.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 7 February 2011.

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

AGENDA

1. RESOLUTION 1 – RE-ELECTION OF IAN BURSTON AS A DIRECTOR

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

"That, Mr Ian Burston, being eligible and having consented to act, be re-elected a Director effective immediately."

2. RESOLUTION 2 – RE-ELECTION OF KEVIN JOSEPH AS A DIRECTOR

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

"That, Mr Kevin Joseph, being eligible and having consented to act, be re-elected a Director effective immediately."

3. RESOLUTION 3 – RE-ELECTION OF DON CARROLL 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 all other Resolutions being passed, Mr Don Carroll, being eligible and having consented to act, be re-elected a Director effective immediately."

4. RESOLUTION 4 - PROPOSED ISSUE OF SHARES

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue Shares to raise a total of up to \$7,500,000 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person

as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF SECURITIES TO DON CARROLL

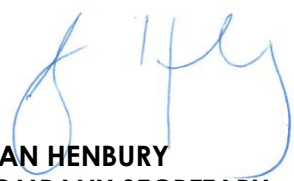
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and all other purposes, shareholders approve the allotment and issue to Don Carroll (or his nominee) of 20,000,000 Shares and 20,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Don Carroll (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 22 DECEMBER 2010

BY ORDER OF THE BOARD



**SEAN HENBURY
COMPANY SECRETARY
ENERGIO LIMITED**

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 10am (WST) on 9 February 2011 at FJH Solutions, 21 Teddington Road, Burswood WA.

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 Meeting.

1. RESOLUTIONS 1, 2 AND 3 – ELECTION OF DIRECTORS

Resolutions 1, 2 and 3 seek the re-election of Messrs Burston, Joseph and Carroll as Directors pursuant to the Constitution of the Company. Short bio on each of these persons is set out below:

Mr Ian Burston – Director

Pursuant to Resolution 1, Mr Ian Burston seeks appointment as a Director, effective immediately.

Dr Burston has more than 30 years of top level experience in Western Australian and international iron ore mining and export sales. He has held executive management and Board positions with some of WA's largest and most successful mining operations. His distinguished career includes several multi-million tonnes per year exporting operations with outstanding track records in maximising production, transport efficiencies and project development. He has also held major roles in industry associations and local government. He was awarded Citizen of the Year (Industry and Commerce) 1992, Member of the Order of Australia (General Division) 1993, and Honorary Doctor of Science (Curtin) 1995. He is a Fellow of the Institute of Engineers of Australia, the Institute of Mining and Metallurgy and the Institute of Company Directors.

Mr Kevin Joseph – Director

Pursuant to Resolution 2, Mr Kevin Joseph seeks appointment as a Director, effective immediately.

Mr Joseph has extensive experience in Nigeria and the West African region. A 17 year resident of Nigeria, he has invaluable in-country relationships which will assist Energio in executing its development strategies. Mr Joseph is a former Executive Director of Operations for OANDO Petroleum, one of two major local marketers of petroleum in Nigeria, where he headed up Supply Chain Development in the West African Region, with Executive responsibility for new business development.

Mr Don Carroll – Director

Pursuant to Resolution 1, Mr Don Carroll seeks appointment as a Director, effective immediately.

Mr Carroll is a former executive with BHP Billiton with over 30 years of experience in the mining industry, principally overseas in Asia, the United States and West Africa. During this time he was responsible for the early development of the Kalimantan coal projects, the marketing of minerals in Asia, including China, and was the President for BHPB in Japan and India. He was also the CEO for the Guinea Alumina project in West Africa. He holds a Bachelor degree in Mining Engineering from Sydney University, is a member of the Australian Institute of Mining and Metallurgy and the Institute of Company Directors.

2. RESOLUTION 4 – PROPOSED ISSUE OF SHARES

2.1 General

Resolution 4 seeks Shareholder approval for the allotment and issue of up to that number of shares, when multiplied by the issue price, will raise up to \$7,500,000 (**Share Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Directors to issue the Shares pursuant to the Share Placement 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.

2.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$7,500,000;
- (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 on one and the same date;
- (c) the issue price will be no less than the lesser of 1 cent and 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the allottees will be parties nominated by the Directors (the identity of which are not known as at the date of this Notice). None of the allottees will be related parties of the Company;
- (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; and
- (f) the Company intends to use the funds raised from the Share Placement towards funding its current business, future activities and general working capital.

3. RESOLUTION 5 – ISSUE OF SECURITIES TO DON CARROLL

3.1 General

Resolution 5 seeks shareholder approval, in accordance with section 208 and ASX Listing Rule of the Corporations Act and ASX Listing Rule 10.11, for the allotment and issue to Don Carroll (or his nominee) of:

- (a) 20,000,000 Shares; and

- (b) 20,000,000 Options,

on the terms and conditions set out in this Notice of Meeting.

3.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The issue of the Shares and Options to Don Carroll (or his nominee) constitutes giving a financial benefit, and, as a Director, Don Carroll is a related party of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Shares and Options to Don Carroll (or his nominee).

3.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply.

The issue of the Shares and Options to Don Carroll (or his nominee) involves the issue of securities to a related party of the Company and accordingly, approval is sought from Shareholders for the purposes of ASX Listing Rule 10.11.

3.4 Technical Information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- (a) the related party is Don Carroll and he is a related party by virtue of being a Director of the Company;
- (b) the maximum number of securities (being the nature of the financial benefit being provided) to be issued to Don Carroll (or his nominee) is:
 - (i) 20,000,000 Shares; and
 - (ii) 20,000,000 Options;
- (c) the Shares and Options will be issued to Don Carroll (or his nominee) no later than 1 month after the date of the General Meeting (or such later

date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares and Options will be issued on one date;

- (d) the Shares and Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (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) based on a deemed issue price of 1 cent (being the last trading price of Shares as at the date of this Notice) the value of the Shares being issued is \$200,000;
- (g) the terms and conditions of the Options are set out in Schedule 1;
- (h) the value of the Options and the pricing methodology is set out in Schedule 2;
- (i) Don Carroll's relevant interests in securities of the Company is set out below:

Related Party	Shares	Options
Don Carroll	Nil	Nil

- (j) the remuneration and emoluments from the Company to Don Carroll for both the current financial year and previous financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Don Carroll	\$3,000 per month	\$Nil

- (k) the issue of the Shares and Options have a dilutionary effect on Shareholders. The current Share capital of the Company is 900,262,709 (inclusive of the Shares to be issued under the Prospectus dated on or about 16 December 2010). Upon the issue of the Shares and the conversion of the Options (assuming that, no other Shares are issued or Options exercised) the Company will have a total of 920,262,209 Shares on issue resulting in a combined dilutionary effect on Shareholders of 2.22%;
- (l) the market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;
- (m) the primary purpose of the issue of the Shares and Options to Don Carroll (or his nominee) is to provide a market linked incentive package in his capacity as Director and for the future performance by him in this role; and
- (n) the Directors (other than Don Carroll, who has a material personal interest in the outcome of Resolution 5) recommend that Shareholders vote in favour of Resolution 5. The Board (other than Don Carroll) is not aware of

any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

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

4. ENQUIRIES

Shareholders are required to contact Sean Henbury on (+ 61 8) 9355 4580 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.

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 Energio Limited (ACN 001 894 033).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an option.

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.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions attaching to the Options are set out below:

1. Subject to point 3 below, each option (**Option**) entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) at an exercise price of 1 cent (**Exercise Price**).
2. The Options are exercisable at any time on or before 5.00pm Western Standard Time on 30 November 2013 (**Expiry Date**). Options may only be exercised in multiples of 1,000. Any Options not exercised by the Expiry Date shall lapse.
3. If prior to the expiry date of the Options:
 - (a) the Company is required by the ASX to re-comply with Chapters 1 and 2 of the ASX Listing Rules;
 - (b) the Company has received conditional approval for reinstatement to trading of its securities on ASX (at a time when the Company reasonably believes it can fulfil all of the requirements of Chapters 1 and 2 of the ASX listing rules) ("the **Conditional Approval**"); and
 - (c) at the time the Company receives the Conditional Approval, the Exercise Price is less than \$0.20 (having potentially been adjusted in accordance with ASX Listing Rule 7.22.1 following a consolidation of the Company's issued shares), then the Exercise Price will be increased to \$0.20.
4. Options may not be exercised if the effect of such exercise and subsequent allotment of the Shares would be to create a holding of less than a marketable parcel of Shares unless the allottee is already a shareholder of The Company at the time of exercise.
5. Exercise of the Option is effected by completing a notice of exercise of option and delivering it to the registered office of the Company together with payment of 1 cent per Option exercised.
6. The Options are freely transferable, subject to any offer for sale of the Options complying with section 707 of the Corporations Act (if applicable).
7. All Shares issued upon exercise of the Options and payment of the Exercise Price will rank equally in all respects with The Company's then existing Shares. The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within three days of the issue of the Shares.
8. A certificate will not be issued for the Options and an uncertificated holding statement will be provided.
9. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new entitlement 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 6 business days after the Issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
10. In the event of any reconstruction, including a consolidation, subdivision, reduction or return of the issued capital of the Company prior to the Expiry Date, the number of Options which each holder is entitled or the Exercise Price of the Options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing

Rules and will not result in any benefits being conferred on Optionholders which are not conferred on shareholders, subject to such provision with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the Options will remain unchanged. The rights of an Optionholder may be changed to comply with the Listing rules applying to a reorganisation of capital at the time of the reconstruction.

11. Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 14 days after the receipt of a proper notice and payment of the exercise price in respect of the Options exercised.

SCHEDULE 2 – VALUATION OF OPTIONS

The Options to be issued to Don Carroll pursuant to Resolution 5 have been valued by internal management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Options were ascribed a value range, as follows:

Valuation date	15 December 2010		
Market price of Shares	1 cent		
Exercise price	1 cent		
Expiry date	30 November 2013		
Risk free interest rate	5.00%		
Volatility	60%	90%	120%
Indicative value per Option	0.44 cents	0.60 cents	0.72 cents
Total value of Options	\$88,475	\$119,362	\$144,699

Note: The valuation ranges noted above are not necessarily the market prices that the Options could be traded at and they are not automatically the market prices for taxation purposes.

PROXY FORM

**APPOINTMENT OF PROXY
ENERGIO LIMITED
ACN 001 894 033**

GENERAL MEETING

I/We

of

Appoint

being a member of Energio Limited entitled to attend and vote at the General Meeting, hereby

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10am (WST), on 9 February 2011 at FJH Solutions Pty Ltd, 21 Teddington Road, Burswood, Western Australia 6100, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

☐

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 4 to 5** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 4 to 5 and that votes cast by the Chair of the Annual General Meeting for Resolutions 4 to 5 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 4 to 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 4 to 5.

OR

Voting on Business of the General Meeting

Resolution 1 – Election of Ian Burston as a Director
Resolution 2 – Election of Kevin Joseph as a Director
Resolution 3 – Election of Don Carroll as a Director
Resolution 4 – Proposed Issue of Shares
Resolution 5 – Issue of Securities to Don Carroll

FOR	AGAINST	ABSTAIN
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

ENERGIO LIMITED
ACN 001 894 033

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Energio Limited, FJH Solutions Pty Ltd, PO Box 6918, East Perth, Western Australia, 6892; or
 - (b) facsimile to the Company on facsimile number +61 8 9355 4580; or
 - (c) email to the Company on seanh@fjhsolutions.com.au,

so that it is received not later than 10am (WST) on 7 February 2011.

Proxy forms received later than this time will be invalid.