



17 November 2009

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Dear Shareholder,

**Re: Proposal by Stirling to remove and replace all non-executive directors - General Meeting on Tuesday, 1 December 2009 at 10.30am (WST)**

You will have recently received a notice of General Meeting to be held on 1 December 2009. This meeting has been convened by Stirling Resources Limited ("Stirling") to remove Simon Hadfield and Craig McGown as the non-executive directors of Peel Exploration Limited and replace them with Michael Kiernan, the managing director, and Keith Vuleta, the chief financial officer, of Stirling.

I enclose a joint statement from Simon Hadfield and Craig McGown as to why you should vote against the resolutions for their removal and replacement.

The general meeting will be held at 10.30am (WST) on Tuesday 1 December 2009 at the Celtic Club, 48 Ord Street, West Perth.

You are urged to consider the issues carefully and exercise your right to vote by either attending the meeting in person or lodging the enclosed proxy form before **10.30am (WST) on Sunday 29 November 2009**.

Yours sincerely,

A handwritten signature in black ink, appearing to read "S Hadfield", is written over a light grey rectangular background.

Simon Hadfield  
Chairman

Peel Exploration Limited ACN 119 343 734

Level 1, 79 Hay St, Subiaco, WA 6008. Ph: (08) 9382 3955. Fax (08) 9388 1025. E: [info@peelex.com.au](mailto:info@peelex.com.au).

[www.peelex.com.au](http://www.peelex.com.au)

17 November 2009

### **Joint statement from Simon Hadfield and Craig McGown**

Dear Shareholder,

#### **Proposal to remove and replace all non-executive directors - General meeting on Tuesday, 1 December 2009 at 10.30am (WST)**

You will have recently received a notice of General Meeting to be held on 1 December 2009. This meeting has been convened by Stirling Resources Limited ("Stirling") to remove us, Simon Hadfield and Craig McGown, as the non-executive directors of Peel Exploration Limited ("Peel") and replace us with Michael Kiernan, the managing director, and Keith Vuleta, the chief financial officer, of Stirling.

We strongly urge you to vote against these resolutions. We believe that the change of your board is not in the best interests of Peel shareholders, for the following reasons:

1. There is a significant risk that the proposed change of directors may lead to Stirling gaining effective control of Peel without other Peel shareholders being offered a premium for that control.
2. Mr Kiernan's recent track record in running mining exploration companies must be carefully considered when shareholders assess his suitability to be a director of Peel. In the latest annual reports for Stirling and two associated companies currently also under Stirling's control, namely Redbank Copper Limited ("Redbank") and Matilda Zircon Limited ("Matilda"), the auditors in each case drew attention to their ability to continue as going concerns. As at 13 November 2009, Redbank and Matilda were both trading at, or below, 2 cents per share.
3. One of Mr Kiernan's previous companies, Monarch Gold Mining Company Limited, was placed in voluntary administration in July last year with significant debts. It is still in administration. Further, Mr Kiernan was chairman of Croesus Mining Ltd when it went into administration in June 2006 and a director of Australian Zircon NL when it went into administration in October 2009.
4. Mr Kiernan was the original chairman of Peel when it floated in May 2007. Significantly, he failed to attend any of the five board meetings held in the seven months between 1 July 2007 and 1 February 2008, when he resigned. He was paid \$28,000 in director's fees in that period.
5. Mr Kiernan sold his original stake in Peel (held through his private investment vehicle, Crawley Investments Pty Ltd) to Stirling a mere six weeks after the shares came out of escrow in June 2009, generating a profit of \$447,000.
6. Mr Kiernan has made it clear that he views Peel's fortunes as being built exclusively around its Attunga project, specifically the Attunga Tungsten Deposit. Peel's board readily recognises the strong attributes of Attunga. Exploration efforts to date and future planning reflect this conviction. The recent conditional acquisition of the gold and base metal May Day mining lease in New South Wales reflects a desire to offer greater upside to shareholders.

7. Administrative costs for Peel in the three months to 30 September 2009 were \$101,000. By comparison, the administrative costs for Stirling, Redbank and Matilda for the same period were \$1.77 million. We consider this to be a significantly large administrative cost for three small resource companies and do not believe it would be in the best interests of shareholders for Peel to presumably have to share in such high costs.
8. At the end of September 2009 Stirling had just \$170,000 cash on hand compared with Peel's \$1.034 million.
9. We are both well qualified to act as non-executive directors of Peel. Craig McGown is a chartered accountant and investment banker with a wealth of experience as a mining company director over the past 35 years. He is a former chairman of stockbroker D.J. Carmichael Pty Limited and is currently non-executive chairman of Pioneer Resources Limited and Entek Energy Limited and a non-executive director of Bass Metals Ltd. Simon Hadfield is the proprietor and managing director of the mining publishing, research and conference business, Resource Information Unit Pty Ltd, and has more than 25 years experience as managing director and/or director of many publicly listed industrial and mining companies.

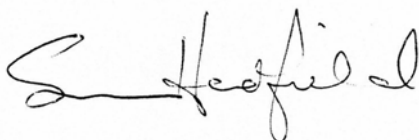
Since floating in 2007, the present Board has guided Peel through the difficult period of the global financial crash, acquired several excellent properties, invested wisely in exploration drilling and kept administrative costs very low. We see the company as being well placed to take advantage of the renewed enthusiasm in the market.

We do not believe that there would be any benefit to Peel shareholders (other than Stirling) if Stirling's resolutions at the general meeting are adopted.

The general meeting will be held at 10.30am (WST) on Tuesday 1 December 2009 at the Celtic Club, 48 Ord Street, West Perth. Please support Simon Hadfield and Craig McGown. This is a critical decision that will determine the future of your company. We strongly urge you to attend in person and **vote against all the resolutions** being proposed.

If you are unable to attend in person then please appoint a proxy. A proxy form is enclosed with this letter and we urge you to direct your votes **against** all five resolutions. If you have already returned the proxy form supplied by Stirling you may change your votes by completing and returning the enclosed proxy form. **To be effective, you must return your proxy form no later than 10.30am (WST) on Sunday 29 November 2009.** Please contact Craig McGown on (08) 9320 5505 or Simon Hadfield on (08) 9382 3955 if you wish to discuss this important matter with us.

We look forward to your support at the general meeting on 1 December 2009 and to continuing to focus on driving the business of Peel for the benefit of **all** shareholders.



Simon Hadfield



Craig McGown



**Peel Exploration Limited**  
ABN 42 119 343 734

000001 000 PEX  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box D182 Perth  
Western Australia 6840 Australia

Alternatively you can fax your form to  
(within Australia) (08) 9323 2033  
(outside Australia) +61 8 9323 2033

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 664 593  
(outside Australia) +61 3 9415 4653

## Proxy Form

For your vote to be effective it must be received by 10:30am (WST) Sunday 29 November 2009

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) 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 sign in the appropriate place to indicate the office held.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- ☒ Review your securityholding
- ☒ Update your securityholding

**Your secure access information is:**

**SRN/HIN: I999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Peel Exploration Limited hereby appoint

or failing the individual or body corporate named, or if no individual or body corporate is named, Simon Hadfield as my/our proxy to 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, against each resolution) at the General Meeting of Peel Exploration Limited to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 1 December 2009 at 10:30am (WST) and at any adjournment of that meeting.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

|                                                                                      | For                      | Against                  | Abstain                  |
|--------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Item 1 Removal of Simon Hadfield as a Director                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2 Removal of Craig McGown as a Director                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3 Election of Michael Laurence James Kiernan as a Director                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 Election of Keith Vuleta as a Director                                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 5 Removal of other Directors appointed after the date of this Notice of Meeting | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

***"If you have already returned the proxy form sent to you by Stirling Resources Limited, you can still change your vote or appoint a different proxy by completing and returning this proxy form by 10:30am (WST) on Sunday 29 November 2009"***

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

PEX

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Computershare +