
GREENVALE ENERGY NL
ACN 000 743 555

NOTICE OF GENERAL MEETING

TIME: 11:00 am(AEDT)

DATE: 22 September 2015

PLACE: PKF Corporate Finance (NSW) Pty Limited
Level 8
No.1 O'Connell Street
Sydney NSW 2000

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9389 3120.

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CHAIRMAN'S LETTER

14 August 2015

Dear Shareholders

On 14 July 2015, Greenvale Energy NL (**Greenvale, GRV or Company**) announced that it has entered into a sale and purchase agreement with (**Sale and Purchase Agreement**) its joint venture partner, Queensland Energy Resources Limited (**QER**), to acquire Greenvale's participating interests in the Lowmead and Nagoorin tenements, for the sum of \$4 million, payable fully in cash (**Proposed Transaction**). Under the terms of the Sale and Purchase Agreement, completion of the Proposed Transaction is conditional on (amongst other things) the Company obtaining approval from its Shareholders by way of an ordinary resolution (**Sale Resolution**).

A summary of the material terms of the Sale and Purchase Agreement is set out in the Explanatory Statement.

Subject to receipt of Shareholder approval of the Sale Resolution and the satisfaction of other conditions precedent under the Sale and Purchase Agreement, the Proposed Transaction is expected to complete in late September 2015 (but no later than 10 October 2015).

The decision for the Directors to consider the Proposed Transaction has not been easy, particularly given the work undertaken for a listing on the London AIM and of course, the long history of ownership of the oil shale assets by the Company. The decision has been made with the following back-drop:

- on 19 May 2015, the Company announced that it intended to undertake a rights issue. The reason for this rights issue was to provide the Company with much needed funding to meet its ongoing financial obligations. The effect of the rights issue, if implemented, would have been highly dilutive for those Shareholders who did not participate in such rights issue. The Proposed Transaction avoids the need for such a rights issue and therefore preserves all Shareholders' interests in the Company;
- the short to medium term economics of ownership of oil shale assets, with the backdrop of not only volatile market oil prices, but also, finding suitable technology at an economic cost and cost of production for extracting oil shale. The Directors have formed the view that these factors are considered to be prohibitive in the short to medium term; and
- the Company's share price history and lack of liquidity.

In addition to the above, completion of the Proposed Transaction will deliver a number of key benefits to Greenvale Shareholders including:

- the Proposed Transaction is a positive outcome for the Company as the purchase price payable by QER represents a 205% of the implied enterprise value¹ of the Company;
- on a pro forma basis, the net tangible assets of the Company following the Proposed Transaction, increases to approximately 3.3 cents per Share². This compares to the last traded Share price (prior to the date of the Notice) of 2.1 cents per Share;
- the Proposed Transaction will reduce the Company's exposure to the risks associated with development, funding and operating the Company's shale oil assets in the midst of market and regulatory uncertainty; and

¹ The implied enterprise value of the Company's has been based on its market capitalisation of approximately \$1.87 million immediately prior to the announcement of the Proposed Transaction on 3 June 2015 adjusted for debt from the Convertible Notes, less cash and cash equivalent as at 31 December 2014.

² Pro forma net tangible assets has been calculated using the Total Equity as set out in the Pro forma consolidated balance sheet (refer to Schedule 1) of \$3,379,930 less the value of capitalised exploration assets of \$289,199 divided by Shares (93,355,357) on issue.

- the Proposed Transaction will enable the Company to focus its efforts on alternative asset acquisitions that the Directors believe will be value accretive to Shareholders particularly having regard to its cash balance and listed status.

A more detailed list of advantages and disadvantages of the Proposed Transaction is explained in the attached Explanatory Statement.

The Board is confident that the Proposed Transaction is the best course of action for the Company in the current circumstances.

Following completion of the Proposed Transaction, the Company will continue to own the Alpha tenement and other assets. The Directors will continue to review all available opportunities, including potential acquisitions in the mining industry, and also transactions outside of this industry, should such an acquisition be considered to be in the best interests of Shareholders and value accretive.

Conversion to a limited liability company

In addition, the Board has taken this opportunity to seek approval to convert the status of Greenvale from a "No Liability" to "Limited" company. This structure will allow Greenvale to consider opportunities outside of mining related matters (**Conversion Resolution**). The Company is seeking approval from the Shareholders of both resolutions at a General Meeting to be held on 22 September 2015.

The Directors considers that the advantages of the proposed resolutions outweigh the disadvantages and **UNANIMOUSLY RECOMMEND** that Shareholders vote **IN FAVOUR** of:

- (a) the Sale Resolution; and
- (b) the Conversion Resolution.

Each Director will vote all shares held or controlled by him or her in favour of each resolution.

The proposed resolutions represent a significant opportunity for the Company and all Shareholders are encouraged to vote in person at the Shareholders Meeting or by submitting a proxy voting form. Shareholders voting by proxy must have their proxy forms submitted and received by the Company by no later than 11 am on 20 September 2015.

This is an important document and I encourage you to read it in its entirety and, if required, obtain advice from your broker, financial adviser or other professional adviser.

We look forward to your attendance at the Meeting.

Yours sincerely

Leo (Elias) Khouri
Chairman

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00 am (AEST) on 22 September 2015 at:

PKF Corporate Finance (NSW) Pty Limited
Level 8
No. 1 O'Connell Street
Sydney NSW 2000

Your vote is important

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

Explanatory Statement

This Notice of Meeting should be read in conjunction with the attached Explanatory Statement. The Explanatory Statement forms part of this Notice of Meeting.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7pm (AEST) on 19 September 2015.

Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting in person

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

A member that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the *Corporations Act*. The appropriate "Certificate of Appointment of Corporate Representative" must be produced to the Company prior to admission.

Voting by proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by the time and in accordance with the instructions set out on the proxy form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with the Company's Constitution, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 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 are 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; or
 - the proxy does not vote on the resolution,

the 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.

BUSINESS OF THE MEETING - AGENDA

1. RESOLUTION 1 – APPROVAL OF THE SALE OF THE COMPANY'S PARTICIPATING INTERESTS IN LOWMEAD AND NAGOORIN TENEMENTS TO QER

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

"That, the Company approves the sale of the Company's participating interests in Lowmead and Nagoorin tenements to Queensland Energy Resources Limited, on terms set out in the Sale and Purchase Agreement as described in the attached Explanatory Statement."

2. RESOLUTION 2 – CONVERSION TO A LIMITED LIABILITY COMPANY

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

"For the purposes of sections 162 of the Corporations Act and for all other purposes, the Company be converted from a public no liability company to a company limited by shares and, subject to and on and from obtaining the approval of the Australian Securities & Investments Commission of the Company's application to change its status to a public company limited by shares:

- (1) *for the purpose of section 136 of the Corporations Act and for all other purposes, the Company adopt as the constitution of the Company the constitution tabled at the Meeting and initialled by the Chairman at the Meeting for the purposes of identification, in substitution for and to the exclusion of the existing constitution of the Company which is repealed; and*
- (2) *for the purpose of section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to 'Greenvale Energy Limited'."*

DATED: 14 August 2015

BY ORDER OF THE BOARD

WINTON WILLESEE
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the relevant resolutions which is the subject of the business of the Meeting.

RESOLUTION 1 – APPROVAL OF THE SALE OF THE COMPANY'S PARTICIPATING INTERESTS IN LOWMEAD AND NAGOORIN TENEMENTS TO QER

1 Background to Sale Resolution

Greenvale is a strategic oil shale company with assets in Queensland, Australia. Its principal assets are its interests in four oil shale tenements located in Queensland, Australia. These tenements are the areas of land subject to:

- EPM 7721 and MDL 234, known as the "Nagoorin" tenements, located approximately 50km south of Gladstone, Queensland;
- MDL 188, known as the "Lowmead" tenement, located approximately 75km south east of Gladstone, Queensland; and
- MDL 330, known as the "Alpha" tenement, located approximately 500km west of Rockhampton, and 55km south east of the township of Alpha and covers a licence area of 1,905 hectares which includes a small deposit of very rich oil shale.

Greenvale is currently the owner of the following licences:

Tenement	Interest	Status
Lowmead (MDL 188)	50.00%	Current to 30 September 2011 – renewal lodged 22 March 2011 being assessed
Nagoorin (MDL 234)	66.67%	Current to 31 October 2017
Nagoorin (EPM 7721)	66.67%	Current to 21 March 2017
Alpha (MDL 330)	99.99%	Current to 31 January 2017
Madre North (EPM 25795)	100.00%	Current to 22 December 2019

In addition to the above, the Company has also applied for exploration permit for Madre South (EPM 25792). The application is still pending with the Queensland Department of Natural Resources and Mines as at the date of this Notice of Meeting.

In respect of the tenements located within the Lowmead and Nagoorin regions, the Company and QER are parties to the Nagoorin Joint Venture Agreement and the Lowmead Joint Venture Agreement (together, the **Joint Venture**).

The participating interests of Greenvale and QER in the Lowmead and Nagoorin tenements, as at the date of this Notice of Meeting, are:

Tenement	Greenvale	QER
Lowmead (MDL 188)	50.00%	50.00%
Nagoorin (MDL 234)	66.67%	33.33%
Nagoorin (EPM 7721)	66.67%	33.33%

Under the Joint Venture agreements, QER is also the manager of the Joint Venture.

2. Proposed Transaction

Background

On 3 June 2015, Greenvale announced that it has received a conditional offer from QER for the sum of \$4 million, payable fully in cash, for Greenvale's participating interests in the Lowmead and Nagoorin tenements.

On 14 July 2015, Greenvale announced that it has entered into a binding Sale and Purchase Agreement with QER in connection with the Proposed Transaction. Under the Sale and Purchase Agreement, transfer of the Company's Participating Interests in the Joint Venture is conditional upon, amongst other things, the Company obtaining approval from its Shareholders by way of an ordinary resolution.

Summary of the key terms of the Sale and Purchase Agreement are set out below.

Indicative timetable

Subject to ASX Listing Rule and Corporations Act requirements, the Company anticipates completion of the Proposed Transaction will be in accordance with the following timetable:

ASX announcement of the Proposed Transaction	3 June 2015
Entering into the Sale and Purchase Agreement	14 July 2015
General Meeting to approve the Proposed Transaction	22 September 2015
Completion of the Proposed Transaction	Late September 2015

Summary of the Sale and Purchase Agreement

The material terms of the Sale and Purchase Agreement are summarised below:

- (1) **Completion:** the Proposed Transaction will complete at 12 noon on the date which is 5 Business Days after the date of satisfaction or waiver of all Conditions Precedent, or as otherwise agreed in writing between the parties (**Completion Date**).
- (2) **Consideration:** the consideration payable by QER for Greenvale's participating interests in the Joint Venture is \$4,000,000, (including a deposit of \$400,000).
- (3) **Deposit:** The deposit of \$400,000 has been paid. The deposit has been secured by a fixed and floating charge over all of the assets of Greenvale and such charge will be released upon completion of the proposed transaction. The deposit is refundable to QER if the Sale and Purchase Agreement is terminated due to non-satisfaction of a condition precedent. Part of the deposit is to be used to meet an outstanding stamp duty liability with the Queensland State Revenue Office, which is currently contended by the Company to be approximately \$62,000, and part is to be retained by Greenvale pending the assessment of a further stamp duty liability, but otherwise the deposit is released to Greenvale.
- (4) **Right of set-off:** QER is entitled to set-off the balance of the purchase price payable on Completion (\$3.6 million) against certain liabilities payable by Greenvale to QER, being:
 - (a) outstanding amounts due to QER for past services of \$149,152; and
 - (b) Greenvale's share of the operating costs of the joint ventures up to completion (see below).
- (5) **Operating costs of the Joint Ventures:** Greenvale is to meet its share of costs relating to the joint ventures for the 2015 approved program and budget which accrue in respect of Greenvale's participating interests for the period up to completion, expected to be \$134,640.
- (6) **Indemnities:** mutual indemnities by Greenvale and QER for claims in connection with the joint venture agreements which accrue before completion of the Sale and Purchase Agreement, but otherwise each party releases the other party from all claims.
- (7) **Warranties:** apart from the transfer of title and any warranties given under the fixed and floating charge, there are no other warranties and indemnities to be provided by GRV to QER regarding the sale of the joint venture interests.
- (8) **Conditions Precedent:** Completion under the Sale and Purchase Agreement is subject to, and conditional upon, a number of Conditions Precedent including:
 - (a) the Company obtaining approval from its Shareholders in connection with the Proposed Transaction in accordance with ASX Listing Rule 11.2, and the board of directors recommending to Shareholders that they approve the Proposed Transaction;
 - (b) QER satisfying the requirements of the Foreign Acquisition and Takeovers Act 1975 (Cth);
 - (c) Greenvale's payment of its outstanding stamp liabilities to the Office of State Revenue of \$62,000 and any other amount that may be assessed by the OSR;

- (d) in respect of mineral development licence number 188 (MDL 188), the relevant earlier transfers being processed so that the register required to be kept under the Mineral Resources Act 1989 (Qld) properly records that the parties are the registered holders of MD 188 in the same proportion as their respective participating interests; and
 - (e) in respect of mineral development licence number 234 (MDL 234), the relevant earlier transfers being processed so that the register required to be kept under the Mineral Resources Act 1989 (Qld) properly records that the parties are the registered holders of MD 234 in the same proportion as their respective participating interests.
- (10) **Termination:** If the conditions precedent are not satisfied or waived within 3 months of the date of the Sale and Purchase Agreement, or such later date as is agreed in writing, either party may terminate the Sale and Purchase Agreement. In the event that the Sale and Purchase Agreement is terminated, Greenvale must repay the deposit of \$400,000 to QER within 30 Business Days of termination.

3. ASX Listing Rule requirements

The Company is listed on the ASX and is therefore subject to the ASX Listing Rules.

The Company has received an in-principle determination from the ASX that ASX Listing Rule 11 does not apply to the Proposed Transaction.

4. Additional disclosure - Greenvale

In order to provide Shareholders with some background to the Lowmead and Nagoorin assets being disposed, below is a brief overview of the Greenvale and its assets, including the industry and market conditions:

Overview of Greenvale

Introduction

Greenvale is an exploration company focusing on oil shale development opportunities in Australia. The Company owns interests in sizable oil shale tenements granted by the Queensland Government, as outlined in section 1 above.

Oil shale is a fine grained sedimentary rock that is rich in the solid organic compound, kerogen and is mined in the same manner as coal. When heat is applied to the sedimentary rock, it results in a thermochemical decomposition which releases kerogen as a liquid and gas. The liquid kerogen oil is readily refined into transport fuels such as diesel and jet fuels, which are both internationally tradeable commodities.

Overview of Queensland oil shale

Queensland has the largest deposits of oil shale in Australia, with an estimated 20 billion barrels of oil reserves, and was formed around 40 million years ago in freshwater lakes.

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (**PIIP**), estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 Guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty of confidence levels for the deposits.

Resource estimates for Lowmead and Nagoorin tenements

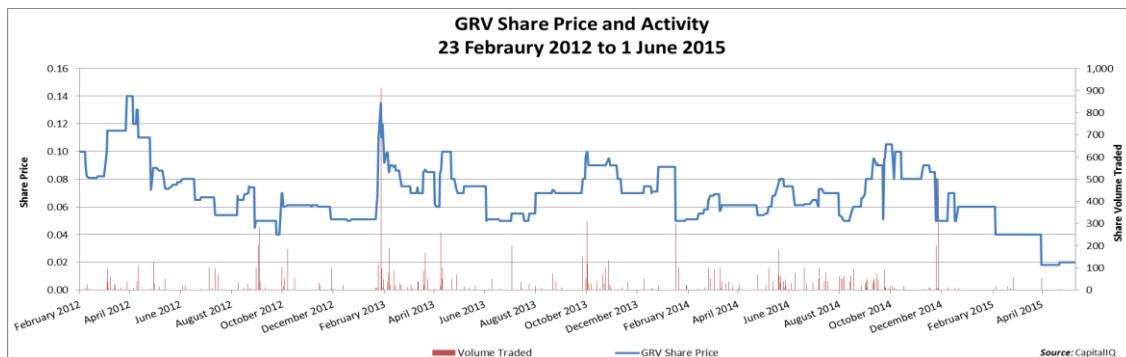
The below table shows the resource estimates for Lowmead and Nagoorin tenements, as disclosed in the financial half year ended 31 December 2014 Accounts:

Lowmead (MDL 188)	Beneficial Interest	1c	2c	3c
Greenvale	50%	-	100	335
QER	50%	-	100	335
Total	100%	-	200	670
Nagoorin (MDL 234, EPM 7721)	Beneficial Interest	1c	2c	3c
Greenvale	67%	211	634	1,497
QER	33%	104	312	737
Total	100%	315	946	2,234

The level of investigation at Lowmead is at a stage where the drill hole density does not support the estimation of 1C resources.

Share Trading History

Below is an analysis of Greenvale's ASX Share trading history from the date the joint venture interest for Nagoorin and Lowmead were acquired from Esperance Minerals Limited on 23 February 2012 to the date the Proposed Transaction trading halt date, being 1 June 2015:

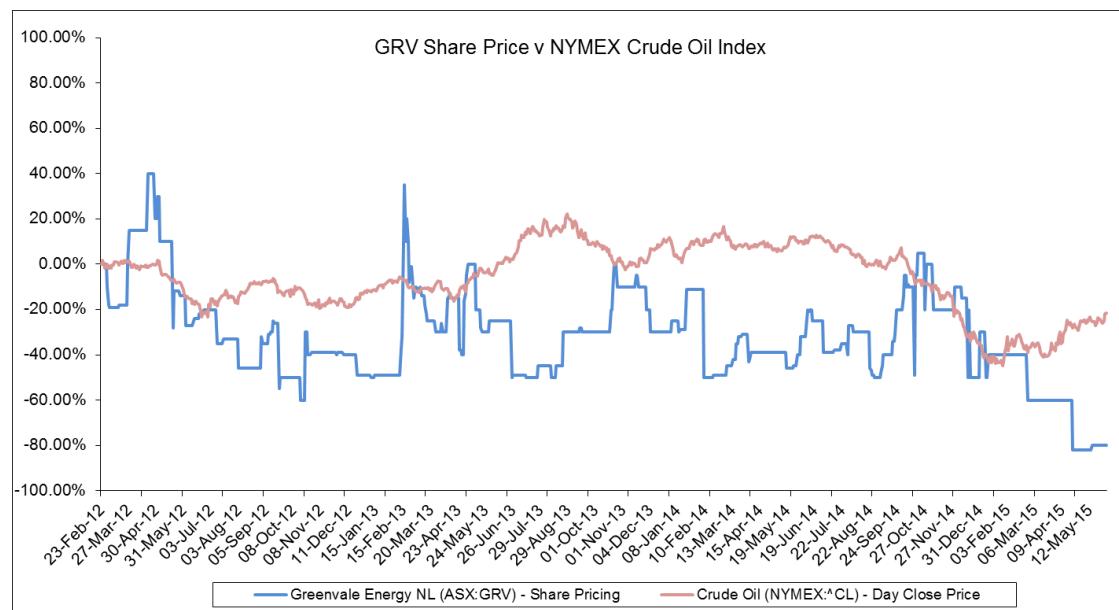


As illustrated in the chart above, Greenvale's Share price declined steadily from an average Share price in October 2014 of 9 cents to an average Share price in the month leading up to the announcement of the GRV's trading of 2 cents. The volume of GRV Shares traded is considered to be low, being only 3.58% of the average number of GRV Shares on issue during the 12 months to 1 June 2015.

The below table indicates that the liquidity of GRV Shares is low.

Period	Volume	Value (\$)	VWAP	Average Shares on Issue	Turnover
1 Month	4,037	81	0.0200	93,355,357	0.00%
3 Months	58,453	1,060	0.0181	93,355,357	0.06%
6 Months	916,971	44,475	0.0485	93,355,357	0.98%
1 Year	3,005,529	196,404	0.0653	84,017,972	3.58%
2 Years	5,900,950	405,321	0.0687	74,193,333	7.95%
3 Years	10,329,115	788,112	0.0763	70,736,180	14.60%
23 February 2012 to 1 June 2015	11,004,409	860,385	0.0782	69,969,602	15.73%

Below is an analysis of GRV Share price from 23 February 2012 to 1 June 2015 against the NYMEX Crude Oil Index:



The above graph shows that historically and in particularly in the six months up to 1 June 2015, the NYMEX Crude Oil price index has outperformed GRV's Share price.

Overview to the Australian Economy

On 7 July 2015, the Reserve Bank of Australia (**RBA**) announced its decision to leave the cash rate unchanged at a record low of 2.0 per cent. In the statement made by the RBA Governor, reasons for leaving the cash rate unchanged were as follows:

- Australian economy is expanding at a moderate pace;
- key commodity prices are much lower than a year ago as a result of increased supply;
- despite fluctuations in markets associated with the respective developments in China and Greece, long term borrowing rates for most sovereigns and creditworthy private borrowers remain remarkably low;
- unemployment, though elevated, has been little change;
- slow growth in labour costs and inflation forecast to remain consistent with the target over the next one to two years, with a lower exchange rate; and
- low interest rates are acting to support borrowing and spending.

The above environment whilst providing a low cost of debt, has had some adverse effect on the resource industry, which includes oil and oil prices.

Australian Oil and Gas Industry

General

In order to assess the Proposed Transaction, the Directors of Greenvale have had regard to oil and gas extraction in Australia.

In relation to the oil and gas industry in Australia, we note the following:

- Australia has one of the largest reserves of oil shale, but high transport and labour costs compared to other countries means difficult to compete on a global scale. Any growth in demand is mainly attributable to increase in demand from European countries, of which Australia is not effectively geographically situated to service;
- Australia has strong levels of government support, developed infrastructure and engineering and support services at hand across the country;
- the industry has experienced steady growth in production and consumption in the past few years since the global financial crisis;
- the industry is expected to grow at a compound annual rate of 5.8% over the next five year. However, globally the industry is expected to see some decline in 2015 and 2016; and
- the forecasted growth and increase export volumes expected is occurring in an environment of slowing demand growth and significantly lower oil prices.

The combination of overcapacity, slowing consumption growth and a stronger US dollar have led most mineral and energy commodity prices to decline in the past year. The West-Texas Intermediate (WTI) oil price is expected to be 54.3 US dollars a barrel in 2015, down 40.3% from 99.3 US dollars a barrel in 2014.

Overall oil prices are expected to recover as the effect of reduced upstream investment begins to weigh on production growth ultimately slows production. The outlook for prices remains subject to considerable uncertainty in the near term and is subject to the possible revocation of international sanctions limiting supply of oil from Iran.

Oil Consumption

The below table is based on publically available information contained in Resource and Energy Quarterly reports provided by the Australia Government Departments of Industry and Science and sets out the actual and forecasted worldwide consumption of oil and oil price:

	Unit of Measure	2010 (A)	2011 (A)	2012 (A)	2013 (A)	2014 (A)	2015 (A)	2016 (F)
Consumption (worldwide)	mbd	88.3	88.5	89.6	91.8	92.4	93.7	94.8
WTI crude oil price	US\$/bbl	79.0	95.0	93.0	97.8	93.5	54.3	62.9

mbd - million barrels per day

WTI - West Texas Intermediate

bbl – barrel

(A) - Actuals

(F) – Forecast

In relation to the above we note the following:

- consumption of oil worldwide is increasing year on year and is forecast to increase by 1.3 per cent in 2015 to average 93.7 million barrels a day;
- oil consumption worldwide is expected to grow in 2016 by 1.2 per cent to average 94.8 million barrels a day;
- increased consumption is mainly attributable to increase in demand from OECD economies, particularly those in Europe;
- oil price has remained consistent since the effects of the global financial crisis noted in 2010 at above 93 US dollars a barrel; and
- oil prices are expected to drop in 2015 due to overcapacity and slowing consumption growth. Investment in the oil industry is expected to slow production and oil prices are expected to recover in 2016.

Oil Production

The below table is based on publically available information contained in Resource and Energy Quarterly reports provided by the Australia Government Departments of Industry and Science and sets out the actual and forecasted worldwide and domestic production of oil and oil price:

SPE-PRMS Petroleum Resource Estimate

Total Resources (million barrels)	Beneficial Interest	1	2	3C
Greenvale	67%	21	63	1497
Q	33%	10	31	737
TO	100%	31	94	2,234

Competent Persons Statement: The petroleum resource estimates for EPM 7721 and MDL 234,

Nagoorin Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

In relation to the above we note the following:

- oil production worldwide has overall increased from 87.5 million barrels per day in 2010 to 93.3 million barrels per day in 2014;
- oil production worldwide is forecasted to increase by 1.1 percent in 2015 to reach 94.3 million barrels a day. This is down from the 2.1 per cent increase recorded in 2014;
- oil production worldwide is expected to increase in 2016 but at a slower rate of 0.9% to an average 95.2 million barrels a day;
- Australia is expected to produce in 2014 – 2015 353,000 barrels a day of crude oil;
- there is an expected increase in output from new projects which will contribute to production growth in 2015 – 2016 to 363,000 barrels a day. Volume of exports out of Australia is forecasted to grow by 3.3% in 2015 as a result;
- Australian exports of oil are estimated to decline considerably in 2015 and 2016 as the effect of much lower prices outweigh higher export volumes and the depreciation of the Australian dollar against the US dollar; and
- the oil and gas extraction industry is heavily reliant on the export market as it currently accounts for close to 75% of the industry's revenue.

Given the decrease in oil price, a number of oil shale production facilities are finding it uneconomical to operate. Production price indications from the United States of America indicate that costs of production for oil shale are in the range of US\$70 - US\$90 a barrel. Based on these cost structures, this renders the current oil shale business model uneconomical.

It was noted that shale production would be uneconomical for most facilities if oil prices were to fall to \$80 per barrel. The following table shows the breakeven cost for oil basins in the United States of America:

Basin	Breakeven oil price per Barrel
Bakken Core, Premian Delaware, UTICA	\$70 - \$80
Eagle Ford Oil & Wet Gas	\$80 - \$90
Bakken Non-core	\$90 - \$110
Source: www.reuters.com dated 23 October 2014.	

Technology

Greenvale has been reviewing a number of options for technology. As part of these options, consideration with dealing with the environment issues is being given. Moreover, QER have also been reviewing technology that it has been developing.

Whilst Greenvale has not committed to any particular technology, it is clear from reviewing of the various options that the capital costs will be substantial and possibly in excess of \$1 billion. The alternative to this model would be a royalty based approach to the technology provider, which would only increase the cash costs.

Environment issues

There are currently no government issues surrounding the technology. However, until 2013, the Lowmead and Nagoorin tenements were subject to a moratorium by the Queensland Government. At present there is no moratorium in place for the Lowmead and Nagoorin tenements. However, approval of future production will be subject to the stringent regulations of the Queensland Mining Department being met.

Financial effect of the Proposed Transaction on the Company

An assessment of the financial effect off the transaction on the entity is presented by way of pro forma consolidated statement of financial position as at 31 December 2014 (**Pro Forma Consolidated Balance Sheet**). The Pro Forma Consolidated Balance Sheet takes into consideration material transactions that occurred or are expected to occur after 31 December 2014. These have been detailed in Schedule 1.

All amounts presented in Schedule 1 are in Australia dollars unless otherwise specified.

There will be no impact arising from the Proposed Transaction on the capital structure of the Company.

6 Reasons for the Proposed Transaction

The Directors believe that following an assessment of the advantages and disadvantages disclosed below, the Proposed Transaction is in the best interests of the Company as a whole.

Advantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

- ✓ **Valuation:** the Proposed Transaction is a positive outcome for the Company as:
 - the purchase price payable by QER represents more than 205% of the Company's implied enterprise value³; and
 - it results in a net tangible asset backing of 3.3⁴ cents per Share;
- ✓ **Fund raising requirements:** in the absence of the Proposed Transaction, a highly dilutive rights issue and/or placement would need to be undertaken so as to provide the necessary financial capacity. The Proposed Transaction avoids the need for such capital raising;
- ✓ **Reduced cost burden:** the Proposed Transaction will reduce the Company's operating costs and assist the Company in meeting its ongoing financial obligations without the need of raising funds through a rights issue in the short term.
- ✓ **Long ownership and decline in Share price:** Greenvale has been the owner of the Lowmead and Nagoorin assets for several years. Over this time, the share price has declined. The Proposed Transaction enables an exit from these assets.
- ✓ **Economic outlook for oil shale:** as noted in section 5 above,
 - cash costs of production for oil shale is approximately US\$70 to US \$90 per barrel;
 - current oil prices are approximately US\$55 per barrel and forecast to increase to approximately US\$63 per barrel; and
 - capital costs are likely to be in excess of US1 billion,the above factors indicate significant uncertainty for revenue generation at least in the short to medium term.
- ✓ **Reduced exposure oil shale:** to the Proposed Transaction will allow Shareholders to avoid exposure to the risks associated with development, funding and operating the Company's shale oil assets in the midst of market uncertainty. Whilst it is possible that retaining the Company's Participating Interest in the Joint Venture could deliver equivalent or greater value to Shareholders than that which would be delivered under the Proposed Transaction, this needs to be considered in light of the risks associated with achieving a potentially higher return and the time required for Greenvale and QER to achieve such a return and any associated holding costs.

³The implied enterprise value of the Company's has been based on its market capitalisation of approximately \$1.87 million immediately prior to the announcement of the Proposed Transaction on 3 June 2015 adjusted for debt from the Convertible Notes, less cash and cash equivalent as at 31 December 2014.

⁴Pro forma net tangible assets has been calculated using the Total Equity as set out in the Pro forma consolidated balance sheet in Schedule 1 of \$3,379,930 less the value of capitalised exploration assets of \$289,199 divided by Shares (93,355,357) on issue.

- ✓ **Seek out new assets:** The Company will have a cash reserve in which to seek out alternative assets which may improve the share price.

Disadvantages

While the Directors believe that the Proposed Transaction is in the best interests of the Company as a whole, the Shareholders may take into consideration the following matters in determining whether to vote in favour of or against the Proposed Transaction:

- ✗ **Reduction in net asset backing:** the Proposed Transaction reduces the net asset backing of Greenvale from 5.5⁵ cents to 3.66 cents per Share.
- ✗ **Loss of opportunity in oil shale:** Greenvale will not be able to participate in or derive any future potential profits from the development of the Joint Venture, if any, should they be developed to production.
- ✗ **Sale of main undertaking:** the Proposed Transaction involves the Company selling its main assets, which may not be consistent with the investment objectives of all Shareholders.
- ✗ **Risk of finding new assets:** there is a risk the Company may not be able to locate and complete the acquisition of other suitable investment opportunities within a reasonable time.

8. Use of funds and plans for the Company

The Company's assets following completion of the Proposed Transaction will comprise of:

- a 100% interest in the Alpha mining development tenement, located approximately 500km west of Rockhampton, and 55km south east of the township of Alpha and covers a licence area of 1,905 hectares which includes a small deposit of very rich oil shale;
- a 100% interest in the Madre North exploration licence (and, when the Company's application for exploration permit is granted, the Madre South exploration, to secure any extensions to the MDL330 ore body). Note that this asset is considered to be a green-fields project at this point, ; and
- cash and debtors of approximately \$3 million.

After Completion of the Proposed Transaction, the Company will continue with its exploration and mining development activities, including in respect of the Alpha and Madre North and Madre South projects, as well as pursuing investment opportunities that have the potential to generate Shareholder return.

In addition, while the Company continues to pursue acquisitions in the mining industry, it is also prepared to consider transactions outside of this industry, should such acquisitions be considered to be in the best interests of Shareholders and value accretive.

9. Plans for the Company if the Transaction does not proceed

In the event Shareholder approval is not obtained and Completion of the Proposed Transaction is unable to occur, the Company intends to raise additional equity funding from the Shareholders (potentially by way of a rights issue) so that it can continue contributing to

⁵ Calculated as Total Equity as at 31 December 2014 (refer to Schedule 1 for details of the Historical Consolidated Balance Sheet as at 31 December 2014) of \$5,132,393 divided by divided by Shares (93,355,357) on issue.

⁶ Calculated as Total Equity as per the Pro Forma 31 December 2014 Consolidated Balance Sheet as at 31 December 2014 (refer to Schedule 1) of \$3,379,930 divided by divided by Shares (93,355,357) on issue

its share of the expenditure commitments in connection with the tenements, while also assessing other acquisitions that suit the Company's stated objectives.

10. Treatment of Convertible Notes

The Company currently has Convertible Notes held by various parties with a total outstanding amount of approximately \$304,000 including accrued interest to end of July 2015.

The key terms of the Convertible Notes are as follows:

- the Notes can be converted any time after 31 August 2015 up to the 5 business days after the Maturity Date of 31 August 2016. If not converted by the Maturity Date, the Company has the right to elect to redeem or convert the Notes;
- conversion price of the lesser of 10 cents per ordinary share, or 85% of the 5 day volume weighted average price of the Company's ordinary shares on the ASX immediately prior to the issue of a conversion notice by the Noteholder to the Company;
- for each share issued on conversion, the Noteholder will be issued with 1 free option to subscribe for an additional ordinary share in the Company exercisable on or before 31 August 2018 at an exercise price of 10 cents per share;
- the Notes accrue interest at a rate of 8% per annum; and
- the Notes are unsecured.

The Board intends to approach the Convertible Noteholders to have them paid out prior to the maturity date, irrespective of the outcome of the Proposed Transaction. However, on the basis of the Proposed Transaction proceeding, the Board believe that it is in the Company's best interests to deal with this liability. The Company will seek short-term bridge financing to repay the Convertible Notes which will be repaid from the proceeds of the Proposed Transaction. If the Proposed Transaction did not proceed, the Board is likely to return to pursuing a rights issue, as previously announced, to fund the repayment of the bridge financing (if used).

11. Treatment of Performance Rights

The Company currently has a total of 8 million Performance Rights which were issued to Mr Stephen Baird in accordance with terms set out in his service s agreement.

The key terms of the Performance Rights are as follows:

- Performance Rights issued for nil consideration and approved by Shareholders on 21 October 2013;
- a maximum of five (5) years allowed to reach all performance hurdles;
- performance rights vest in the event of a sale of (or shareholders rejecting a bona fide offer to acquire) the Company's interests in Lowmead and/or Nagoorin for cash, shares or a combination of both. In the event of a sale of Lowmead and/or Nagoorin, the number of Performance Rights that will vest, if any, will be calculated by reference to the price paid (or offered in the event of a rejection of the offer by shareholders) by the purchaser (which notionally would have otherwise been reflected in an increased market capitalisation had the assets been valued at that amount and remained in the Company). For example, if the purchase price is in excess of \$50million but less than \$100 million, Mr Baird would be entitled to receive 4,000,000 shares upon vesting of Class A and Class B Performance Rights; and

- performance hurdles are as set out in the table below:

Class	Number of Performance Rights	Vesting Conditions
A	2,000,000	The Company achieving a market cap in excess of \$30m for a continuous 1 month
B	2,000,000	The Company achieving a market cap in excess of \$50m for a continuous 1 month
C	2,000,000	The Company achieving a market cap in excess of \$100m for a continuous 1 month
D	2,000,000	The Company achieving a market cap in excess of \$200m for a continuous 1 month

None of the Vesting Conditions in the above Classes of Performance Rights are satisfied as the purchase price for the Proposed Transaction and current market capitalisation is less than the market capitalisation contained in any of the above Performance Rights Classes.

As such there are no Vesting Performance Rights.

13. Directors interest and recommendation

Director's interests

The Directors do not have any material interest in the Proposed Transaction or the outcome of the Sale Resolution other than as a result of their interest arising solely in their capacity as security holders.

As at the date of this Notice, the Directors have a relevant interest in the securities of the Company as set out in the following table:

Director	Shares	Options
Mr Elias Khouri	20,601,994	1,000,000 Options (20c, 31 Jan 2015) 6,881,720 Options (10c, 31 Aug 2018)
Mr Stephen Baird ¹	7,348,173	7,167,489 Options (10c, 31 Aug 2018) 2,000,000 Class A Performance Rights 2,000,000 Class B Performance Rights 2,000,000 Class C Performance Rights 2,000,000 Class D Performance Rights
Mr Vince Fayad ²	1,156,057	1,156,057 Options (10c, 31 August 2018).
Mr Michael Povey	Nil	Nil

- 1 Interest held by Seadragon Offshore Limited and H.I.C.O.G Group Limited, both of which are Director-related entities.
- 2 Interest held by Kafta Enterprises Pty Ltd <Fayad Settlement Account> of which Mr Fayad is a Director.

Board's recommendation

Each of the Directors intends to vote all Shares that they own or control in favour of the Sale Resolution.

Based on the information available, all of the Directors consider that the Proposed Transaction is in the best interests of the Company and recommend that the Shareholders vote in favour of the Sale Resolution.

RESOLUTION 2 – CONVERSION TO A LIMITED LIABILITY COMPANY

Resolution 2 seeks shareholders' approval for the Company to change its status to a public company limited by shares, adopt a new constitution appropriate for a public company limited by shares and change its name.

1 Change to a company limited by shares

The Company is currently a public no liability company and proposes to change to a public company limited by shares to allow the company to pursue alternative business opportunities including those outside mining. Under the Corporations Act, a public no liability company may only engage in businesses related to mining, including the exploration, mining and sale of ores, metals and other minerals.

As noted in the Chairman's letter, following completion of the Proposed Transaction, the Company will continue to develop its Alpha tenement and other mining assets, but at the same time the Directors will also review all other available opportunities, including transactions outside the mining industry, should such an acquisition be considered to be in the best interests of Shareholders and value accretive. The Directors are also of the view that public companies limited by shares are the most common type of company listed on ASX. As such, the proposed change to a public company limited by shares will improve the Company's ability to raise capital and pursue its business objectives using a capital structure that is more readily understood by investors and their advisers.

In accordance with section 162 of the Corporations Act, a public no liability company may change to a company limited by shares by passing a special resolution approved by at least 75% of the votes cast by Shareholders (in person or by proxy) entitled to vote on the resolution (**Special Resolution**). Accordingly, the Company is seeking approval of Shareholders by Special Resolution to change from a public no liability company to a public company limited by shares.

If Resolution 2 is passed at the meeting by the requisite majority, the Company will apply to ASIC for change of company type. In accordance with the Corporations Act, ASIC is required to publish a notice in the Commonwealth Gazette that states that it intends to alter the details of the Company's registration. If there have been no objections (eg, by creditors), the change will take effect one month after the notice is published in the Commonwealth Gazette. The Directors are not aware of any fact or matters that may prevent the Company from changing its status to a public company limited by shares.

2 Adoption of a new Constitution

The current Constitution was adopted by the Company in its capacity as a public no liability company. To allow the Company to change its status from a public no liability company to a public company limited by shares, consequent changes will need to be made in the Constitution.

The Directors have taken the opportunity to adopt a new Constitution customary for a listed company limited by shares. The proposed new Constitution is not significantly inconsistent with the existing Constitution. Some of the more material changes under the new Constitution include:

- the rule relating to Founder's shares has been removed. Founder's shares may only be issued on incorporation of the Company and none were ever issued;
- the rules on or relating to partly-paid shares have been amended so that they are consistent with the change of the Company's status to a public company limited by shares. For example, Shareholders holding partly-paid shares are liable to pay calls

on the shares in accordance with the terms on which the partly-paid shares are on issue;

- the directors' rotation rule requiring 1/3 of the directors to retire at each annual general meeting and seek re-election has been deleted. In its place, the new Constitution now provides that the Company must hold an election of directors each year, consistent with the requirement set out in ASX Listing Rule 14.5;
- the chairman of the Board will have a casting vote at a meeting of directors of the Company, in the case where there is an equality of votes. The prohibition on chairman's casting vote in listed company constitutions was repealed in 2005, and the Directors are of the view that the ability of the chairman to cast a casting vote where there is otherwise an equality of votes will provide a means to resolve any deadlock during Board meetings;
- the requirement that dividends must be paid out of profits has been removed from the Constitution. This requirement was removed from the Corporations Act pursuant to the *Corporations Amendment (Corporations Reporting Reform) Act 2010* which came into effect on 28 June 2010, and the provisions relating to dividends under the new Constitution are consistent with the current requirements under the Corporations Act (which does not stipulate that dividends may only be paid out of profits);
- the process for nominating a candidate for election as a director has been slightly amended so that nominations cannot be received by the Company more than 90 business days before the relevant general meeting. This is to ensure that the shareholders at the general meeting receive relevant and up-to-date information regarding the candidate(s); and
- the prohibition on paying remuneration to the Managing Director or any executive officer of the Company by reference to the profit or revenue of the Company has been removed. This is in line with the market practice and gives the Company more scope to structure executive remuneration in a manner that is more aligned with creating shareholder value in the future.

The Company also notes that, although the existing Constitution contains a proportional takeover provision, section 648G of the Corporations Act requires the Company to renew its approval to include such provision in the constitution every 3 years. No such approval has been obtained from Shareholders over the last 3 years.

A provision dealing with proportional takeovers substantially in similar effect compared to the existing Constitution is included in the new Constitution. If the Shareholders approve the adoption of the new Constitution, they will also be taken to have approved the inclusion of the proportional takeover provisions set out in the new Constitution for the purposes of section 648G of the Corporations Act. The Company will seek to renew such approval at the annual general meeting following the end of financial year 2018.

Other than as outlined in this document, there are no other fundamental changes to the rights of any Shareholder under the new Constitution, such as rights to vote and participate in dividends. However, the Company has not listed out all changes to the existing Constitution in this explanatory memorandum, nor has the Company considered the individual circumstances of any Shareholder and the effect that the new Constitution may have on any such Shareholder. Accordingly, each Shareholder is encouraged to review the new Constitution in its entirety.

The new Constitution complies with the requirements of the Corporations Act and the ASX Listing Rules. Copies of the old Constitution and the proposed Constitution are available for inspection by Shareholders at the Company's registered office during normal business hours.

A copy of the new Constitution initialled by the Chairman will also be made available at the Meeting.

In accordance with section 136 of the Corporations Act, a resolution to adopt a new Constitution must be passed by Special Resolution at a general meeting. Accordingly, Shareholder approval is sought for adoption of the new Constitution under Resolution 2.

If Resolution 2 is passed at the meeting, the new Constitution will take effect after, and subject to, ASIC approving the Company's application to change its status to a public company limited by shares.

3 Change of Company's name

Consequently upon the proposal to change from a public no liability company to a public company limited by shares, it is proposed to change the name of the Company from 'Greenvale Energy N.L.' to 'Greenvale Energy Limited'. Under the Corporations Act, only no liability companies may end their name with the abbreviation 'N.L.'

In accordance with section 157 of the Corporations Act, a company may change its name by passing a Special Resolution. Accordingly, Shareholder approval is sought for the change of the Company's name under Resolution 2.

If Resolution 2 is passed at the meeting, the Company will adopt the new name after, and subject to, ASIC approving the Company's application to change its status to a public company limited by shares.

4 Recommendation of the Directors

The Directors are of the view that changing the Company's status from a public no liability company to a public company limited by shares will provide the Company with more scope to pursue other opportunities including those outside the mining industry, as well as adopting a capital structure that is more readily understood by investors and their advisers. Accordingly, all Directors recommend that all Shareholders vote in favour of Resolution 2.

Each of the Directors intends to vote all Shares that they own or control in favour of Resolution 2.

Other than the information specified in this Explanatory Statement, neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to how to vote in relation to the relevant resolutions.

GLOSSARY

In this Notice of General Meeting and Explanatory Memorandum:

ASX means ASX Limited ACN 008 624 691;

ASX Listing Rules means the listing rules of the ASX;

Board means the board of Directors;

Business Day means a day that is not a Saturday, Sunday or public holiday;

Chair means the chair of the General Meeting, being Elias Khouri;

Company or **Greenvale** or **GRV** means Greenvale Energy NL ACN 000 743 555;

Completion Date means the date which is 5 business days after the date of satisfaction or waiver of all Condition Precedent;

Condition Precedent means the conditions detailed at section 1.2(3)(a) – (e) of the Explanatory Statement;

Constitution means the constitution of the Company;

Convertible Note or **Note** means a convertible note issued in the Company;

Corporations Act means the Corporations Act 2001 (Cth);

Directors mean the directors of the Company from time to time;

Explanatory Statement means this explanatory statement which accompanies, and is incorporated as part of, the Notice of General Meeting;

Joint Venture means the joint venture between the Company and QER as set out in the Nagoorin Joint Venture Agreement and the Lowmead Joint Venture Agreement;

General Meeting and **Meeting** means the general meeting of the Company to be held at PKF Corporate Finance (NSW) Pty Limited Level 8, No.1 O'Connell Street, Sydney on 22 September 2015 at 11.00am AEDT;

Lowmead Joint Venture Agreement means the agreement (Deed of Covenant dated 15 November 2011) between the Company and QER;

MDL 188 means mineral development licence number 188;

MDL 234 means mineral development licence number 234;

Nagoorin Joint Venture Agreement means the agreement (Deed of Covenant dated 15 November 2011) between the Company and QER;

Noteholder means a person to whom a Convertible Note has been issued;

Notice of General Meeting or **Notice** means the notice of meeting accompanying this Explanatory Statement;

OSR means Queensland's Office of State Revenue;

Participating Interest means Greenvale's percentage ownership of the Joint Venture as detailed in section 1 of the Explanatory Statement;

Parties or **Party** means the parties to the Sale and Purchase Agreement, being the Company and QER;

Performance Rights means performance rights issued to Mr Stephen Baird in accordance with a term of his services agreement and as approved by Shareholders 21 October 2013;

PIIP means Petroleum initially in place;

Pro Forma Consolidated Balance Sheet means pro forma consolidated statement of financial position as at 31 December 2014;

Proposed Transaction means the proposed sale and purchase of Greenvale's Participating Interests in the Joint Venture, as set out in the Sale and Purchase Agreement;

QER means Queensland Energy Resources Limited ACN 107 882 057;

RBA means Reserve Bank of Australia;

Sale and Purchase Agreement means the Sale and Purchase Agreement between Greenvale and QER dated 14 July 2015 which gives effect to the Transaction;

Sale Resolution means resolution 1 set out in the Notice of General Meeting;

Share or **security** means a share in the Company;

Shareholder or **security holder** means a holder of Company Shares; and

WTI means Western Texas Intermediate.

Schedule 1 Pro Forma Consolidated Balance Sheet

1 Basis of Preparation

Set out below is the Company's unaudited Pro Forma Consolidated Balance Sheet as at 31 December 2014.

The Pro Forma Consolidated Financial Information set out below takes into consideration the following material transactions that occurred or are expected to occur after 31 December 2014:

- payment for exploration and evaluation expenditure incurred in relation to Greenvale's interest in Lowmead and Nagoorin;
- proceeds from and costs associated with the Proposed Transaction, including recognising the loss on sale of Lowmead and Nagoorin joint venture interests;
- use of funds from the Proposed Transaction which has been committed, including payments for:
 - outstanding stamp duty liability owed to the Queensland's Office of State Revenue;
 - payment of face value and any accumulated interest on convertible notes payable to note holders; and
 - payment of the expected trade creditors balance as at 30 June 2015.

It is noted that there are no tax implications arising from the Proposed Transaction. Additionally, the proforma balance does not take into account a potential contingent liability of approximately \$200,000 relating to taxes.

The significant accounting policies upon which the Pro Forma Consolidated Financial Information is based on are contained in the Company's annual financial report for the financial year ended 30 June 2014 and the Company's interim financial report for the six (6) months ended 31 December 2014.

The Pro Forma Consolidated Financial Information is presented in an abbreviated form and does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

2 Pro Forma Consolidated Balance Sheet

The table below sets out the reviewed consolidated financial position of the Company as at 31 December 2014 and the pro forma adjustments which were used in arriving at the Pro Forma Consolidated Balance Sheet of the Company.

(\$)	Historical Consolidated Balance Sheet 31 December 2014 (Reviewed)	Pro forma Adjustments			Pro Forma Consolidated Balance Sheet 31 December 2014
		1	2	3	
Cash and Cash Equivalents	205,139	(283,792)	3,939,000	(856,100)	3,004,247
Trade and Other Receivables	86,485	-	-	-	86,485
Total Current Assets	291,624	(283,792)	3,939,000	(856,100)	3,090,732
Intangible Assets - Exploration and Evaluation Expenditure	5,278,916	283,792	(5,273,509)	-	289,199
Total Non-Current Assets	5,278,916	283,792	(5,273,509)	-	289,199
Total Assets	5,570,540	-	(1,334,509)	(856,100)	3,379,930
Trade and Other Payables	150,406	-	-	(150,406)	-
Convertible Notes	287,742	-	-	(287,742)	-
Total Current Liabilities	438,148	-	-	(438,148)	-
Total Liabilities	438,148	-	-	(438,148)	-
Net Assets	5,132,392	-	(1,334,509)	417,952	3,379,930
Issued Capital	12,758,704	-	-	-	12,758,704
Reserves	212,645	-	-	-	212,645
Retained Losses	(7,838,957)	-	(1,334,509)	(417,952)	(9,591,419)
Total Equity	5,132,392	-	(1,334,509)	(417,952)	3,379,930

Notes:

1. pro forma adjustment reflects costs relating to Nagoorin and Lowmead for the period of 1 January 2015 to 30 June 2015.
2. pro forma adjustment relates to proceeds from the Proposed Transaction of \$4 million less any costs of the Proposed Transaction. Costs associated with the proposed transaction include legal and accounting services provided. The amount by which the carrying value of the Company's joint venture interest in the tenements exceed the sales proceeds received is recognised as a loss on sale of asset in the profit or loss.

pro forma adjustment relates to use of funds from the Proposed Transaction which has been committed, including payments of outstanding stamp duty expense and payment of creditors as 31 December 2015 which include any significant expenses incurred during the period from 1 January 2015 to 30 June 2015.

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PROXY FORM

GREENVALE ENERGY N.L.
ACN 000 743 555

GENERAL MEETING

I / We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11:00 am (AEDT), on 22 September 2015 at the offices of PKF Corporate Finance (NSW) Pty Limited, Level 8, No.1 O'Connell Street, Sydney NSW 2000 and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

FOR

AGAINST

ABSTAIN

Ordinary resolution

Resolution 1 Sale of the company's participating interests in Lowmead
and Nagoorin tenements to QER.

Special resolution

Resolution 2 Conversion to a limited liability company.

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 be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

**Consent for contact by e-mail in
relation to this Proxy Form:**

YES NO

Instructions for completing Proxy Form

- 1 **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
- 2 **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. 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 Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders 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 Proxy 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. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
- 4 **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
- 5 **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Greenvale Energy N.L., Suite 25, 145 Stirling Hwy, Nedlands, Perth, WA, 6009; or
 - (b) facsimile to the Company on facsimile number +61 8 9389 3199; or
 - (c) email to the Company at winton@azc.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.