

10 June 2011

ASX Announcement - Update

Further to GB Energy Limited (**GB Energy**)'s announcement dated 8 June 2011 and GB Energy's announcement yesterday, GB Energy provides the following update.

Update on transaction and share sale agreement with Cooper Energy Limited – no longer proceeding

As the prospectus offer did not achieve minimum subscription, one of the conditions precedent under the share sale agreement with Cooper Energy Limited (**Cooper Energy**) to acquire all the shares in Worrior (PPL 207) Pty Ltd (**Share Sale Agreement**) has not been met. Cooper Energy has today given GB Energy notice that the Share Sale Agreement is terminated.

As a result, GB Energy will not be issuing securities to Cooper Energy under the Share Sale Agreement and the following assets will not be acquired under the Share Sale Agreement:

- 30% participating interest in PPL 207 (Worrior Oilfield);
- 25% participating interest in PEL 90; and
- 30% participating interest in PEL 93.

Further consequences of the prospectus offer not achieving minimum subscription are:

- GB Energy will not be issuing securities under the prospectus offer;
- the consolidation of GB Energy's securities as approved by GB Energy's members on 13 May 2011 will not proceed; and
- the proposed significant change in the nature and scale of GB Energy's activities as approved by GB Energy's members on 13 May 2011 will not proceed.

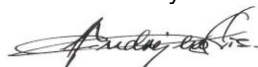
Update on farmout agreements - ongoing

The farmout agreements entered into on or about the same time as the Share Sale Agreement were not dependent upon the prospectus offer achieving minimum subscription. Accordingly, GB Energy advises that the following farmout agreements are ongoing in accordance with their terms:

- PEL 100 farmout agreement (9.165%);
- PEL 110 farmout option agreement (10%); and
- PEL 495 farmout agreement (20%).

As per the GB Energy announcement dated 8 June 2011, the directors' immediate focus is to apply to ASX for the lifting of the suspension on its securities.

Yours sincerely



Andrew Andrejewskis
Managing Director