



GAS2GRID LIMITED
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Gas2Grid Limited ("Company") will be held at **Level 3, 10 Bridge Street, Sydney on 20 January 2011 at 10:00 am.**

BUSINESS

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following ordinary resolutions:

1 Issue of shares to Mr David A Munns under Employee Incentive Plan

"That approval be given for the purposes of Listing Rule 10.14 of ASX Limited and for all other purposes, the issue of 5,000,000 fully paid ordinary shares in Gas2Grid Limited at an issue price of 5 cents per share and the provision of a loan of \$250,000.00 to acquire the shares to Mr David A Munns under the Gas2Grid Limited Employee Incentive Plan on the terms summarized in the Explanatory Statement."

2 Issue of shares to Mr Patrick W V M Sam Yue under Employee Incentive Plan

"That approval be given for the purposes of Listing Rule 10.14 of ASX Limited and for all other purposes, the issue of 5,000,000 fully paid ordinary shares in Gas2Grid Limited at an issue price of 5 cents per share and the provision of a loan of \$250,000.00 to acquire the shares to Mr Patrick W V M Sam Yue under the Gas2Grid Limited Employee Incentive Plan on the terms summarized in the Explanatory Statement."

3. Issue of shares to Mr David A Munns as payment of outstanding fees

"That approval be given for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes for the Company to issue 1,361,111 fully paid ordinary shares in Gas2Grid Limited to Mr David A Munns at a deemed issue price of \$0.03 per share as payment for outstanding director's fees of \$40,833.33."

4. Issue of shares to Mr Patrick W V M Sam Yue as payment of outstanding fees

"That approval be given for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes for the Company to issue 1,500,000 fully paid ordinary shares in Gas2Grid Limited to Mr Patrick W V M Sam Yue at a deemed issue price of \$0.03 per share as payment for outstanding management and director's fees of \$45,000.00."

5. Issue of shares to Mr Dennis J Morton as payment of outstanding fees

"That approval be given for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes for the Company to issue 5,638,889 fully paid ordinary shares in Gas2Grid Limited to Mr Dennis J Morton at a deemed issue price of \$0.03 per share as payment for outstanding management and director's fees of \$169,166.67."

VOTING EXCLUSIONS

Resolutions 1 and 2

In accordance with Listing Rule 10.15.5 of ASX Limited, the Company will disregard any votes cast on resolutions 1 and 2 by:

- a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- an associate of such person.

Resolution 3

In accordance with Listing Rule 10.13.6 of ASX Limited, the Company will disregard any votes cast on resolution 3 by:

- Mr David A Munns; and
- any associate of Mr David A Munns.

Resolution 4

In accordance with Listing Rule 10.13.6 of ASX Limited, the Company will disregard any votes cast on resolution 4 by:

- Mr Patrick W V M Sam Yue; and
- any associate of Mr Patrick W V M Sam Yue.

Resolution 5

In accordance with Listing Rule 10.13.6 of ASX Limited, the Company will disregard any votes cast on resolution 5 by:

- Mr Dennis J Morton; and
- any associate of Mr Dennis J Morton.

However, with respect to resolutions 1, 2, 3, 4 and 5 the Company need not disregard a vote if:

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

HOW TO VOTE

If you wish to vote on the resolutions contained in this notice, you should either attend the meeting in person, or appoint a proxy or proxies to attend on your behalf. In relation to the appointment of proxies, refer to the notes on proxies on the Proxy Form. A body corporate may appoint a representative to attend in accordance with the Corporations Act 2001. An executed notice evidencing the appointment of the person attending is required when registering at the General Meeting.

To be valid, forms of proxy (enclosed) for use at the meeting must be completed and returned to the Company no later than 10:00 am NSW Standard Time on 18 January 2011.

ENTITLEMENT TO VOTE

For the purpose of the meeting, and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, it has been determined that shares in the Company will be taken to be held by the persons who are registered holders as at 11:00 pm (NSW Standard Time) on 18 January 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Dated this 16th day of December 2010

By Order of the Board of Directors of Gas2Grid Limited



Steven J Danielson
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement provides information to shareholders for the General Meeting of shareholders of Gas2Grid Limited to be held on **20 January 2011 at 10:00 am at Level 3, 10 Bridge Street, Sydney** and it should be read in conjunction with the accompanying Notice of General Meeting.

Resolutions 1 and 2 – Approval for issue of shares to Mr David A Munns and Mr Patrick W V M Sam Yue under the Gas2Grid Limited Employee Incentive Plan

The Company has in place a share and option incentive scheme known as the Gas2Grid Limited Employee Incentive Plan (“EIP”) which was approved by shareholders at the Annual General meeting held on 26 November 2010. The EIP gives the Directors, officers, employees and contractors (“Eligible Persons”) the opportunity to participate in the equity of the Company. The Company now proposes to issue new shares to Directors under the EIP, subject to approval of shareholders at the general meeting.

Information to shareholders in accordance with Listing Rule 10.15 are as follows:

1. Subject to approval of shareholders, the shares under the EIP will be issued to Mr David A Munns and Mr Patrick W V M Sam Yue who are Directors of the Company.
2. The maximum total number of securities to be issued to the Directors are 10,000,000 fully paid ordinary shares allocated as to 5,000,000 shares to Mr David A Munns and 5,000,000 to Mr Patrick W V M Sam Yue as recommended by Managing Director Mr Dennis Morton.
3. The shares are to be issued at \$0.05 per share. The issue price per share is at a premium of 40.8% to the volume weighted average market price of a share over the last 5 trading days of \$0.0355 per share.
4. None of the following persons have ever received securities under the EIP or any employee incentive scheme of the Company: Directors, an associate of a Director or a person who in ASX's opinion must not receive securities under an employee incentive scheme without the approval of shareholders.
5. The names of all persons referred to in Listing Rule 10.14 entitled to participate in the EIP are: Mr David A Munns, Mr Dennis J Morton, Mr Patrick W V M Sam Yue and Mr Darren W Reeder.
6. Subject to approval of shareholders, an interest free loan of \$250,000 for a term of 5 years will be provided to each of Mr David A Munns and Mr Patrick W V M Sam Yue to acquire the shares. The Company will hold a lien over the shares until the loan is repaid. If the loan is not repaid at the expiry of the term of the loan or if a disqualifying event occurs, the Company may sell the shares and after costs apply the sale proceeds to repay the outstanding amount of the loan. If there is a shortfall between the loan amount still owing and the sale price, the Director will not be required to make good the shortfall. If there is a surplus after the sale of the shares the Director is only entitled to the surplus if the qualifying period (see paragraph below) of the offer of the shares under the EIP has expired. A disqualifying event occurs when (i) the Director ceases to be an Eligible Person; or (ii) the Director becomes an insolvent under administration; or (iii) the Director has perpetrated fraud against the Company; or (iv) the Director commits a breach of an obligation under the rules of the EIP.
7. The shares will be issued within one month after approval is given by shareholders.

The EIP shares are to be issued under a six month qualifying period when the EIP shares may not be dealt with by the holders. The shares issued under the EIP have the same rights as other ordinary fully paid shares in the Company subject to restrictions on transfer, which apply where a loan made by the Company for acquisition of the shares remains unpaid.

By accepting an offer of shares in accordance with the EIP, the Directors agree to be bound by the rules of the EIP. The rules of the EIP comply with the Listing Rules of ASX and Corporations Act 2001 requirements. Any amendment to the rules of the EIP will also be subject to Listing Rules of ASX and Corporations Act 2001 requirements. The EIP may only be amended by a resolution of the shareholders of the Company.

Shareholder approval is sought for the issue of the EIP shares to Mr David A Munns and Mr Patrick W V M Sam Yue as under Listing Rule 10.14 of ASX the issue of any shares by the Company to a Director requires shareholder approval. If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1 with the result that the shares issued to the Directors are not taken into account in determining whether the Company has capacity under Listing Rule 7.1 to issue shares. If approval is given, the shares will issued within one month from the date of the general meeting.

Shareholder approval is also sought for the Company to make interest free loans under the EIP in the sum of \$250,000.00 to each of Mr David A Munns and Mr Patrick W V M Sam Yue to enable each of them to acquire the EIP shares. Funds received on repayment of the loans will be applied to general working capital.

The offer of the shares combined with the grant of the loan to acquire the shares under the EIP is akin to the offer of five year options exercisable at \$0.05 per option. Applying the Black Scholes Option Pricing model, the estimated value of the such options equivalent being offered to each Director is \$148,350 at the date of this notice (assumed grant date), applying a risk free rate of 5.41% and expected price volatility of the Company's share price of 130.2%.

Mr Dennis Morton, being the Director on the Board of Directors with no conflicts, recommends that shareholders vote in favour of resolutions 1 and 2, as he considers that the issue of the EIP shares to Mr David A Munns and Mr Patrick W V M Sam Yue will further align their interests with those of the shareholders, and the number of shares offered is of an appropriate size to further incentivise them.

Resolutions 3, 4 and 5 – Approval of issue of shares to Directors as payment of outstanding fees

In order to preserve cash resources of the Company, Chairman Mr David A Munns, Managing Director Mr Dennis Morton and Director Mr Patrick W V M Sam Yue agreed on 1 December 2010 for fees owing to them to be paid by the issue of fully paid ordinary shares at a deemed issue price of \$0.03 per share which is based on the 30 day volume weighted average price of a share traded on ASX to 1 December 2010. The issue price is 20% higher than the offer price of \$0.025 per share under the recent rights issue which also offered a free option for each share subscribed and the last closing price of a share of the Company on ASX on 15 December 2010 is \$0.035. Subject to approval of shareholders, Mr David A Munns will be issued 1,361,111 shares. Mr Dennis Morton will be issued 5,638,889 shares and Mr Patrick W V M Sam Yue will be issued 1,500,000 shares within one month after the date of the meeting. No cash will be raised from the issue of shares which will be for settlement of outstanding fees payable to Directors.

Shareholder approval is sought for the issue of the shares to Mr David A Munns, Mr Dennis J Morton and Mr Patrick W V M Sam Yue as under Listing Rule 10.11 of ASX the issue of any shares by the Company to a Director requires shareholder approval. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 with the result that the shares issued to the Directors are not taken into account in determining whether the Company has capacity under Listing Rule 7.1 to issue shares – that is, whether it has issued more than 15% of its ordinary security during the 12 month period following the issue of the shares to the Directors.

Gas2Grid Limited

ABN 46 112 138 780



FOR ALL ENQUIRIES CALL:
+61 2 9254 9012

FACSIMILE
+61 2 9032 3088

ALL CORRESPONDENCE TO:
Gould Ralph Pty Limited
Level 42, Suncorp Place
259 George Street
Sydney NSW 2000
Australia

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10:00 AM ON 18 JANUARY 2011

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

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

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **10:00 am on 18 January 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged:

BY MAIL OR IN PERSON -
Share Registry – Gould Ralph Pty Limited
Level 42, Suncorp Place
259 George Street
Sydney NSW 2000 Australia

BY FAX - + 61 2 9032 3088

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Gas2Grid Limited

STEP 1 - Appointment of Proxy

I/We being a member/s of Gas2Grid Limited and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **General Meeting of Gas2Grid Limited to be held at the Level 3, 10 Bridge Street Sydney, NSW 2000 on 20 January 2011 at 10:00 am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, 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 Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolutions.

STEP 2 - Voting directions to your Proxy – please mark or to indicate your directions

Ordinary Resolutions		For	Against	Abstain*
Resolution 1	Issue of shares to Mr David A Munns under Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of shares to Mr Patrick W V M Sam Yue under Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of shares to Mr David A Munns as payment of outstanding fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of shares to Mr Patrick W V M Sam Yue as payment of outstanding fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of shares to Mr Dennis J Morton as payment of outstanding fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / /