peel exploration
LIMITED

Exploring forgotten mineral fields

Notice of First Annual General Meeting and Explanatory Statement

Time and place of meeting and how to vote

Venue

The First Annual General Meeting of Peel Exploration Limited will be held at:

The VIC
1st floor, 226 Hay Street
Subiaco WA 6008

Commencing 3.00 pm (WST) Wednesday, 28 November 2007

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 3.00 pm (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy form by facsimile to the Company on facsimile number (08) 9388 1025 (International: + 61 8 9388 1025); or
- deliver or post the proxy form to the Company at Level 1, 79 Hay St, Subiaco, Western Australia 6008.

so that it is received not later than 3.00 pm (WST) on 26 November 2007.

Your proxy form is attached.

Notice of First Annual General Meeting

Notice is given that the First Annual General Meeting of Shareholders of Peel Exploration Limited (Company) will be held at The VIC, 1st Floor, 226 Hay Street, Subiaco, Perth, Western Australia at 3.00 pm (WST) on 28 November 2007.

AGENDA

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered as ordinary business.

Financial Report
To receive the financial statements of the Company for the year ended 30 June 2007 together with the Directors' Report, the Directors' Declaration and the Auditor's Report.

Resolution 1 – Adoption of Remuneration Report (Non-binding resolution)
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Section 250R(2) of the Corporations Act, the remuneration report be adopted."*
>
> **Short Explanation**: Under Section 250R(2) of the Corporations Act, at the annual general meeting of a listed company a resolution that the remuneration report be adopted must be put to the vote.

Resolution 2 – Appointment of Auditor
To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for the purpose of Section 327B of the Corporations Act and for all other purposes, BDO Kendall, having been nominated by a Shareholder and consenting in writing to act in the capacity of auditor, be appointed as an auditor of the Company ."*
>
> **Short Explanation**: Under Section 327B of the Corporations Act, a public company must appoint an auditor at its first annual general meeting.

Resolution 3 – Re-election of a Director, Mr Michael Kiernan
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That Mr Michael Kiernan, being appointed as a director of the Company during the period since incorporation and the Company's first annual general meeting, is hereby re-elected as a director of the Company."*
>
> **Short Explanation**: Clause 13.2 of the Constitution provides (amongst other things) that at the Company's first annual general meeting after incorporation, all the Directors shall retire. A retiring Director is eligible for re-election.

Resolution 4 – Re-election of a Director, Mr Robert Tyson
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That Mr Robert Tyson, being appointed as a director of the Company during the period since incorporation and the Company's first annual general meeting, is hereby re-elected as a director of the Company."*
>
> **Short Explanation**: Clause 13.2 of the Constitution provides (amongst other things) that at the Company's first annual general meeting after incorporation, all the Directors shall retire. A retiring Director is eligible for re-election.

Resolution 5 – Re-election of a Director, Mr Simon Hadfield
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That Mr Simon Hadfield, being appointed as a director of the Company during the period since incorporation and the Company's first annual general meeting, is hereby re-elected as a director of the Company."*
>
> **Short Explanation**: Clause 13.2 of the Constitution provides (amongst other things) that at the Company's first annual general meeting after incorporation, all the Directors shall retire. A retiring Director is eligible for re-election.

BY ORDER OF THE BOARD

Rob Tyson

Executive Director

25 October 2007

NOTE:

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. This date is 5.00 pm (WST) on 26 November 2007.

Explanatory Statement

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of Peel Exploration Limited (Company) in connection with the annual general meeting of the Company.

1.1 Financial Statements and Reports

The first agenda item is to receive the financial statements and reports of the Company for the year ended 30 June 2007, comprising the Financial Statements, Directors' Report, Directors' Declaration and Independent Audit Report. No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's directors and auditors in relation to the Company's results for that financial year.

As a shareholder, you are entitled to submit a written question to the auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than five business days before 28 November 2007.

All questions must be sent to the Company and may not be sent direct to the auditor. The Company will then forward all questions to the auditor.

The auditor will be attending the Annual General Meeting and will be available to answer questions from Shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

The auditor will also answer written questions submitted prior to the Annual General Meeting.

1.2 Resolution 1 – Adoption of Remuneration Report

The Remuneration Report is contained in the Directors' Report on pages 14 to 16 of the Company's 2007 Annual Report. The Annual Report has been distributed to all Shareholders and is available on the Company's website at www.peelex.com.au. The Remuneration Report sets out the broad remuneration policy of the Company and the actual remuneration paid to directors and officers of the Company during the year ended 30 June 2007.

Section 250R(2) of the Corporations Act requires the Company to propose a resolution at each annual general meeting that the remuneration report of the Company be adopted. The vote on this resolution is advisory only and does not bind the Directors.

1.3 Resolution 2 – Appointment of Auditor

Section 327B(1) of the Act provides that a public company must appoint an auditor at its first annual general meeting and thereafter to fill a vacancy in the office of auditor at each subsequent annual general meeting.

In accordance with Section 328B(1) of the Act, the Company has sought and obtained a nomination from a Shareholder for BDO Kendall to be appointed as the Company's auditor. A copy of this nomination is enclosed with this Notice of Meeting.

BDO Kendall has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution 2.

If Resolution 2 is passed, the appointment of BDO Kendall as the Company's auditor will take effect at the close of this AGM.

1.4 Resolution 3 – Re-election of a Director – Mr Michael Kiernan

Clause 13.2 of the Constitution provides (amongst other things) that at the Company's first annual general meeting after incorporation, all the Directors shall retire. A retiring Director is eligible for re-election.

Mr Michael Kiernan was appointed as a Director on 15 March 2007. He is eligible for re-election.

1.5 Resolution 4 – Re-election of a Director – Mr Robert Tyson

Clause 13.2 of the Constitution provides (amongst other things) that at the Company's first annual general meeting after incorporation, all the Directors shall retire. A retiring Director is eligible for re-election.

Mr Robert Tyson was appointed as a Director on 20 April 2006. He is eligible for re-election.

1.6 Resolution 5 – Re-election of a Director – Mr Simon Hadfield

Clause 13.2 of the Constitution provides (amongst other things) that at the Company's first annual general meeting after incorporation, all the Directors shall retire. A retiring Director is eligible for re-election.

Mr Simon Hadfield was appointed as a Director on 20 April 2006. He is eligible for re-election.

2. ENQUIRIES

Shareholders should contact Mr David Hocking (Company Secretary) on 08 9382 3955 if they have any questions in respect of the matters set out in these documents.

GLOSSARY

ASX means ASX Limited.
ASX Listing Rules or Listing Rules means the Listing Rules of the ASX.
Board means the board of directors of the Company.
Company and Peel means Peel Exploration Limited (ABN 42 119 343 734).
Constitution means the Company's constitution.
Corporations Act means the Corporations Act 2001 (Cth).
Directors means the current directors of the company.
Explanatory Statement means the explanatory statement to the Memorandum.
Meeting or Annual General Meeting means the meeting convened by the Notice.
Memorandum means this information memorandum.
Notice means the notice of meeting accompanying this memorandum.
Resolution means a resolution contained in this Notice.
Share means a fully paid ordinary share in the capital of the Company.
Shareholder means a holder of Shares.

Proxy Form

The Company Secretary
Peel Exploration Limited
Registered Office Address: First Floor, 79 Hay Street SUBIACO WA 6008 Facsimile: 08 9388 1025 OR PO Box 1533 SUBIACO WA 6904

I/We, (print name of shareholder) .....
of (address) .....
being a member/members of Peel Exploration Limited HEREBY APPOINT:
(name) .....
of (address) .....
and/or failing them (name) .....
of (address) .....

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 3.00 pm on Wednesday 28 November 2007 at The VIC, 1st Floor, 226 Hay Street, Subiaco, Perth, Western Australia and at any adjournment of the meeting.

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

	For	Against	Abstain	Chair*
Resolution 1 – Adoption of Remuneration Report	❑	❑	❑	❑
Resolution 2 – Appointment of Auditor	❑	❑	❑	❑
Resolution 3 – Re-election of Mr. M Kiernan	❑	❑	❑	❑
Resolution 4 – Re-election of Mr. R Tyson	❑	❑	❑	❑
Resolution 5 – Re-election of Mr. S Hadfield	❑	❑	❑	❑

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote for all the resolutions set out in this Notice.

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed
Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes
My total voting right is _____ shares

If the shareholder is an individual:

Signature: .....

Name: .....

If the shareholder is a company:
Affix the common seal (if required by Constitution)

.....
Director/Sole Director and Secretary Director/Secretary

Dated: 2007

Instructions for Appointment of Proxy

A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at the annual general meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.

1. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.

2. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.

3. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.

4. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of the annual general meeting, by post or facsimile to the respective addresses stipulated in this proxy form.

5. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:

   a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and

   b) 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

   c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way; and

   d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

6. If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

7. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. The Chairman intends to vote for all resolutions set out.

Nomination of Auditor

The Company Secretary
Peel Exploration Limited
Level 1
79 Hay St
Subiaco, WA 6059

I, John Worner, request that at the annual general meeting of Peel Exploration Limited (Company) proposed to be held on 28 November 2007, the Company consider, and if thought fit, pass the resolution that BDO Kendall, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company and that the Directors be authorised to agree their remuneration.

John Worner
Shareholder
Date: 26 October 2007