



Extraordinary General Meeting

South Burnett Community Enterprises Limited
ABN 57 113 889 768

To be held on
14 February 2012
AT 7 PM Yarraman Memorial Hall.

Ordinary Business

Capital Raising

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution.

That the Directors of South Burnett Community Enterprises Limited be authorised to issue further shares at an issue price of \$1.00 per share in the Company for the purpose of establishing a new Community Bank branch at Nanango, with the amount to be raised from the issue of new shares set at not more than \$725,000.

Attending the Meeting

All shareholders may attend the Extraordinary General Meeting.

Joint holders: In the case of joint shareholders, all holders may attend the Meeting. If only one holder attends (including by proxy), that shareholder may vote at the Meeting as if that holder were solely entitled to the shares. If more than one joint holder is present (including by proxy), the joint holder whose name appears first in the register may vote.

Proxy: If you are unable to attend the Meeting, you are entitled to appoint a proxy to attend and vote. See the attached Proxy Form for information on appointing a proxy.

Corporate Shareholder: A corporate shareholder may appoint one or more persons to act as its representative under section 250D of the Corporations Act, but only one representative may exercise the corporate shareholder's powers at any one time. The Company requires written evidence of a representative's appointment to be given to the Company before the meeting.

Voting rights

Each shareholder is entitled to one vote.

For the purposes of voting at the Meeting, shares will be taken to be held by the persons who are registered as shareholders as at 5:00 pm on 14th February 2012.

By order of the Board

Name

Frank E. Smith

Chairman

A handwritten signature in black ink, appearing to be 'Frank E. Smith', written over a horizontal line.

Date

2 January 2012

Explanatory Notes

Agenda Item – Capital Raising

South Burnett Community Enterprises Limited established a Steering Committee in 2011 to investigate the commercial viability of establishing a Bendigo Bank branch at Nanango.

Bendigo Bank has established a four stage process for the establishment of a new Community Bank branch. These stages are generally known as “Pledge Stage”, “Feasibility Stage”, “Prospectus Stage” and “Launch Stage”. In the event that the first two stages are considered successful by the Board, a capital raising may be undertaken during the “Prospectus Stage”. Under the BSX Listing Rules, members are required to approve such a capital raising.

If a capital raising is undertaken, all investors would be entitled to participate via the prospectus that is required to be prepared.

The amounts to be raised for this purpose will be determined by the Directors after all external advice has been obtained, subject to the limit contained in the proposed Resolution. The directors will adopt the following procedure to determine the value of the shares issued in this capital raising:

1. If the Board elects to proceed with the capital raising, the Board will review a valuation report commissioned by the Board by an independent accounting firm to determine the current value of the Company.
2. The Board may consider making a bonus issue of shares on a non-renounceable basis to existing shareholders. The terms of the bonus issue (if any) shall be determined by the Board after considering the valuation report.
3. Shares issued via this proposed capital raising will be issued at \$1.00 each.

This capital raising may take place at any time the Board determines for the purposes stated above.