
METGASCO LIMITED

ACN 088 196 383

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at:

Christie Corporate
Level 4, 100 Walker St
North Sydney

on Thursday 26 November 2009 at 11.00am.

Registered Office:

Metgasco Ltd
Level 9, 77 Pacific Highway
North Sydney NSW 2060

This Notice of Annual General Meeting 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, Nick Geddes by telephone on 02 9252 1933.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM”) of Shareholders of Metgasco Limited (“Company”) for 2009 will be held at Christie Corporate, Level 4, 100 Walker St, North Sydney on Thursday, 26 November 2009 at 11.00 am (EST).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.38 of the Corporations Regulations 2001(Cth) that the persons eligible to vote at the AGM are those who are registered as Shareholders of the Company at 11.00 am (EST) on Tuesday 24 November 2009.

Terms and abbreviations used in this Notice of Meeting are defined in Schedule 1.

AGENDA

Reports and Accounts

To receive the financial statements of the Company for the year ended 30 June 2009 together with the Directors’ Report, Directors’ Declaration and the Auditor’s Report.

1. **Resolution 1 – Remuneration Report**

To consider, and if thought fit, pass the following non-binding resolution:

“That the Remuneration Report required by section 300A of the Corporations Act, as contained in the Directors’ Report of the Company, for the year ended 30 June 2009 be adopted.”

2. **Resolution 2 – Re - Election of Mr Nicholas Heath as a Director**

To consider, and if thought fit, pass as an ordinary resolution the following:

“That Mr Nicholas Heath, being a Director of the Company retires by rotation in accordance with the Constitution and, being eligible, is hereby re-elected in accordance with the Constitution as a Director of the Company.”

3. **Resolution 3 – Re - Election of Ms Glenda McLoughlin as a Director**

To consider, and if thought fit, pass as an ordinary resolution the following:

“That Ms Glenda McLoughlin, being a Director of the Company retires by rotation in accordance with the Constitution and, being eligible, is hereby re-elected in accordance with the Constitution as a Director of the Company.”

4. **Resolution 4 – Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4**

To consider, and if thought fit, pass as an ordinary resolution the following:

“That, in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 19,992,000 fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes to resolution 4 in the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast on resolution 4 by:

The Australian National University
Accident and Compensation Commission (NZ) or nominee
Irrewarra Investments Pty Ltd
Trafalgar Copley or nominee or Prime Broker
Wilson Asset Management or nominee
Technical Investing or nominee
OPIS or nominee
Taylor Collison private clients
Thorney Investments or nominee
SG Hiscock or nominee
Pierce Investments or nominee
Contango or nominee
Tidewater or nominee
Bell Potter private clients
ABN Amro Gold Coast private clients
ABN Amro Gladstone private clients
Ord Minnett private clients
Enmore Medical Centre or nominee

However, the entity 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 a direction on the proxy form, to vote as the proxy decides.

5. **Resolution 5 – Managing Director Participation in Employees and Officers Option Plan - Approval of Grant of Options to Mr David Johnson in accordance with Listing Rule 10.14**

To consider, and if thought fit, pass as an ordinary resolution the following:

“That approval be given pursuant to ASX Listing Rule 10.14 for the issue of 555,556 unlisted options over ordinary shares to Mr David Johnson, details of which are set out in the explanatory notes to resolution 5 in the notice of meeting.”

Voting Exclusion

The Company will disregard any votes cast on resolution 5 by any Director or any associates (within the meaning of the *Corporations Act 2001*).

However, the Company need not disregard a vote by any of the Directors or their associates on resolution 5 if a vote is cast by a person as a proxy for a member of the Company who is entitled to vote, in accordance with the

directions of the proxy form; or 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.

6. **Resolution 6 – Executive Director Participation in Employees and Officers Option Plan - Approval of Grant of Options to Ms Glenda McLoughlin in accordance with Listing Rule 10.14**

To consider, and if thought fit, pass as an ordinary resolution the following:

“That approval be given pursuant to ASX Listing Rule 10.14 for the issue of 555,556 unlisted options over ordinary shares to Ms Glenda McLoughlin, details of which are set out in the explanatory notes to resolution 6 in the notice of meeting.”

Voting Exclusion

The Company will disregard any votes cast on resolution 6 by any Director or any associates (within the meaning of the *Corporations Act 2001*).

However, the Company need not disregard a vote by any of the Directors or their associates on resolution 6 if a vote is cast by a person as a proxy for a member of the Company who is entitled to vote, in accordance with the directions of the proxy form; or 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.

7. **Resolution 7 – Approval of issue of shares to Molopo Australia Limited**

To consider, and if thought fit, pass as an ordinary resolution the following:

“That for all purposes including ASX Listing Rule 7.1, the issue of 7,378,712 ordinary shares to Molopo Australia Limited, details of which are set out in the explanatory notes to resolution 7 in the notice of meeting, and the issue of such number of ordinary shares as may be required under the shortfall mechanism, details of which are set out in the explanatory notes to resolution 7 in the notice of meeting, are approved.”

Voting Exclusion

The Company will disregard any votes cast on resolution 7 by Molopo Australia Limited or any associates of Molopo Australia Limited.

However, the Company need not disregard a vote by Molopo Australia Limited or any of its associates on resolution 7 if a vote is cast by a person as a proxy for a member of the Company who is entitled to vote, in accordance with the directions of the proxy form; or 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. **Resolution 8 – Approval to exempt from Listing Rule 7.1 Options and Shares issued under the Employee and Officers Equity Plan in accordance with Exception 9 of Listing Rule 7.2**

To consider, and if thought fit pass, the following resolution:

“That, for the purposes of ASX Listing Rule 7.2, the Company approves, as an exception to the 15% limit in Listing Rule 7.1, the issue from time to time of ordinary shares and options to subscribe for ordinary shares in the Company to employees under the amended Employee and Officers Equity Plan during the three year period commencing from 26 November 2009.”

Voting Exclusion

The Company will disregard any votes cast on resolution 8 by any employee or officer of the Company or any associates (within the meaning of the Corporations Act 2001).

However, the Company need not disregard a vote of a Director or his associates on resolution 8 if a vote is cast by a person as a proxy for a member of the Company who is entitled to vote, in accordance with the directions of the proxy form; or 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.

By Order of the Board



N J V Geddes
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting ("AGM") to be held at Christie Corporate, Level 4, 100 Walker St, North Sydney on Thursday, 26 November 2009 at 11.00am (EST).

The purpose of this Explanatory Memorandum is to provide information which the Board of Directors believe is material to Shareholders in deciding whether or not to pass the resolutions set out in the Notice of Annual General Meeting.

BACKGROUND TO RESOLUTIONS

2. Resolution 1 – Remuneration Report

As required by section 250R(2) of the *Corporations Act 2001*, the Remuneration Report of the Company for the financial year ending 30 June 2009 will be laid before the meeting. The Remuneration Report is set out on pages 16 to 21 of the Company's 2009 Annual Report. The Report explains the structure of and policy behind the Company's remuneration practices and sets out the remuneration details for each director. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. The resolution is advisory only and does not bind the Company.

3. Election of Directors

The two following resolutions deal with the re-election of Directors retiring by rotation in accordance with the Company's Constitution and the law.

The Constitution requires that if the Company has three or more Directors, one third of those Directors must retire at each AGM (rounded down to the nearest whole number) provided that no Director (except the Managing Director) may retain office for more than three years.

The Constitution provides that a Director who retires under that Article is eligible for re-election.

Pursuant to the Constitution Mr Nicholas Heath and Ms Glenda McLoughlin will retire by rotation and seek re-election.

Resolution 2 – Re-election of Mr Nicholas Heath as a Director

Nicholas Heath has over 30 years experience in the petroleum industry with the ExxonMobil group of companies. He was involved in the early development and commissioning of Esso's Gippsland basin oil and gas fields offshore Victoria. In 1985, he became Esso's Production Manager for the

Gippsland operations at a time of peak activity and record oil production. Mr Heath subsequently became a Director of ExxonMobil Australia Pty Ltd with responsibility for Gas and Power marketing.

Mr Heath has served as Chairman of the Australian Petroleum and Production Association, which awarded him the Reg Sprigg Gold Medal and honorary life membership. For many years he was chairman of APPEA's Energy Policy Committee.

The Board supports the re-election of Mr Nicholas Heath.

4. Resolution 3 – Re-election of Ms Glenda McLoughlin as a Director

Glenda McLoughlin has over 20 years experience in investment banking, management consulting and industry policy working in Australia and internationally. Most recently she was the Head of the Utilities and Infrastructure group of Barclays Capital, the investment banking division of Barclays Bank plc. Prior to this Ms McLoughlin was a Vice President of international investment bank Morgan Stanley based in Melbourne and Singapore.

Ms McLoughlin has completed over \$8 billion in advisory assignments and financings and brings specialist skills in corporate financial advice and debt and equity capital raisings. She has been involved in major energy sector transactions and has provided financial advice to corporations and Governments on energy sector restructurings, acquisitions, divestments and financings.

The Board supports the re-election of Ms Glenda McLoughlin.

5. Resolution 4 – Ratification of share issue for purposes of ASX Listing Rules

ASX Listing Rule 7.1 imposes a cap on the number of securities that a company may issue within the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1. The issues of the shares described below did not breach any Listing Rules and shareholder ratification to those issues is now sought.

In order to restore the Company's capacity to issue shares, it is proposed that the Members ratify the issue of ordinary shares as detailed below. Ratification provides the Company with flexibility in capital management and allows the Company to make further issues for working capital or other purposes as required.

On 20 March 2009 the Company issued 19,992,000 ordinary shares at \$0.40 (forty cents) each in the capital of the Company to the following institutional and sophisticated investors:

The Australian National University	383,000
Accident and Compensation Commission (NZ) or nominee	425,000
Irrewarra Investments Pty Ltd	638,000
Trafalgar Copley or nominee or Prime Broker	355,000
Wilson Asset Management or nominee	888,000
Technical Investing or nominee	355,000
OPIS or nominee	355,000
Taylor Collison private clients	2,636,000
Thorney Investments or nominee	638,000
SG Hiscock or nominee	1,700,000
Pierce Investments or nominee	383,000
Contango or nominee	1,331,000
Tidewater or nominee	355,000
Bell Potter private clients	8,364,000
ABN Amro Gold Coast private clients	550,000
ABN Amro Gladstone private clients	300,000
Ord Minnett private clients	250,000
Enmore Medical Centre or nominee	86,000
TOTAL	19,992,000

These funds were employed for working capital

6. Resolution 5 – Executive Director Participation in Employees and Officers Option Plan grant of Options to Mr David Johnson

It is proposed to grant 555,556 unlisted options, issued at no cash cost, to Mr David Johnson, an executive director of the Company. These options form part of Mr Johnson's remuneration which reduces the cash cost of Directors' remuneration to the Company. The options are exercisable as follows: Tranche 1 – 277,778 at \$0.50 each vesting in two years from date of issue (1 September 2011) and the Company's share price reaching \$0.60; Tranche 2 – 277,778 at \$0.50 each vesting in three years from the date of issue (1 September 2012) and the Company's share price reaching \$0.70. If the grant of options is approved by Members the grant date will be 1 September 2009 and the options will be issued within one month of the Annual General Meeting.

No additional options have been issued or granted to the Directors since last approval was sought, save for those proposed to be granted to Ms McLoughlin under Resolution 6.

7. Resolution 6 – Executive Director Participation in Employees and Officers Option Plan Issue of Options to Ms Glenda McLoughlin

It is proposed to grant 555,556 unlisted options, issued at no cash cost, to Ms Glenda McLoughlin, an executive director of the Company. These options form part of Ms McLoughlin's remuneration which reduces the cash cost of Directors' remuneration to the Company. The options are exercisable as follows: Tranche 1 – 277,778 at \$0.50 each vesting in two years from date of issue (1 September 2011) and the Company's share price reaching \$0.60; Tranche 2 – 277,778 at \$0.50 each vesting in three years from the date of issue (1 September 2012) and the Company's share price reaching \$0.70. If the grant of options is approved by Members the grant date will be 1

September 2009 and the options will be issued within one month of the Annual General Meeting.

No additional options have been issued or granted to the Directors since last approval was sought, save for those proposed to be granted to Mr Johnson under Resolution 5.

8. Resolution 7 – Issue of ordinary shares to Molopo Australia Limited (“Molopo”)

On 2 October 2009, the Company entered into a Sale and Purchase Agreement to acquire the remaining interests it does not already own in petroleum exploration permits PEL 13 and PEL 426 from Molopo, being 50% of the conventional gas interests and 25% of the coal bed methane interests in PEL 13 and a 43.4% interest in PEL 426, legal title to both permits and related information (collectively the 'Permit Interest and Information').

The acquisition is subject to the approval of the transfer of the interests by the NSW Minister for Mineral Resources and shareholder approval. Completion of the sale and purchase will occur only after these conditions have been met. Under the terms of the proposed transaction, the consideration to be provided to Molopo will be a cash payment of \$3 million, the issue of \$4 million worth of ordinary shares in the capital of the Company and a 2.5% royalty applied to the wellhead value of 50% of the conventional gas produced and sold from the PEL 13 area, where conventional gas is considered to be gas produced from reservoirs below 800 metres sub sea depth within the PEL 13 area. The Company holds an option to buy out the royalty. The \$3 million cash has been paid into an escrow account to be released on completion.

The ordinary shares in the capital of the Company will be issued to Molopo on completion in two tranches. There will be 3,689,356 first tranche shares and 3,689,356 second tranche shares. The shares are subject to trading restrictions as set out below.

The second tranche shares are subject to a shortfall mechanism. Should there be a reduction in the value of the second tranche shares below \$2 million on the date which is 12 months after the date of issue ('12 Month Date') or the Early Trigger Date (definition below), whichever is the earlier, (such value being determined by reference to the volume weighted average price of ordinary shares in the capital of the Company for the period of 60 ASX trading days before that date), additional shares would be issued to Molopo to ensure that the value of the second tranche shares remains at \$2 million.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option) if the number of such securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. One circumstance where such an issue is permitted is where the issue has the prior approval of shareholders in general meeting.

In order not to use up the Company's 15% placement capacity, it is proposed that the shareholders approve the issue of ordinary shares as described

above. Approval will provide the Company with flexibility in capital management and will allow the Company to make further issues for working capital purposes as required.

The following information is provided to shareholders:

- (a) the maximum number of ordinary shares to be issued will be 3,689,356 first tranche shares and 3,689,356 second tranche shares, subject to the shortfall mechanism described above;
- (b) the first tranche and second tranche ordinary shares will be issued once the two conditions for completion, Ministerial approval and shareholders approval, are obtained, which it is hoped will be by no later than 3 months after the date of the meeting or if the conditions are not satisfied by then, by such later date as the ASX may approve. The shortfall shares, if required, will be issued within 10 business days after the earlier of the 12 Month Date or the Early Trigger Date (being a later date to be approved by ASX, if required);
- (c) the shares are issued as part consideration for the Permit Interest and Information and there is no cash issue price;
- (d) the fully paid ordinary shares will be issued to Molopo Australia Limited, ranking equally with any other fully paid ordinary shares, but subject to the restrictions in (e) below;
- (e) the trading restrictions on the shares set out in the Sale and Purchase Agreement are as follows:
 - (i) The first tranche shares will be subject to a trading restriction for a period of 60 trading days following issue such that only 10% of the shares can be traded in any ASX trading day;
 - (ii) The second tranche shares will be subject to a 12 month "trading lock" whereby no shares can be traded until the 12 Month Date, after which only 10% of the shares will be able to be traded in any ASX trading day for 60 trading days after the 12 Month Date;

If holders of at least 50% of the ordinary shares in the capital of the Company (excluding the second tranche shares) accept a takeover offer from a bidder under Chapter 6 of the Corporations Act 2001 or a court orders a meeting of Company shareholders to approve a scheme of arrangement and the shareholders approve the scheme of arrangement ('Early Trigger Date'), these restrictions would cease to apply.

- (f) there is no cash received for the issue of the shares, so there is no intended use of funds in terms of paragraph 7.3.6 of the ASX Listing Rules;
- (g) a voting exclusion statement is included in resolution 7 above.

9. **Resolution 8 – Approval to exempt from Listing Rule 7.1 Options and Shares issued under the Employee and Officers Equity Plan in accordance with Exception 9 of Listing Rule 7.2**

The Australian Securities Exchange ('ASX') Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue new securities representing more than 15% of its total ordinary shares during the following 12 month period without shareholder approval.

Exception 9, Listing Rule 7.2, provides that shares or options issued under an employee incentive scheme (e.g. the Employee Share Equity Plan) are excluded from this restriction provided that, within three years before the date of issue, the scheme, and specifically issues of securities under it, has been approved by shareholders in a general meeting.

The Company seeks to have shares and options issued under the amended Employee and Officers Equity Plan excluded from the 15% limit.

This exception allows the Board flexibility to issue further ordinary shares (or options) up to the full 15% limit and without regard to shares (or options) issued under a properly exempted plan, but remains subject to other exceptions to the limit, such as bonus or rights issues.

Provided that the Company's shareholders approve the potential issue of shares and options under the Employee and Officers Equity Plan for three years after the 2009 annual general meeting, those securities will be outside the 15% restriction contained in Rule 7.1.

Shareholder approval to Resolution 8 will simply give the Board the flexibility afforded by the exception to the 15% rule available under the ASX Listing Rules. The Board can then use this flexibility and use up to 15% of the issued capital excluding shares and or options issued under the Employee and Officers Equity Plan for future capital raising.

If Resolution 8 is not passed, the Board will use the Employee and Officers Equity Plan however securities issued under this plan will count towards the 15% restriction.

1. Summary of the terms of the Metgasco Employee and Officers Equity Plan ("EOEP")

The following is a summary of the principal features of the EOEP. For full details of the operation of the EOEP, shareholders should read the Rules of the EOEP. Copies of the Rules are available upon request to the Company Secretary.

Previous Issue of Options

There have been a number of Options granted to employees and officers pursuant to the terms of the EOEP. Details are set out in the Annual Report. The Company plans to periodically issue Options and or Shares to eligible employees or officers under the EOEP.

Principal Features of the EOEP

All employees or officers (full and part-time) and consultants will be eligible to participate in the Plan after a qualifying period of 12 months' employment by a member of the Group (or, in the case of a consultant to a Group Company, having provided consulting services on a continuous basis for a least 12 months), although the Board may waive this requirement.

The allocation of options or shares to each employee, officer or consultant is at the discretion of the Board. If permitted by the Board, options or shares may be issued to an employee's, officer's or consultant's nominee (for example, a spouse or family company). Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue.

Options and shares will be issued at no cash cost. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee or officer share plan, must not exceed 5% of the Company's issued share capital.

If a person dies, the options held by that person will be exercisable by that person's legal representative. Options cannot be transferred other than to the legal personal representative of a deceased option holder. The Company will not apply for official quotation of any options.

Shares issued under the Plan and as a result of the exercise of options will rank equally with the Company's previously issued shares.

The Board may amend the Plan Rules subject to the requirements of the ASX Listing Rules.

2. Number of Securities Issued Since Last Approval

9,484,718 options are currently issued over ordinary shares, of which 6,984,718 have been issued pursuant to the EOEP. Included in the total of 9,484,718 options granted are 1,111,112 options that have been granted to Directors and are subject to shareholder approval at this 2009 AGM. No options have lapsed at the date of the notice of AGM.

The total of ordinary shares on issue at the date of the notice of AGM is 185,994,145. The total number of options outstanding represents 5.1% of the capital on issue.

The Directors recognise the need to maintain flexibility and recommend that the shareholders approve the exception of shares issued under the EOEP from the 15% limit in Listing Rule 7.1.

SCHEDULE 1

Definitions

In this Explanatory Memorandum and Notice of General Meeting:

“**ASIC**” means the Australian Securities and Investments Commission.

“**ASX**” means Australian Securities Exchange Limited.

“**ASX Listing Rules**” means the listing rules of the ASX.

“**Company**” means Metgasco Limited.

“**Constitution**” means the Constitution of the Company.

“**Corporations Act**” means the Corporations Act 2001 (Cth).

“**Directors**” means the directors of the Company.

“**Options**” means an option to subscribe for a Share on specific terms.

“**Proxy Form**” means the proxy form attached to the Notice of General Meeting.

“**Resolution**” means a resolution referred to in the Notice of General Meeting.

“**Shareholder**” means a shareholder of the Company.

“**Share**” means a fully paid ordinary share in the capital of the Company.

I/We.....
(PLEASE PRINT NAME)

Of.....
(ADDRESS)

being a member/members of Metgasco Limited

A Appoint
(PLEASE PRINT NAME)

or failing the person so named (or if no person is named) the **Chairman of the Meeting** as proxy to vote in accordance with the following directions (or if no directions have been given as the proxy or the Chairman sees fit) at the Annual General Meeting of members of Metgasco Limited to be held on Thursday 26 November 2009 commencing at 11.00am and at any adjournment.

B Exercise of Proxy by Chairman

For undirected proxies, the Chairman intends to vote in favour of each resolution. If you do not wish to direct your proxy how to vote, please place a mark in the box. 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. If you do not mark this box, and you have not directed your proxy how to vote, the Chair 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 on the resolution.



C Business

	For	Against	Abstain
Resolution 1 – Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-Election of Mr Nicholas Heath	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-Election of Ms Glenda McLoughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of issue of Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Grant of Options to Mr David Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Grant of Options to Ms Glenda McLoughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval of issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval to exempt from Listing Rule 7.1 Options issued under the Employee and Officers Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D If Appointing a Second Proxy

State here the percentage of your voting rights

%

or

the number of shares applicable to this Form

Or **Number**

E Insert your daytime telephone number

(S T D)

F Signature(s)

Date

Signatures if Corporate Shareholder (See Note F)

Executed in accordance with section 127 of the Corporations Act

Director/Sole Director sign and print name

Director/Secretary sign and print name

Note: For your proxy to be entitled to vote your shares at the Meeting, the completed Proxy Form must be received by the Company not later than 48 hours prior to the Meeting.

INSTRUCTION FOR COMPLETION OF PROXY FORM:

Your vote is important. Please direct your proxy how to vote. For your proxy to be entitled to vote your shares at the Meeting, the Company must receive the completed Proxy Form not later than 48 hours prior to the Meeting. Any proxy received after this deadline will be treated as invalid.

A. Appoint

Insert here the name of the person you wish to appoint as proxy. Members cannot appoint themselves. If you submit a Proxy Form which does not name a person to act as your proxy, the Chairman of the Meeting will act as your proxy. You can vote your shares by proxy even if you plan to attend the Meeting.

B. Exercise of Proxy by Chairman

For undirected proxies, Chairman intends to vote in favour of each resolution. If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking the 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.

C. Business

If you wish to direct your proxy how to vote on any item, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The vote will be invalid if a mark is made against more than one box for a particular item or if the total shareholding shown in "For", "Against" and "Abstain" boxes is more than your total shareholding on the share register.

D. If Appointing a Second Proxy

A member is entitled to appoint up to two persons (whether members or not) to attend the Meeting as proxies and vote. If you wish to appoint two proxies please photocopy your proxy form or obtain another proxy form by calling the Company Secretary on (02) 9252 1933. Both Forms should be completed with the nominated percentage of your voting rights or number of shares on each Form. If you do not specify the nominated percentage of your voting rights or number of shares, each of the proxies may exercise half of the votes. Please return these Proxy Forms together.

E. Insert your daytime telephone number

This is required in case we need to contact you.

F. Signature(s)/Date

This Form must be signed and dated by the member. If the member is an Australian corporation, the Form must be executed in accordance with section 127 of the Corporations Act or by an attorney. If a person who is not the registered shareholder signs this Form then the relevant authority must either have been exhibited previously to the Company or be enclosed with this Form.

Further Important Information

Please return your completed Proxy Form to the Company Secretary c/- Australian Company Secretaries Pty Ltd, at Level 9, 20 Hunter Street, Sydney, NSW, 2000 (GPO Box 4231, Sydney, NSW, 2001). Alternatively, your Form can be faxed to the Company on (02) 9235 2709. To be effective, the Form must be received by the Company at the above address not later than 48 hours prior to the Meeting. **If you require further information on how to complete the Proxy Form, telephone the Company Secretary on (02) 9252 1933.**