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SAMPLETOWN TAS 7000

Dear Shareholder

I have pleasure in inviting you to attend the Annual General Meeting of PaperlinX Limited and enclose the Notice of Meeting, which sets out the items of business. The meeting will be held in the Grand Ballroom at the Four Seasons Hotel, 199 George Street, Sydney NSW on Tuesday 25 October, 2005 at 11.00am. Registration will commence at 10.00am.

If you are intending to attend the meeting, it would assist us in our planning if you would sign and return the notification of attendance form attached to the Notice of Annual General Meeting. Please also bring this letter with you to facilitate registration on the day.

If you are unable to attend the meeting, we encourage you to complete the attached proxy form. The proxy form should be returned in the envelope provided or faxed to our share registry on (03) 9473 2555 so that it is received by 11.00am on 23 October, 2005.

Corporate shareholders who wish to appoint a representative to attend on their behalf should complete a "Certificate of Appointment of Representative". A form of this certificate may be obtained from the Company's share registry (details above).

Shareholders are invited to submit questions to the Company for consideration which may be answered at the meeting. Questions may be submitted in writing or through the Contact Us form on the PaperlinX website www.paperlinx.com.

I look forward to your attendance at the meeting.

Yours sincerely



David Meiklejohn
Chairman

Encl:

Notice of Annual General Meeting

The sixth Annual General Meeting of PaperlinX Limited ('the Company') will be held in the Grand Ballroom at the Four Seasons Hotel, 199 George Street, Sydney, NSW on Tuesday, 25 October 2005 at 11.00am. Registration will commence at 10.00am.

Ordinary Business

1. Financial Statements and Reports

To receive and consider the Financial Statements and the Directors' Declaration and Report for the year ended 30 June 2005, together with the Auditor's Report to the shareholders of the Company.

(The Company's auditor will be present at the meeting to answer questions regarding the Auditor's Report.)

2. Election of Directors

To re-elect Directors in accordance with the Company's Constitution.

- (a) Mr B J Jackson retires and, being eligible, offers himself for re-election.
- (b) Mr D A Walsh retires and, being eligible, offers himself for re-election.
- (c) Mr L J Yelland retires and, being eligible, offers himself for re-election.

(Details of these Directors and their qualifications are set out in the overleaf explanatory notes.)

3. Remuneration Report

To consider and, if thought fit, adopt the Remuneration Report for the year ended 30 June 2005, as required by section 250R of the Corporations Act.

(The Remuneration Report is contained in the PaperlinX Concise Annual Report 2005. The vote on the resolution is advisory only, and it does not bind the Directors or the Company.)

Attendance at the meeting and questions in advance

Shareholders are invited to submit questions to the Company for consideration which may be answered at the meeting. Questions may be submitted in writing or through the Contact Us Form on the PaperlinX website www.paperlinx.com.

If you intend on attending the meeting, please complete the Notification of Attendance Form below and return it to the address specified. This will help in our planning at the venue. For security reasons, please note that parcels, bags (excluding handbags) and umbrellas will need to be checked in to the cloakroom at the meeting venue. We reserve the right to inspect parcels and bags that are brought to the meeting.

Voting and proxies

For the purposes of voting at the meeting, the Directors have determined that all shares of the Company that are quoted securities at 7.00pm on Sunday, 23rd October 2005 are taken to be held by the persons who are registered as holding them at that time. The entitlement of shareholders to vote at the meeting will be determined by reference to that time.

A Proxy Form accompanies this Notice of Annual General Meeting.

A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. A proxy need not be a shareholder. Where the Chairman is appointed proxy, he will vote in accordance with the shareholder's directions as specified on the Proxy Form or, in the absence of a direction, in favour of the resolutions contained in the Notice of Meeting.

Where a shareholder wishes to appoint two proxies, an additional Proxy Form may be obtained by contacting the PaperlinX Limited Share Registry. A shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and does not specify each proxy's percentage of voting rights, the rights are deemed to be 50 per cent each. Fractions of votes are to be disregarded.

The Proxy Form must be received by the PaperlinX Share Registry at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067 or by facsimile to (03) 9473 2500 in Australia or (+613) 9473 2500 if you are overseas, by 11.00am, Sunday, 23rd October 2005.

By order of the Board



Richard Hobson
Company Secretary

Melbourne
16th September 2005

Notification of Attendance at PaperlinX Limited Annual General Meeting

To: Company Secretary
PaperlinX Limited
307 Ferntree Gully Road,
Mt Waverley, Victoria 3149

I/We will be attending the Annual General Meeting of PaperlinX Limited to be held at the Four Seasons Hotel, 199 George Street, Sydney, NSW on Tuesday, 25 October 2005 at 11.00am.

(print name)

(print name)

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067 Australia
GPO Box 4768
Melbourne Victoria 3001 Australia
Tel: +61 3 9415 4000 Fax: +61 3 9473 2555
www.computershare.com

Explanatory Notes

Item 1 – Financial Statements and Reports

The Financial Statements of the Company and its controlled entities for the year ended 30 June 2005 and the Declaration and Report of the Directors and the Auditor's Report are set out in the PaperinX Concise Annual Report 2005. No vote will be taken on these.

Item 2 – Election of Directors

Up to one-third of the Directors of the Company are required to retire by rotation every year but are eligible to be re-elected. Accordingly, the following Directors submit themselves for re-election at this Annual General Meeting of the Company. Summary biographical data of each of the Directors who offer themselves for re-election is set out below:



B J (Barry) Jackson
BCom (Hons), MAICD
(Non-executive Director)
Age 60

Appointed a Director in February 2000. Over 30 years experience in manufacturing and industrial marketing in Australian and international markets. Currently a Director of Alesco Corporation Ltd (from November 2001), CSR Limited (from April 2003), Equity Trustees Limited (from September 2002) and St Vincent's Institute of Medical Research in Melbourne (from February 2002). A former Managing Director of Pacifica Group Limited.

- Chairman of the Remuneration & HR Committee
- Member of the Audit Committee
- Member of the Nomination & Governance Committee



D A (David) Walsh
LLB, MAICD
(Non-executive Director)
Age 65

Appointed a Director in July 2000. Experienced company director with a wide background in corporate and commercial law, including in relation to the paper industry. Currently Chairman of Templeton Global Growth Fund Ltd (from August 1998) and a Director of Macquarie Infrastructure Investment Management

Limited (which is the responsible entity of Macquarie Infrastructure Trust) (from March 2004) and Heide Museum of Modern Art, (from May 1997). Previous roles include Director of Asia Pacific Specialty Chemicals Limited and a former partner in the law firm, Malesons Stephen Jaques.

- Member of the Audit Committee
- Member of the Nomination & Governance Committee



L J (Lindsay) Yelland
BSc, FAICD, MACS
(Non-executive Director)
Age 59

Appointed a Director in February 2000. Extensive experience in the IT industry. Currently Chairman of Argus Solutions Limited (from March 2003) and Ideas International Limited (from November 2000). Previous roles include Chairman of Legion Interactive Pty Limited, a Group Managing Director of Telstra Corporation, Vice-President Asia-Pacific of Data General Corp, and Vice President of Apollo Computer Corporation.

- Member of the Remuneration & HR Committee
- Member of the Safety & Environment Committee

The Board, in each case in the absence of the relevant Director, recommends that shareholders vote in favour of the re-election of each of the foregoing Directors.

Item 3 – Remuneration Report

Following changes to the Corporations Act in 2004, the Directors' Report must now include, as a separate section, specific information regarding the Board's policy and practice in relation to the remuneration of Directors, secretaries and senior managers (Remuneration Report).

The Remuneration Report is contained in the PaperinX Concise Annual Report 2005. The vote on the resolution is advisory only, and it does not bind the Directors or the Company.

Additional copies of the Remuneration Report will be available at the meeting.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.



All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 4768 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1800 232 867
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2555
web.queries@computershare.com.au
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



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SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

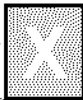
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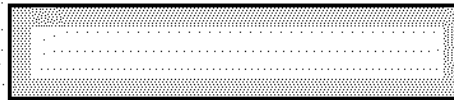
Appointment of Proxy

I/We being a member/s of PaperlinX 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 to act generally at the meeting 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) at the Annual General Meeting of PaperlinX Limited to be held in the Grand Ballroom at the Four Seasons Hotel, 199 George Street, Sydney, NSW on Tuesday, 25 October 2005 at 11.00am.

Voting directions to your proxy - please mark  to indicate your directions

Ordinary Business

For Against Abstain*

Re-election of Directors

Item 2 a) Mr B J Jackson

Item 2 b) Mr D A Walsh

Item 2 c) Mr L J Yelland

Item 3 Adopt the Remuneration Report for the year ended 30 June 2005

For Against Abstain*

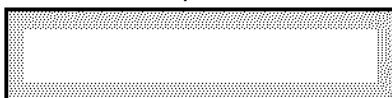
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

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

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



Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date



How to complete this Proxy Form

1 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy and vote on your behalf. A proxy need not be a shareholder of PaperlinX Limited. Do not write your name or PaperlinX Limited in the space.

2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your shares 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 shares 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 will vote, or abstain from voting, as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3 Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form.
- (b) return both forms together in the same envelope.

4 Authorised Signature(s)

You must sign this form as follows in the spaces provided:

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

Power of Attorney: to sign under Power of Attorney, you must have already lodged it with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

For a member that is a company, or a company that has been appointed as a proxy, if a representative of the company is to attend the meeting, an appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry or at www.computershare.com.

Lodgement of Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting. Please allow sufficient time for delivery if you are returning your proxy by mail.

Documents may be lodged using the reply paid envelope or:

IN PERSON	Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia Registered Office - 307 Ferntree Gully Road, Mt Waverley VIC 3149
BY MAIL	Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia Registered Office - 307 Ferntree Gully Road, Mt Waverley VIC 3149
BY FAX	61 3 9473 2555

From the Office of the Chairman

PaperlinX Limited
ACN 005 146 350
307 Ferntree Gully Road,
Mt Waverley
Victoria 3149 Australia

16 September, 2005

Dear Shareholder,

Enclosed is a statement we have received from the Australian Shareholders Association (ASA) pursuant to Section 249P of the Corporations Act.

We are disappointed that the ASA has asked us to distribute this statement as we believe that it is misleading. It is further disappointing that the ASA did not consult with the Company on this statement before circulating it to its members. We have written to and met with representatives of the ASA but they have chosen to disregard the information we provided to them.

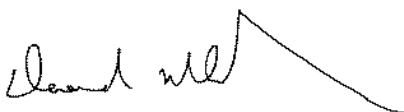
As indicated in the Concise Annual Report and in my earlier letter to shareholders, the decline in the overall profitability of PaperlinX and consequently in the share price is attributable directly to the substantial fall in the earnings of Australian Paper. This decline in profit is related largely to the appreciation of the Australian dollar against the US dollar and to a fall in international selling prices which forced Australian Paper to reduce domestic selling prices even though costs continued to increase. Although we did anticipate some softening of the Australian dollar in the June quarter, this would have provided only partial relief to the PaperlinX Group as the fall in the profit we predicted for January/June 2005 resulted mainly from the lower than anticipated volume demand and selling prices in Europe and Australia and the continuing cost increases in Australia.

The pulp and paper industry has demonstrated a cyclical pattern in demand and profitability over a long period of time. The Board and management of PaperlinX recognise the vagaries of this industry and since the demerger in 2000 developed a strategy to grow our merchanting operations to ameliorate the potential volatility of the earnings of our paper manufacturing business. The success of this strategy has been demonstrated in the 2004/2005 financial year when the merchanting businesses contributed \$186 million of earnings before interest and tax, while the Australian Paper earnings declined to \$22 million. If the Board had not followed this merchanting strategy and simply maintained the portfolio of businesses at the demerger in 2000, PaperlinX today would have made virtually no profit, would have paid no dividend and the share price would most likely have been substantially below the current level.

The underlying financial base of PaperlinX is strong and we do have sound risk and financial management controls throughout the organisation. We have committed capital funds to improve the underlying cost base and profitability of Australian Paper and will continue to seek to grow our merchanting operations. I would reassure shareholders that the Board and management are committed to doing everything within our control to improve shareholder value for our investors.

It is unfortunate that the ASA continues to criticise individual Directors over other directorships as the ASA has no insight into the amount of time that individual Board members apply to the affairs of PaperlinX. All Directors commit significant amounts of time to deal with and understand the existing operations and future strategy of PaperlinX and no Director has been distracted from their duties by the activities of other companies.

I urge you to vote in favour of all resolutions and look forward to meeting shareholders at our Annual General Meeting on 25 October, 2005.



David Meiklejohn
Chairman



Paperlinx Limited Statement pursuant to Section 249P of the Corporations Act

By any measure Paperlinx shareholders have suffered poor performance this year. Paperlinx lost 38% of its market capitalisation in the year ended 30 June 2005 – an amount of \$820 million. This dreadful performance compares with the S&P/ASX 200 Index which increased by 21% over the same period.

The company was the second worst performer in the top 150 listed companies in Australia as the market lost faith in the direction and management of the company.

Shareholders believed the directors when they provided an overly optimistic forecast in February/March based on first half results. Barely a month later they were shocked when profit was downgraded to 20% below 2003/2004 results. The simplistic rationale for the downgrade – blaming banking advisors for the miscalculation resulting in an exchange rate of US\$0.70 to the Australian dollar being used in earlier forecasts – has not improved shareholder confidence.

Paperlinx is a company operating in global markets and forecasting exchange rates is a vital function in its operations. Clearly directors and management have not accepted responsibility for the company's inadequate risk and financial management controls.

The Australian Shareholders' Association (ASA) has raised these issues with the Chairman who responded by stating that the board is "reviewing a number of options to improve the profitability of our Australian paper operations and we will deal with these in due course." We maintain due course is too late.

The ASA has publicly criticised Mr Meiklejohn over a number of years for his excessive number of directorships. During this period of dismal operating and share price performance Mr Meiklejohn has also been involved in companies being taken over, a significant distraction from his Paperlinx duties. The ASA will again raise this issue at the 2005 Annual General Meeting.

Shareholders will have the opportunity at the AGM to show their displeasure at the loss in value of Paperlinx and the apparent poor financial controls in the company, and encourage board rejuvenation, by voting against long standing directors standing for re-election.

If you would like to nominate the ASA to act as your proxy for voting at the AGM please insert the name "**Australian Shareholders' Association**" on the proxy form and direct your vote for each resolution. If the proxy form requires an address please insert **PO Box 519, Chatswood, NSW 2057**.

For details on how the ASA will exercise any undirected proxies please visit our website www.asa.asn.au or telephone 1300 888 979.

Please do not send your proxy form to the ASA. After completion please lodge it in accordance with the instructions on the proxy form itself.