

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered office: Suite 304, 22 St Kilda Road, St Kilda Victoria 3182

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Strategic Energy Resources Limited (the "Company") will be held at the Level 50, 120 Collins Street, Melbourne, Victoria at 2:00 pm on Wednesday 25 November 2009 (AEDST).

The Explanatory Statement, which accompanies and forms part of this Notice, describes in more detail the matters to be considered.

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the remuneration report) and auditors for the year ended 30 June 2009.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (being pages 18 to 22 of the Company's Annual Report) for the financial year ended 30 June 2009 be adopted."

Resolution 2: Election of Mr Kim McGrath

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

"That Mr Kim McGrath, a director who was appointed to the Board to fill a casual vacancy since the last annual general meeting and who retires in accordance with the Company's Constitution, being eligible and having offered himself for election, be confirmed and be elected as a director."

Resolution 3: Election of Mr Mark Muzzin

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

"That Mr Mark Muzzin, a director who was appointed to the Board to fill a casual vacancy since the last annual general meeting and who retires in accordance with the Company's Constitution, being eligible and having offered himself for election, be confirmed and be elected as a director."

Resolution 4: Election of Mr Glenister Lamont

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

"That Mr Glenister Lamont, a director who was appointed to the Board to fill a casual vacancy since the last annual general meeting and who retires in accordance with the Company's Constitution, being eligible and having offered himself for election, be confirmed and be elected as a director."

Resolution 5: Appointment of Company Auditor

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

"That, pursuant to section 372B(1)(b) of the Corporations Act 2001, BDO Kendalls (VIC-NSW) Pty Ltd, Chartered Accountants, be appointed as auditor of the Company."

Resolutions 6 to 8: Grant of Options to Directors

To consider, and if thought fit, to pass with or without amendment the following resolutions, each as an ordinary resolution:

6. *"That approval is given to grant Mr Kim McGrath, or his nominee, 5,000,000 options forthwith, with 3,000,000 options exercisable at \$0.04 (4 cents) and 2,000,000 options exercisable at \$0.05 (5 cents) at any time prior to 5:00pm (AEST) on 30 June 2014, with each option exercisable into a fully paid ordinary share in the capital of the Company, and the approval to the allotment and issue of any such ordinary share upon exercise of any such option, with such options being granted on the terms and conditions set out below and in the notice of meeting and which terms and conditions are hereby incorporated into and form part of this resolution."*
7. *"That approval is given to grant Mr Mark Muzzin, or his nominee, 5,000,000 options forthwith, with 3,000,000 options exercisable at \$0.04 (4 cents) and 2,000,000 options exercisable at \$0.05 (5 cents), and a further 5,000,000 options vested a year from this date if Mr Muzzin has undertaken the role of Managing Director of the Company continuously until then, with 2,500,000 options exercisable at \$0.06 (6 cents) and 2,500,000 options exercisable at \$0.08 (8 cents), with each option exercisable at any time prior to 5:00pm (AEST) on 30 June 2014 into a fully paid ordinary share in the capital of the Company, and the approval to the allotment and issue of any such ordinary share upon exercise of any such option, with such options being granted on the terms and conditions set out below and in the notice of meeting and which terms and conditions are hereby incorporated into and form part of this resolution."*
8. *"That approval is given to grant Mr Glenister Lamont, or his nominee, 5,000,000 options forthwith, with 3,000,000 options exercisable at \$0.04 (4 cents) and 2,000,000 options exercisable at \$0.05 (5 cents) at any time prior to 5:00pm (AEST) on 30 June 2014, with each option exercisable into a fully paid ordinary share in the capital of the Company, and the approval to the allotment and issue of any such ordinary share upon exercise of any such option, with such options being granted on the terms and conditions set out below and in the notice of meeting and which terms and conditions are hereby incorporated into and form part of this resolution."*

Resolution 9: Non-Executive Directors Fees

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the aggregate maximum remuneration (including superannuation and the value of any options granted) for non-executive members of the Board be and is by this resolution fixed at \$300,000 per annum, representing an increase of \$150,000 from previous years, to be divided between the non-executive members of the Board in such a manner as the Board shall decide."

Voting Exclusion for Resolution 9:

The Company will disregard any votes cast on this resolution by the Directors and/or their associates. However the Company need not disregard a vote if:

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

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered office: Suite 304, 22 St Kilda Road, St Kilda Victoria 3182

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard-copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the Annual Report at the Company's website: www.strategicenergy.com.au.

Resolution 1: Adoption of Remuneration Report

The Corporations Act 2001 requires listed companies to put to shareholders at the Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report. Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the Annual General Meeting. As stated, the resolution is non-binding.

Resolution 2: Election of Mr Kim McGrath

Mr Kim McGrath was appointed as a Director on 4 December 2008 to fill a casual vacancy and retires in accordance with the Company's Constitution and is eligible for election.

Mr McGrath is an internationally experienced resources finance and investment banking executive. He is the Managing Director of Delta Corporate Finance Pty Limited a specialist advisory group based in Sydney with active business interests in Australia and the UK.

His prior positions in Australia have included legal roles with Comalco and ICL, General Counsel and Company Secretary of Bank of America Australia, General Counsel with Bell Resources responsible for negotiating international lines of finance and business acquisitions, and in strategy and development as General Manager, Strategy and Planning with Industrial Equity.

During the 1990s Mr McGrath was based in London and worked on the restructure of companies in Eastern Europe and particularly on major operations in CIS metals and oil trading, and associated financing in both London and Geneva.

Since returning to Australia in 1998, Mr McGrath continued to hold full practising certificates as a Solicitor in both England and Wales and in Victoria, as well as holding Australian accounting qualifications as a CPA. He has also completed the Advanced Management Programme at Oxford University and is a Fellow of the Australian Institute of Company Directors where he has successfully completed their Company Directors Course Diploma.

Each of the Directors and their associates within the meaning of the *Corporations Act 2001* ("the Act") intends to vote in favour of the resolution.

Resolution 3: Election of Mr Mark Muzzin

Mr Mark Muzzin was appointed as a Director on 4 December 2008 to fill a casual vacancy and retires in accordance with the Company's Constitution and is eligible for election.

Mr Muzzin has had over 20 years of commercial experience and holds a B.A. degree from Latrobe University, Melbourne. His career commenced in the mid eighties for a London stock broking firm and he has consulted for two of the major banks in Australia in the share custodian area. He has been involved in capital raising activities for resource companies in Australia and has consulted to various oil/gas and minerals companies. Mr Muzzin is a director of U Energy Pty Ltd which is seeking access from the Commonwealth into the Cultana Training Area in South Australia to undertake minerals exploration. He is a director of two US quoted companies and is a director of a number of Australian public and private companies. Mr Muzzin is a Member of the Petroleum Exploration Society of Australia.

Each of the Directors and their associates within the meaning of the *Corporations Act 2001* ("the Act") intends to vote in favour of the resolution.

Resolution 4: Election of Mr Glenister Lamont

Mr Glenister Lamont was appointed as a Director on 11 December 2008 to fill a casual vacancy and retires in accordance with the Company's Constitution and is eligible for election.

Mr Lamont is a professional non-executive director. Recent roles include Managing Director and consultant for a range of resource companies. Previously, as a GM with Ashton Mining, he led strategy and commercial implementation of business development initiatives and managed all aspects of investor and corporate affairs. Prior to that, as an Executive Director at the leading European investment bank UBS Warburg, he conducted financial, technical and strategic evaluation of mining companies and participated in a wide range of corporate transactions. He has international mining experience in base

metals, gold, coal and other commodities that has included experience as a mining engineer with Preussag in Germany and as a rock mechanics engineer and mining engineer in South Africa for Goldfields of South Africa.

Each of the Directors and their associates within the meaning of the *Corporations Act 2001* ("the Act") intends to vote in favour of the resolution.

Resolution 5: Appointment of Company Auditor

During the year the Company's auditor, Stantons International Pty Ltd resigned as auditor due to the relocation of the Company's office from Perth to Melbourne. The Directors appointed BDO Kendalls (VIC-NSW) Pty Ltd as auditor of the Company to fill the vacancy. Approval from the Australian Securities and Investments Commission for the resignation of the Company's previous auditor, Stantons International Pty Ltd, has been granted during the year. BDO Kendalls (VIC-NSW) Pty Ltd has recently completed the audit of the accounts of the Company for the year ended 30 June 2009 and each of the Directors of the Company recommends their election to and continuance in this role as auditor.

Resolutions 6 to 8: Grant of Options to Directors

Resolutions 6 to 8 (both inclusive) on the Notice provide for the grant of options to Directors. These resolutions, if passed, will approve the grant a total of 20,000,000 options to subscribe for ordinary fully paid shares, 9,000,000 options at an issue price of \$0.04 (4 cents), 6,000,000 options at an issue price of \$0.05 (5 cents), 2,500,000 options at an issue price of \$0.06 (6 cents) and 2,500,000 options at an issue price of \$0.08 (8 cents) on the terms set out herein. These options will be issued for nil consideration in turn raising no further funds for the company.

All options to be granted to Directors under Resolutions 6 to 8 (both inclusive) will, if approved for grant, be issued by no later than 25 December 2009, being not more than one month from the date of the meeting, or such later date as specified.

Based on the Black-Scholes-Merton option pricing model each of the 9,000,000 options to be granted to the Directors with an exercise price of \$0.04 (4 cents) has a value of \$0.011 (1.1 cents) based on the following parameters:

- (a) a volatility factor of 75.5%;
- (b) an effective interest rate of 5.23% based on the Commonwealth Government three-year bond rate as at 8 October 2009;
- (c) a period to expiry from 25 November 2009 until 30 June 2014;
- (d) an underlying share price of \$0.03 (3 cents) being the issue price of the shares and compared to the closing price of the shares on the ASX of \$0.028 at the day before the date hereof.

Based on the Black-Scholes-Merton option pricing model each of the 6,000,000 options to be granted to the Directors with an exercise price of \$0.05 (5 cents) has a value of \$0.010 (1.0 cent) based on the following parameters:

- (e) a volatility factor of 75.5%;
- (f) an effective interest rate of 5.23% based on the Commonwealth Government three-year bond rate as at 8 October 2009;
- (g) a period to expiry from 25 November 2009 until 30 June 2014;
- (h) an underlying share price of \$0.03 (3 cents) being the issue price of the shares and compared to the closing price of the shares on the ASX of \$0.028 at the day before the date hereof.

Based on the Black-Scholes-Merton option pricing model each of the 2,500,000 options to be granted to the Managing Director with an exercise price of \$0.06 (6 cents) has a value of \$0.0096 (0.96 cents) based on the following parameters:

- (i) a volatility factor of 75.5%;
- (j) an effective interest rate of 5.23% based on the Commonwealth Government three-year bond rate as at 8 October 2009;
- (k) a period to expiry from 25 November 2010 until 30 June 2014;
- (l) an underlying share price of \$0.03 (3 cents) being the issue price of the shares and compared to the closing price of the shares on the ASX of \$0.028 at the day before the date hereof.

Based on the Black-Scholes-Merton option pricing model each of the 2,500,000 options to be granted to the Managing Director with an exercise price of \$0.08 (8 cents) has a value of \$0.0085 (0.85 cents) based on the following parameters:

- (m) a volatility factor of 75.5%;
- (n) an effective interest rate of 5.23% based on the Commonwealth Government three-year bond rate as at 8 October 2009;
- (o) a period to expiry from 25 November 2010 until 30 June 2014;

- (p) an underlying share price of \$0.03 (3 cents) being the issue price of the shares and compared to the closing price of the shares on the ASX of \$0.028 at the day before the date hereof.

The related party benefit being given to the Directors is thus the aggregate value of the options for each Director, expressed in monetary terms, being an aggregate amount of \$205,450.

The grant of options is proposed as remuneration for Directors is considered by them to be fair and reasonable.

The Act provides that members approval is not needed to give a financial benefit if the benefit is remuneration to a related party as an officer or employee and to give the remuneration would be reasonable given the circumstances of the public company or entity giving the remuneration and the related party's circumstances including the responsibilities involved in the office or employment.

Details of the emolument of and fees paid or payable for other services to each Director of the Company for the past financial year are set out in the table below.

| Director | Remuneration and Fees paid including superannuation where applicable \$ |
|-------------------------|----------------------------------------------------------------------------|
| Kim McGrath | 62,985 |
| Mark Muzzin | 120,000 |
| Glenister Lamont | 24,261 |

Save as set out above the Directors did not receive any remuneration for so acting. The levels of remuneration set out above are believed to be fairly low.

The grant of the options is being sought as additional remuneration given that the Directors have put in considerable additional time and effort over the past 12 months in running the Company particularly in view of the problems associated with the Company's assets and the lack of progress achieved by the previous Board.

The Board asks Members to consider and take into account a number of important factors when deciding how to vote on the resolutions being put to the meeting.

These include that:

1. As discussed above, the options constitute additional remuneration which will only have significant value if the shares in the Company increase significantly in value. Essentially, to the extent that the Directors by their actions create wealth, the grant of these options allows them to participate in the fruits of that wealth creation.
2. The grant of the options under Resolutions 6 to 8 (both inclusive) will increase Directors and their associates option holdings to approximately 7.30% of the fully diluted capital of the Company. This is consistent with the level of options granted to directors of other companies.
3. The ascribed value of the options is small, particularly considering that the value being granted to Directors is a non-monetary value which will not diminish the Company's cash resources.
4. While the benefit of the options may be considered by some Members to be significant, the benefits are of a non-monetary kind and cash has to be paid to the Company for the options to be exercised.

Related Party Requirements of Chapter 2E of the Corporations Act 2001

The requirements of Section 219 of the Act as set out in Chapter 2E thereof require that certain information must be provided to members to enable them to vote in relation to each of the resolutions to be put to the meeting.

Mr McGrath has an interest in Resolution 6 as he is interested in the outcome. Likewise Mr Muzzin is interested in the outcome of Resolution 7 as he has an interest in its outcome. Likewise Mr Lamont is interested in Resolution 8 as he is interested in its outcome.

The nature of the financial benefits which may be obtained by the Directors as related parties of the Company are that the Directors (or their nominees) will be granted the options which, based on a Black-Scholes option valuation on the parameters set out herein, have a value of \$205,450 (1.03 cents each) which means that the options proposed to be granted to each Director have a value of:

| Director | Value of options \$ |
|-------------------------|------------------------|
| Kim McGrath | 53,400 |
| Mark Muzzin | 98,650 |
| Glenister Lamont | 53,400 |

The valuation of the options is an assessment of the value inherent in the options. To the extent that the share price changes over time, the value inherent in the options will also change. Consequently, the value created in the option holder will not necessarily equate to the valuation set out herein. It will be a reflection of the difference between the share price at the date chosen and the exercise price.

Voting Restrictions

The Company will disregard any votes cast on Resolution 7 by Mr McGrath or any associate of Mr McGrath, and likewise will disregard any votes cast on Resolution 8 by Mr Muzzin or any associate of Mr Muzzin, and likewise will disregard any votes cast on Resolution 9 by Mr Lamont or any associate of Mr Lamont. However, the Company will not disregard a vote if:

- it is cast by any such person or any of its associates 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.

Members should be aware that the acquisition by any person of options does not change voting power. That voting power will only change in accordance with changes in the relevant interests in shareholdings of any member or of those of his/her associates.

Director's Recommendations

The *Corporations Act 2001* requires in Section 219, inter alia, that, in relation to each Director of the Company it must be set out herein:

- (a) if the Director wanted to make a recommendation to Members about the proposed resolution(s)—the recommendation and his or her reasons for it; or
- (b) if not—why not; or
- (c) if the Director was not available to consider the proposed resolution—why not.

Accordingly the following information is provided:

In so far as Resolutions 6 to 8 (both inclusive) relating to the grant of options to each of the Directors is concerned, each of the Directors of the Company abstains from making any general recommendation because he is interested in the outcome.

The Directors believe that the Members should consider the matters set out above in relation to each Director and the continued progress of the Company when deciding how to vote on the relevant resolutions.

Each Member must form his own opinion in relation to each resolution and vote as he or she considers appropriate having regard to the information contained in this Explanatory Memorandum.

Resolution 9: Non-Executive Directors Fees

The Constitution of the Company provides that the remuneration of non-executive Directors (including values paid in respect of superannuation and calculated in respect of options) must not exceed in aggregate a maximum amount fixed by the Company in General Meeting. This resolution authorises the Directors to fix a maximum aggregate remuneration for non-executive Directors at \$300,000, representing an increase of \$150,000 from previous years. The Directors believe the maximum aggregate amount of \$300,000 is both commensurate with amounts offered to non-executive directors of public companies of a similar size and industry grouping as the Company, and that the amount will allow adequate scope for the appointment of additional non-executive Directors in the future.

Voting Exclusion for Resolution 9:

The Company will disregard any votes cast on this resolution by the Directors and/or their associates. However the Company need not disregard a vote if:

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

Terms and conditions of options:

The terms and conditions of the options to be granted pursuant to Resolutions 6, 7 and 8 are as follows:

Exercise price: Each option entitles the holder to subscribe for 1 fully paid ordinary share in Strategic Energy Resources Limited at a subscription price of \$0.04 (4 cents) per share or as stated otherwise.

Manner of exercise: The options are exercisable at any time prior to 5:00pm (AEST) on 30 June 2014 by completing an option exercise form and delivering it to the Company's Share Registry together with payment for the number of Shares in respect of which the options are exercised and the option holding statement for those options.

Transferability of options: Subject to the *Corporations Act 2001*, the ASX Listing Rules and the Company's Constitution, the options are freely transferable and the Company may apply to the ASX for the options to be admitted to quotation.

Ranking and quotation of shares: All Shares issued upon exercise of options will rank equally in all respects with the Company's then existing fully paid ordinary shares. Within 10 business days after the issue of Shares upon exercise of options, the Company will apply to the ASX for those Shares to be admitted to quotation.

Participation rights: Holders of options may only participate in a new issue of securities to holders of ordinary shares in the Company if an option has been exercised and a Share issued in respect of that option before the record date for determining entitlements to the new issue, and the participation shall only be in respect of such Share issued. The Company must give holders of options at least 6 business days' notice of the record date for determining entitlements to that new issue in accordance with the ASX Listing Rules.

No change to option terms: There will be no change to the exercise price of an option or the number of Shares over which an option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to holders of ordinary shares in the Company (other than a bonus issue in which case the exercise price of an option will be adjusted down accordingly).

Reorganisation of capital: In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, all of the options will be reorganised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.

PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the *Corporations Act 2001*, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00 p.m. (AEDST) on 23 November 2009 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
2. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and forms part of this Notice of Meeting.
3. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
4. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Computershare Investor Services Pty Ltd in accordance with the instructions set out in the proxy form by no later than 2pm (AEDST) on 23 November 2009.

Dated: 20 October 2009

By the order of the Board



Melanie Leydin
Company Secretary

STRATEGIC ENERGY RESOURCES LTD

Appointment of proxy

All Registry communication to:
 Advanced Share Registry Ltd
 150 Stirling Highway
 Nedlands WA 6009
 PO Box 1156
 Nedlands WA 6909
 Telephone : (08) 9389 8033
 Facsimile: (08) 9389 7871
 Website: www.advancedshare.com.au
www.sequeresources.com

If you propose to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

For personal use only



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I/We being a member(s) of STRATEGIC ENERGY RESOURCES ACN 051 212 429 and entitled to attend and vote hereby appoint.

A the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 2.00pm on Wednesday, 25 November 2009 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received at the Company's registered office no later than 48 hours before the meeting.

If you appoint the Chairman of the Meeting as your proxy you acknowledge that in acting as your proxy the Chairman may exercise your undirected proxy votes (if you do not specify below how your proxy is to vote) even if he or she has an interest in the outcome of the resolution which carries a voting exclusion providing that votes cast by him or her other than as a proxyholder will be disregarded because of that interest. The Chairman intends to vote undirected proxies **IN FAVOR** of each resolution.

Should you desire to direct your proxy how to vote on any resolution please insert in the appropriate box below.

| | For | Against | Abstain* |
|----------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 Adoption of Remuneration report. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Election of Mr Kim McGrath | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Election of Mr Mark Muzzin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Election of Mr Glenister Lamont | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 Appointment of Company Auditor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 Grant Options to Mr Kim McGrath | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 Grant Options to Mr Mark Muzzin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 Grant Options to Mr Glenister Lamont | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 Non - Executive Directors 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.

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

| | | |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Securityholder 1 (individual) <input style="width: 95%; height: 25px;" type="text"/> | Joint Securityholder 2 (individual) <input style="width: 95%; height: 25px;" type="text"/> | Joint Securityholder 3 (individual) <input style="width: 95%; height: 25px;" type="text"/> |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

Contact Name _____ Contact Daytime Telephone or Email _____ Date ____/____/____

Proxy Instructions

Generally

A shareholder entitled to attend and vote at the Annual General Meeting convened by the Notice is entitled to appoint not more than 2 proxies to vote on the shareholder's behalf. A proxy need not be a shareholder. The proxy appointment may be a standing appointment for all general meetings until it is revoked. Additional proxy forms are available from the Company.

If a representative of a shareholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate may be obtained from the Company's share registry by calling +61 8 9389 8033.

Appointing Two Proxies

A shareholder entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed, if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes. Fractions of votes will be disregarded.

Signing Instructions

Individuals: The shareholder must sign personally.

Joint Holding: If the holding is in more than 1 name, all of the shareholders must sign.

Company: 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) 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 sign in the appropriate place to indicate the office held.

Power of Attorney: The attorney must sign and the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

Lodgement of a Proxy

Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be lodged at, or sent by facsimile transmission to, the offices of the Company so that it is received no later than 11.00am (AEDST), 23 November 2009.

Documents may be lodged:

| | |
|------------------|-----------------------------------------------------------------------------------------------------------------|
| IN PERSON | Share Registry – Advanced Share Registry, 150 Stirling Highway Nedlands WA 6009, Australia Registered Office |
| BY MAIL | Share Registry - Advanced Share Registry, PO Box 1156, Nedlands WA 6909, Australia |
| BY FAX | +61 8 9389 7871 |

Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form and sign it. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an "X") should advise your broker of any changes. You cannot change ownership of your shares using this form.

For personal use only