

ECHO RESOURCES LIMITED
ACN 108 513 113

NOTICE OF GENERAL MEETING

TIME: 10.00am (WST)

DATE: 23 October 2012

PLACE: CWA House, 1176 Hay St West Perth WA

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact Graham Anderson on 08 9322 2700.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The general meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 23 October 2012 at:

Country Woman's Association House Meeting Room
1176 Hay Street,
West Perth WA 6005.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of Shareholders will be held at 10.00am (WST) on 23 October 2012 at the Country Woman's Association House Meeting Room, 1176 Hay Street, West Perth WA 6005.

This Notice has been prepared by the Company to comply with rule 11.2 of the Company's constitution and the Corporations Act following receipt by the Company of a requisition of a meeting for the removal of Directors pursuant to section 249D of the Corporations Act and receipt by the Company of a notice of a resolution that Shareholders propose to move at a general meeting pursuant to section 249N of the Corporations Act.

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

It has been determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00pm (WST) on 23 October 2012.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

1. Resolution 1 – Removal of Mr Graham Anderson as a Director

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

“That, pursuant to the power under clause 13.6 of the Company's Constitution and s203D of the Corporations Act 2001 (Cth), Mr Graham Anderson be removed as a director of the Company, on the terms and conditions set out in the Explanatory Statement.”

2. Resolution 2 – Removal of Mr Simon Owen as a Director

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

“That, pursuant to the power under clause 13.6 of the Company’s Constitution and s203D of the Corporations Act 2001 (Cth), Mr Simon Owen be removed as a director of the Company, on the terms and conditions set out in the Explanatory Statement.”

3. Resolution 3 – Removal of Dr Ernst Kohler as a Director

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

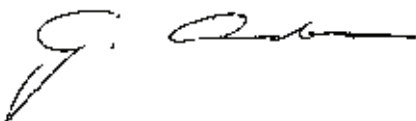
“That, pursuant to the power under clause 13.6 of the Company’s Constitution and s203D of the Corporations Act 2001 (Cth), Dr Ernst Kohler be removed as a director of the Company, on the terms and conditions set out in the Explanatory Statement.”

4. Resolution 4 – Ratification of Previous Share Issue

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 6,500,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of Resolution 4, the Company will disregard any votes cast on Resolution 4 by any person who participated in the issue and any of their associates, unless 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 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).



Graham Anderson
Chairman
Echo Resources Limited
18 September 2012

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.00am (WST) on 23 October 2012 at Country Woman's Association House Meeting Room, 1176 Hay Street, West Perth WA 6005.

Section 249D of the Corporations Act provides that the directors of a company must call and arrange to hold a general meeting on the request of members holding not less than 5% of the votes that may be cast at the general meeting. The meeting must be called within 21 days after, and the meeting is to be held no later than two months after, the date the request is given to the company.

However, any resolution to remove directors of a public company must be notified to the company pursuant to section 203D of the Corporations Act otherwise the resolutions are invalid and, consequently, a section 249D requisition seeking only to put resolutions to members concerning removal of directors would be defective.

On 23 July 2012, a notice pursuant to Section 249D and Section 203D of the Corporations Act was received from Mr Nicholas Robert Gyngell, representing more than 5% of the Shares of the Company, requiring the Company to convene a Shareholder's meeting to remove Mr Graham Anderson and Mr Simon Owen as Directors. Mr Gyngell was one of the small number of shareholders whose proxy was in favour of the previous unsuccessful resolutions held on 21 June 2012.

Notice for Removal of Dr Kohler as a Director

As a consequence of the further shareholder requisition detailed above, as well as a number of other matters set out in the Explanatory Statement in support of Resolution 3, a notice of intention to move a resolution for removal of a director pursuant to Section 203D(2) of the Corporations Act and Section 249CA of the Corporations Act was received by the Company from Mr Graham Anderson, requiring the Company to include a resolution in this Notice of Meeting to remove Dr Ernst Kohler as a Director (see Resolution 3).

1. RESOLUTIONS 1 & 2 – Removal of Mr Graham Anderson and Mr Simon Owen as Directors

Background

A notice was issued pursuant to section 249D and section 203D of the Corporations Act in connection with this Meeting by Mr Gyngell in response to the unsuccessful attempt by Dr Kohler to remove Mr Anderson and Mr Owen in the general meeting held on 21 June 2012.

The notice was executed by the following party:

Name	Number of Shares held at the date of notice
Nicholas Robert Gyngell	5,390,692

Resolutions 1 and 2 are put to Shareholders to consider the removal of Mr Graham Anderson and Mr Simon Owen as Directors of the Company.

The Company provides the following information to assist Shareholders.

Graham Anderson, Chairman

Graham is a Chartered Accountant with over 25 years of commercial and corporate experience. He was Corporate Services Partner for 10 years with National Accounting firm Horwath before establishing GDA Corporate in 1999. He has been either Chairman or Non Executive Director of a number of publicly listed companies as well as company secretary for over a dozen ASX Listed Companies over the past 10 years. He has strong expertise in Accounting Standards, Corporate Governance, the Corporations Act and ASX Listing Rules.

Mr Anderson is currently the Chairman and Company Secretary of ASX listed company, Oakajee Corporation Limited, Director and Company Secretary of Pegasus Metals Limited, Director of Mako Hydrocarbons Ltd and APA Financial Services Ltd and Company Secretary to a number of other publicly listed companies.

Mr Anderson has been a Director of Echo since 25 March 2004 and also the founder of the Company, successfully listing the Company in 2006.

Simon Owen, Non-Executive Director

Mr Owen has over 22 years experience as a corporate and commercial lawyer and corporate advisor, much of it the resources industry, both within Australia and internationally. He is a partner of Gadens Lawyers (WA) and currently heads that firm's Corporate Division. He has been both executive director and non-executive director of a number of listed and unlisted public companies.

Simon is currently Executive Vice President of Mako Hydrocarbons Ltd which is an ASX listed company with petroleum operations in Canada. In the last 18 months, Simon has been instrumental in the reconstruction of Mako, its raising of over \$14 million and its acquisition of a large land position in a light oil and liquids rich natural gas bearing terrain in Western Canada. Mako has recently become a petroleum producer. As a Director of Echo, Simon not only brings his legal and commercial expertise to the Company, he provides extensive experience of capital markets, business development and corporate governance to its Board.

Mr Owen has been a Director of Echo since 25 November 2011.

Under section 201A(2) of the Corporations Act and rule 13.1 of the Constitution, the Company must have at least 3 directors (not counting alternate directors). The Company currently has 3 directors. Accordingly, should Resolutions 1 or 2 be passed, the relevant Director will not be removed from office unless and until additional appointments are made by the Company to satisfy the above requirements.

NED'S RESPONSE TO RESOLUTIONS FOR REMOVAL

Messrs Anderson and Owen recommend that shareholders VOTE AGAINST Resolutions 1 and 2 and VOTE FOR Resolution 3.

Messrs Anderson and Owen refer shareholders to their comments below in support of their recommendation to shareholders.

Mr Anderson and Mr Owen ("**NEDs**") are disappointed that shareholders will be asked to vote again considering shareholders overwhelmingly rejected identical resolutions at the General Meeting held on 21 June 2012 which was called at the request of Dr Kohler.

Shareholders should also refer to information provided in relation to Resolution 3 in considering their votes on Resolutions 1 and 2.

The Chairman does not intend to vote undirected proxies on Resolutions 1, 2 and 3.

2. RESOLUTION 3 – Removal of Dr Ernst Kohler as Director

Background

A notice of intention to move a resolution for removal of a director pursuant to Section 203D(2) of the Corporations Act and Section 249CA of the Corporations Act was received by the Company from Mr Graham Anderson requesting that Resolution 3 be put to Shareholders to consider the removal of Dr Ernst Kohler as a Director of the Company.

Under section 201A(2) of the Corporations Act and rule 13.1 of the Constitution, the Company must have at least 3 directors (not counting alternate directors). The Company currently has 3 directors. Accordingly, should Resolution 3 be passed, Dr Kohler will not be removed from office unless and until an additional appointment is made by the Company to satisfy the above requirements.

The Company provides the following information to assist Shareholders:

NED'S COMMENTS IN SUPPORT OF THE RESOLUTION TO REMOVE DR KOHLER AS A DIRECTOR – SECTION 203D(4) OF THE CORPORATIONS ACT

This decision to request shareholders to remove Dr Kohler as a Director has not been reached lightly, but in the months prior to and since Dr Kohler was removed as Managing Director, Dr Kohler has not cooperated as a Board member and the Company has been unable to move forward.

Briefly the following has taken place:

On 4 April 2012, Dr Kohler was removed as Managing Director of the Company. The reasons for this decision are in the public domain.

On 10 April 2012, The Company announced to ASX that it had received a notice from Dr Kohler to remove Mr Anderson and Mr Owen as Directors of the Company. The company also announced that it had received a letter from Dr Kohler stating that it was his intention to resign from the Board of the Company if the Resolutions to remove the other two Directors at the meeting.

Discussions at Board level continued, but no different position was agreed and a Notice of General Meeting was released to ASX on 21 May 2012.

The General Meeting was held on 21 June 2012. At that meeting, the two Resolutions put forward at Dr Kohler's request, that is to remove Mr Anderson and Mr Owen were clearly defeated on shows of hands. The valid Proxies for both Resolutions were 2,090,120 for and 30,143,070 against. There was no call for the Proxies to be voted. Several late Proxies were

rejected, but even if these had been included the result would have been the same; namely Graham Anderson and Simon Owen remained on the Board.

At the Meeting Dr Kohler was asked to tender his resignation as a Director as he had said he would if the above result came to pass. Dr Kohler refused to resign and has not resigned as a Director to this date.

In the subsequent weeks, the majority of the Board tried to negotiate in good faith with Dr Kohler to move the Company forward.

On 16 July 2012, the NED's requested Dr Kohler provide a range of information and assistance to them in relation to the company for consideration at a Board meeting to be held on 24 July 2012. This included:

- Assisting with an independent strategic review of the company's projects to have been performed by Tony Martin, an independent geological and management consultant, including access to drilling information, historical data, geological models and interpretations;
- Details of the company's proposed exploration program and associated budget, including details of approved government co-funding ;
- Details of the names of candidates for consideration as potential Board appointees; and
- A first draft of the Quarterly Activities Report for the June Quarter.

Dr Kohler refused to provide any information to the NED's at the Board meeting held on 24 July 2012 as well as refusing to answer questions in relation to this refusal to provide information. Consequently at that meeting the NED's terminated the authority of Dr Ernst Kohler to provide any Executive Services on behalf of the Board and the Company appointed Mr Tony Martin as Interim Chief Executive Officer of the Company effective immediately.

Mr Martin's prime role in this appointment was to review and manage the technical direction and overall management of the Company and provide strategic advice to the Board. He was also to assist the Board to identify and appoint an appropriate management team including a new full time CEO.

Following this Board meeting, the NED's continued to discuss various alternatives for an ongoing and workable Board including several proposals where Dr Kohler could remain with the Company with an executive exploration position. Several highly qualified people have been put forward as potential Directors of your Company as part of these proposals. Dr Kohler has, however, rejected all proposals that have put to him in this regard.

Dr Kohler has also refused to provide any geological or technical information to the Mr Martin in his role as Interim CEO.

Consequently the NED's are seeking Dr Kohler's removal as a Director to allow them to create a new Board to carry the company forward. A number of highly credentialed candidates have expressed a desire to join the Board in the event that shareholders vote to remove Dr Kohler from the Board. These candidates however have indicated that they do not wish to be put forward until such time as Dr Kohler is removed as a Director. The NED's

envisage that the appointment of replacement Board members will be made within 24 hours of completion of the meeting of shareholders.

Resolution 4 - Ratification of Previous Share Issue

In the previous 12 months, the Company has issued equity securities to the parties detailed below. These shares rank pari passu with existing Shares on issue.

Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under this Resolution, the Company seeks from Shareholders approval for, and ratification of, the issues of securities set out below so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities in the next 12 months.

6,500,000 fully paid ordinary shares in the capital of the Company were issued to sophisticated investor clients of Patersons Securities Limited on 26 July 2012 at a price of 4.5 cents per share.

The Company issued the shares under the placement to fund an exploration drilling program and provide working capital. The NED's believe that the ratification of this issue is beneficial for the Company.

The NED's recommend Shareholders vote in favour of Resolution 4 as it allows the Company to ratify the above issue of Shares and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

Mr Kohler advises he did not consent to the placement and abstains from making any recommendation in respect of the ratification of this issue.

The Chairman intends to vote undirected proxies in favour of this Resolution.

GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company or Echo means Echo Resources Limited (ACN 108 513 113).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting or Meeting means the meeting convened by the Notice.

NED means non-executive director.

Notice or Notice of Meeting or Notice of General Meeting means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ECHO RESOURCES LIMITED
ACN 108 513 113
 14 Emerald Terrace, West Perth WA, 6005

Shareholder Details

Name:
 Address:
 Contact Telephone No:
 Contact Name (if different from above):
 Email Address:

Appointment of Proxy

I/We being a shareholder/s of Echo Resources Limited and entitled to attend and vote hereby appoint

The Chairman
of the meeting

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

(mark with an 'X')

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and 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 (subject to below)) at the General Meeting of Echo Resources Limited to be held at CWA House, 1176 Hay Street, West Perth WA 6005 on 23 October 2012 at 10.00am (WST) and at any adjournment of that meeting.

The Chairman will not cast undirected proxies for Resolutions 1, 2 or 3 and your votes will not be counted in computing the required majority if a poll is called for any of Resolutions 1, 2 or 3.

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

Special Business

		For	Against	Abstain*
Resolution 1	Removal of Mr Graham Anderson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Removal of Mr Simon Owen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Removal of Dr Ernst Kohler as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of previous share issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular Resolution, 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.

Appointment of a second proxy (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

 %

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

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

ECHO RESOURCES LIMITED

ACN 108 513 113

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(New sections):** New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.
5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Echo Resources Limited, PO Box 389, West Perth WA 6872; or
 - (b) deliver in person to Echo Resources Limited, 14 Emerald Terrace, West Perth WA 6005
 - (c) facsimile to the Company on facsimile number **+61 8 9322 7211**,

so that it is received not less than 48 hours prior to commencement of the Meeting.
Proxy forms received later than this time will be invalid.

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