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NOTICE OF ANNUAL GENERAL MEETING

Venue: Dyesol Limited
3 Dominion Place
Queanbeyan NSW 2620

Date: Friday, 30 November 2012

Time: 10:00am (EDST)

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Dyesol Limited
ACN 111 723 883

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Dyesol Limited (Company) will be held at:

Venue: Dyesol Limited
3 Dominion Place
Queanbeyan NSW 2620

Date: Friday, 30 November 2012

Time: 10:00am (EDST)

This Notice of Meeting (Notice) should be read in conjunction with the accompanying Explanatory Statement.

Agenda

Financial and Other Reports - Year Ended 30 June 2012 (no resolution required)

To receive and consider the financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2012.

Resolution 1 - Adoption of Remuneration Report

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

"That the Remuneration Report of the Company (as contained in the Directors' Report) for the year ended 30 June 2012 be adopted."

Resolution 2 - Re-election of Mr Ian Neal as Director

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

"That Mr Ian Neal, who retires by rotation in accordance with clause 13.2 of the Company's Constitution, and who offers himself for re-election, is re-elected as a Director."

Resolution 3 - Re-election of Mrs Sylvia Tulloch as Director

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

"That Mrs Sylvia Tulloch, who retires by rotation in accordance with clause 13.2 of the Company's Constitution, and who offers herself for re-election, is re-elected as a Director."

Resolution 4 - Ratification of Previous Share Issue

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

"That for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the issue of 5,927,778 Shares made on 30 March 2012 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

However, the Company 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 direction 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.

Resolution 5 - Ratification of Previous Share Issues

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

"That for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the issue of 6,901,025 Shares (Bergen Shares) to Bergen Global Opportunity Fund, LP (Bergen) which falls within one or more of the classes of exemptions specified in section 708 of the Corporations Act."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

However, the Company 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 direction 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.

Resolution 6 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company 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 direction 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.

Resolution 7 - Appointment of Grant Thornton Audit Pty Ltd as Auditor

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

"That the appointment of Grant Thornton Audit Pty Ltd as auditor for Dyesol Limited be ratified by the members."

Explanatory Statement

The Explanatory Statement accompanying this Notice is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice and the Explanatory Statement.

NOTICE OF ANNUAL GENERAL MEETING

Proxies

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (e.g. "the Company Secretary").
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Voting Entitlements

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 8:00 p.m. (EDST) on Wednesday, 28 November 2012 will be entitled to attend and vote at the Annual General Meeting.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative.

BY ORDER OF THE BOARD

Kim Hogg
Company Secretary
31 October 2012

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Dyesol Limited (**Company**).

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

Financial Statements and Reports

Under the Corporations Act, the Directors of the Company must table the financial report, the directors' report and the auditor's report for Dyesol Ltd for the year ended 30 June 2012 at the meeting.

These reports are set out in the 2012 Annual Report. Shareholders who have elected to receive a printed copy of annual reports should have received the 2012 Annual Report with this Notice of Annual General Meeting. In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the 2012 Annual Report is available on the Company's website at the following address: www.dyesol.com.au.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the financial report, the directors' report and the auditor's report.

Resolution 1 - Remuneration Report

The Directors submit the Remuneration Report to shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report is set out in the Directors' Report in the 2012 Annual Report. The Remuneration Report sets out the policy for the remuneration of Directors and executives of the Company.

Voting intention

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 1.

Voting prohibition statement

The Company will disregard any votes cast on Resolution 1 by Key Management Personnel or their Closely Related Parties.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Resolution 2 - Re-election of Mr Ian Neal as Director

Clause 13.2 of the Constitution requires that at every annual general meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Neal retires by rotation and seeks re-election.

Mr Neal works with entrepreneurs and CEOs to help them grow their businesses. He is a Chairman for The Executive Connection, is a Board member of Prime Media Group Limited as well as a number of private companies.

He was a Co-founder and Managing Director of Nanyang Ventures until 2004. This business made investments in 27 high growth private companies across a range of industries from high technology to advanced manufacturing. During his time at Nanyang Mr Neal specialised in working closely with the entrepreneurs and their top executive team to grow the value of the enterprise.

Mr Neal is a past National President of The Securities Institute of Australia and is a Life Member of FINSIA. He is also a member of the school Council at Kambala. He was intimately involved with the Securities Institute's education program for over 20 years and helped develop and deliver courses and programs across many subject areas as well as being involved with the Training and Masters programs.

Directors' Recommendation

The Board (other than Mrs Sylvia Tulloch and Mr Neal) recommends shareholders vote in favour of the Resolution.

Voting Intention

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

Resolution 3 - Re-election of Mrs Sylvia Tulloch as Director

Clause 13.2 of the Constitution requires that at every annual general meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mrs Tulloch retires by rotation and seeks re-election.

Mrs Tulloch was the founding Managing Director of Dyesol, and is the named inventor of several of Dyesol's patents. She is a materials scientist with over twenty years' experience in establishment and management of high technology business, with a particular interest in the commercialisation process. She holds a MSc degree from the University of NSW.

Mrs Tulloch was a director of Tulloch Management Pty Ltd (TMPL) when it entered into a loan agreement with the Company in May 2011. The loan was intended to be at arm's-length and was entered into by the Company in good faith with an agreed and unconditional maturity date of March 31 2012. When the loan was not repaid, the Company attempted to negotiate a scheduled repayment, however this was ignored and Dyesol was left with no commercial alternative other than to have TMPL placed in liquidation. This unresolved conflict has made the position of Mrs Tulloch as a Dyesol Limited Director inappropriate and, in the opinion of the non-founder Directors, untenable.

Directors' Recommendation

The Board (other than Mrs Tulloch) recommends shareholders vote against the Resolution.

Voting Intention

The Chairman of the meeting intends to vote undirected proxies against the Resolution.

EXPLANATORY STATEMENT

Resolution 4 - Ratification of Previous Share Issue

On 30 March 2012 the Company issued 5,927,778 ordinary fully paid shares in the Company at an issue price of \$0.18 per Share to sophisticated investors.

Subject to certain exceptions, ASX Listing Rule 7.1 prohibits a company from issuing securities without shareholder approval in any 12 month period where the number of securities issued would exceed 15% of the number of fully paid ordinary securities in the company 12 months prior to the proposed issue.

Within the 15% limit, the Company has flexibility to issue further shares by way of placements to raise additional capital (if this is thought desirable), without the need for shareholder approval.

Under Listing Rule 7.4, it is possible for Shareholders to approve an issue of securities after the event. This has the effect of "refreshing" the Company's ability to issue shares within the 15% limit, and restores the Company's ability to make placements (if that is thought desirable) without the need for Shareholder approval. The Directors consider it desirable that the Company maintain its flexibility to make placements of shares without seeking Shareholder approval, if the need or opportunity arises.

Resolution 4 seeks Shareholder approval under Listing Rule 7.4 for the issue of the 5,927,778 Shares. Listing Rule 7.5 sets out the information required to be disclosed to Shareholders when seeking this approval. The information set out below is intended to satisfy this requirement:

- (a) The number of securities issued was 5,927,778 Shares.
- (b) The issue price of the Shares was \$0.18 each.
- (c) The Shares issued rank equally in all respects with the existing fully paid ordinary shares in the Company.
- (d) The Shares were issued to sophisticated investors, principally existing sophisticated investor shareholders. No party who would otherwise require approval under ASX Listing Rule 10.11 participated in this issue.
- (e) The funds raised were used to supplement the Company's working capital.

Directors' Recommendation

The Board believes that refreshing the Company's ability to issue shares within the 15% limit is in the best interests of the Company, thereby maintaining its flexibility to make placements of securities without seeking shareholder approval if the need or opportunity arises. Accordingly, the Board recommends Shareholders vote in favour of the resolution.

Voting Intention

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

Resolution 5 - Ratification of Previous Share Issues

As announced to the market on 2 December 2011, the Company entered into a Share Purchase and Convertible Security Agreement (**Facility**) with Bergen Global Opportunity Fund, LP (**Bergen**). The Facility was structured to allow Dyesol to access between \$14.4 million and \$21.6 million in funds over a three-year period in monthly instalments, subject to a number of terms and conditions.

Between December 2011 and May 2012, the Company received a total of \$1.6 million in cash from Bergen. However, in May 2012, Dyesol decided to buy back the remaining convertible notes held by Bergen following completion of the Company's capital raising at the end of March 2012. The action was undertaken to help relieve downwards pressure on the Company's Share price and in response to its improved financial position.

Over the life of the Facility, the Company issued a total of 6,901,025 Shares to Bergen as follows:

Date	No. of Shares	Details
December 2011	1,300,000	Facility collateral shares (see Note 1 below)
January 2012	1,667,361	\$400,000 cash received
February 2012	2,074,689	\$400,000 cash received
March 2012	1,249,219	Partial redemption of convertible security (see Note 1 below)
April 2012	609,756	Partial redemption of convertible security (see Note 1 below)

Note 1

At commencement of the Facility, 1,300,000 Shares were issued as facility collateral shares. At the same time, \$800,000 in cash was advanced to the Company by Bergen by way of a convertible security (Security). The Security was convertible at the option of Bergen at any time during its term. When it was decided to terminate the Facility, it was agreed that the redemption of the Security would be partially achieved through the use of the collateral shares (equating to a value of \$203,580). The balance of the Security was redeemed through the share issues in March and April 2012 and a cash payout for the balance remaining.

The Company seeks that Shareholders ratify the issue of Shares to Bergen pursuant to Listing Rule 7.4. Listing Rule 7.4 enables the shareholders of a company to ratify an issue of securities provided that the issue does not fall within one of the exceptions to Listing Rule 7.1 and did not breach the 15% restriction contained in Listing Rule 7.1.

If the issues are ratified by this Resolution then the Company will be entitled to issue further securities in accordance with the terms and restrictions of Listing Rule 7.1.

Listing Rule 7.5 sets out the information required to be disclosed to Shareholders when seeking this approval. The information set out below is intended to satisfy this requirement:

- (a) The number of securities issued and the issue price of the securities was as follows:
 - 1,300,000 Shares - \$0.1566 per Share;
 - 1,667,361 Shares - \$0.2399 per Share;
 - 2,074,689 Shares - \$0.1927 per Share;
 - 1,249,219 Shares - \$0.1601 per Share;
 - 609,756 Shares - \$0.1640 per Share.
- (b) The Shares issued rank equally in all respects with the existing fully paid ordinary Shares in the Company.
- (c) The securities were issued to Bergen Global Opportunity Fund, LP.
- (d) The funds raised were used to supplement the Company's working capital.

Directors' Recommendation

The Board believes that refreshing the Company's ability to issue Shares within the 15% limit is in the best interests of the Company, thereby maintaining its flexibility to make placements of securities without seeking shareholder approval if the need or opportunity arises. Accordingly, the Board recommends Shareholders vote in favour of the resolution.

Voting Intention

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

EXPLANATORY STATEMENT

Resolution 6 – Approval of 10% Placement Facility

Resolution 6 seeks Shareholder approval in accordance with Listing Rule 7.1A, which enables eligible entities to issue Equity Securities of up to 10% of their issued share capital (**10% Placement Facility**) through placements over a 12 month period upon approval at an annual general meeting. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on deferred settlement basis).

The Company is an eligible entity.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. Further information on the formula is set out below.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue only one class of Equity Securities, being Shares.

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1. Shareholder approval of the 10% Placement Facility is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (b) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

- A is the number of fully paid shares on issue 12 months before the date of issue or agreement:
- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - plus the number of partly paid shares that became fully paid in the 12 months;
 - plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

Minimum Issue Price

The issue price of Equity Securities under Listing Rule 7.1A must be no lower than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) if Resolution 6 is approved by Shareholders and the Company issued Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - i. the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below illustrates the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- i. two examples where 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (e.g. a pro rata entitlement issue) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% against the current market price.

EXPLANATORY STATEMENT

Variable "A" in Listing Rule 7.1A.2		Dilution		
		Issue Price of 5.5 cents (half the current market price)	Issue Price of 11 cents (current market price)	Issue Price of 22 cents (double the current market price)
Current Variable A		19,604,460 Shares issued (10% dilution)		
196,044,602 Shares	<i>Funds raised</i>	\$1,078,245	\$2,156,491	\$4,312,981
50% increase in current Variable A		29,406,690 Shares issued (10% dilution)		
294,066,903 Shares	<i>Funds raised</i>	\$1,617,368	\$3,234,736	\$6,469,472
100% increase in current Variable A		39,208,920 Shares issued (10% dilution)		
392,089,204 Shares	<i>Funds raised</i>	\$2,156,491	\$4,312,981	\$8,625,962

The table has been prepared on the following assumptions:

- i. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - ii. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issues. This is why the voting dilution is shown in each example as 10%.
 - iii. This table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - iv. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - v. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - vi. The issue price is 11 cents, being the closing price of Shares on ASX on 8 October 2012.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- i. non-cash consideration for the acquisition of new assets and investments or for the purposes of securing potential joint venture transactions for technology projects that may be finalised during the course of the year. In such circumstances the Company will provide valuation details of the non-cash consideration as required by Listing Rule 7.1A.3; or

- ii. cash consideration. In such circumstances, the Company intends to use the funds raised towards possible acquisitions of new assets or investments (including expenses associated with such an acquisition), contributions under joint venture arrangements with development partners and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy will be dependent on the purpose of the proposed issue and the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities, where the issue is made for cash consideration, will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- ii. the effect of the issue of the Equity Securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial and broking advisors (if applicable).

The Company notes that:

- i. any funds raised from the issue of Equity Securities under the 10% Placement Facility are likely to be applied towards the Company's contributions under joint venture arrangements with development partners and/or general working capital;
- ii. it is not possible to determine whether any existing Shareholders would be invited to apply for any Equity Securities under the 10% Placement Facility, or determine the category of any new investors that may be invited to participate in such a fundraising. The allottees may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company; and
- iii. prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing Shareholders at that time.

Further, where the issue is made for non-cash consideration, it is likely that the allottees under the 10% Placement Facility would be the vendors of the new assets or the proposed joint venture partners.

- (f) The Company has not previously obtained shareholder approval under Listing Rule 7.1A.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

EXPLANATORY STATEMENT

Resolution 7 - Appointment Of Grant Thornton Audit Pty Ltd As Auditor

Resolution 7 seeks the appointment of Grant Thornton Audit Pty Ltd as the auditor of the Company. The audit was previously conducted by BDO Audit (NSW-VIC) Pty Ltd. BDO Audit (NSW-VIC) Pty Ltd resigned as auditor and the Directors appointed Grant Thornton Audit Pty Ltd to fill the vacancy pursuant to section 327C(1) of the Corporations Act 2001. This appointment is effective until this annual general meeting.

Section 327C of the Corporations Act 2001 provides that a company shall at each annual general meeting, if there is a vacancy in the office of auditor of the company, appoint an auditor to fill the vacancy. The Directors wish to ratify the previous appointment of Grant Thornton Audit Pty Ltd as auditor of Dyesol Limited and seek this appointment to be made by the members.

Gordon Thompson and Ian Neal, members of the Company, have nominated Grant Thornton Audit Pty Ltd as auditor of the Company, pursuant to section 328B of the Corporations Act 2001. Grant Thornton Audit Pty Ltd is eligible and has consented to being appointed auditor of the Company as required by section 328A of the Corporations Act 2001. Pursuant to sub-section 328B(3) of the Corporations Act 2001, the written notice nominating Grant Thornton Audit Pty Ltd as auditor is attached to this Explanatory Statement as Annexure A.

GLOSSARY

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations.

Company or **Dyesol** means Dyesol Limited (ACN 111 723 883).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a current director of the Company.

EDST means Eastern Daylight Savings Time.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means this explanatory statement accompanying the Notice of Annual General Meeting.

Key Management Personnel means those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise), as defined in the Corporations Act.

Listing Rules means the Listing Rules of ASX.

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

Shareholder means a member of the Company, as defined in the Constitution of the Company.

ANNEXURE A

10 October 2012

The Company Secretary
Dyesol Limited
3 Dominion Place
Queanbeyan NSW 2620

Dear Sir

Re: Nomination of Auditor

We, Gordon Thompson and Ian Neal, as shareholders of Dyesol Limited, nominate Grant Thornton Audit Pty Ltd as auditor of the Company, pursuant to section 328B of the Corporations Act 2001 (Cth).

Yours sincerely



Gordon Thompson



Ian Neal

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 DYE
MR SAM SAMPLE
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123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00 am (EDST) Wednesday 28 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged 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, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Dyesol Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Dyesol Limited to be held at Dyesol Limited, 3 Dominion Place, Queanbeyan, NSW on Friday, 30 November 2012 at 10.00 am (EDST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise proxies on remuneration-related matters: If I/we appoint the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Item 1 even though that item is connected directly or indirectly with the remuneration of a member of key management personnel of Dyesol Limited, which includes the Chairman. I/we acknowledge that if the Chairman of the Meeting is my/our proxy and I/we have not marked any of the boxes opposite Item 1, the Chairman of the Meeting intends to vote my/our proxy in favour of Item 1.

You can direct the Chairman how to vote by marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting).

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr Ian Neal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director - Mrs Sylvia Tulloch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Previous Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Previous Share Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business, except Item 3, the re-election of Mrs Sylvia Tulloch, which the Chairman intends to vote against.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

DYE

1 5 7 2 5 7 A

Computershare +