

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a meeting of members of SomnoMed Limited (the "Company") will be held at the Austin Room, Level 8, 1 Alfred St, Sydney, NSW 2000 on Monday 22nd November 2010 at 11am for the purpose of transacting the business set out in this Notice.

BUSINESS

Item 1– Financial Statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30th June 2010.

Item 2– Remuneration Report

To adopt the Remuneration Report for the year ended 30th June 2010.

Item 3- Election of Director- (Mr Paul Hopper)

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

"That Mr Paul Hopper being a Director who retires by rotation, in accordance with the Company's Constitution, and being eligible, be re-elected as a Director of the Company."

Appointment of Proxy

- (a) A member who is unable to attend and vote at the meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below. The proxy need not be a member of the Company.
- (b) If a member wishes to appoint a proxy, and is entitled to cast 2 or more votes, then the member may appoint 2 proxies, and may specify the proportion or number of votes each proxy may cast.
- (c) A proxy form (and the power of attorney (if any) under which it is signed) must be received at the registered office of the Company not less than 48 hours before the time of the holding of the meeting:
 - By hand: Registries Limited - Level 7, 207 Kent Street, Sydney, NSW, 2000
 - By mail: Registries Limited - GPO Box 3993, Sydney NSW, 2001
 - By facsimile: (02) 9279 0664

Corporate Representatives

Corporate members must either:

- appoint a proxy as set out above; or
- appoint a body corporate representative in accordance with the Corporations Act.

The appointment of a body corporate representative must be produced at the meeting.

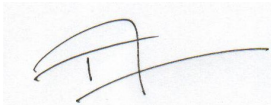
Entitlement to Vote

For the purpose of the meeting, those members holding shares at 7pm on 19th November 2010 will be voting members at the meeting.

Further Information

This Notice should be read in conjunction with the Explanatory Note.

By the Order of the Board of Directors.



T. A. Flitcroft
Company Secretary

Dated: 18th October 2010

EXPLANATORY NOTES ON ITEMS OF BUSINESS

Item 1: Financial Statements

As required by section 317 of the Corporations Act 2001 (Cth) (the "Act"), the Financial Report, the Directors' Report and the Auditor's Report of the Company for the most recent financial year will be laid before the meeting. Shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the management of the Company however, there will be no formal resolution put to the meeting.

Shareholders will also be provided with the opportunity to ask the representative of the Company's auditor questions about the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Item 2: Remuneration Report

The Directors' Report for the year ended 30 June 2010 contains a Remuneration Report, which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for Directors and certain senior executives.

The Act requires that the agenda for this Annual General Meeting include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company.

Shareholders will be provided with a reasonable opportunity to ask questions about and make comments on the Remuneration Report.

Item 3: Election of Director

Pursuant to the Company's Constitution, Mr Paul Hopper will retire as a Director at the Annual General Meeting and offers himself for re-election.

Mr. Hopper has over 20 years international experience in the management and funding of biotechnology and healthcare public companies, and has served on the Boards of more than a dozen public companies in the US, Asia and Australia. Mr. Hopper is a Director of pSivida Corp, an ophthalmic drug delivery company completing Phase 3 clinical trials.

Mr Hopper is also a Director of Fibrocell Science Inc., which has filed a BLA with the FDA for approval of an aesthetic & cosmetic cell technology, and he is the Chairman of Viralytics Limited, which is developing an oncolytic viral vaccine. Mr. Hopper is Managing Director at the Los Angeles investment bank, Cappello Group.

If re-elected, Mr Hopper will continue as a Director and be subject to retirement by rotation in accordance with the Company's Constitution.

The Board, with exception of Mr Hopper, unanimously recommends that Shareholders vote in favour of the re-election of Mr Hopper.