

**Cool or Cosy Limited
ACN 103 472 751**

**Notice of Annual General Meeting
to be held on 30 November 2010**

and

**Explanatory Memorandum
for the Notice of Annual General Meeting**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES
YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE
PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR
OTHER PROFESSIONAL ADVISER.**

**NOTICE OF THE ANNUAL GENERAL MEETING TO BE HELD
AT 36 COMPUTER ROAD, YATALA, QUEENSLAND AT 9:00 AM QUEENSLAND TIME ON
TUESDAY 30 NOVEMBER 2010
TO BE VALID, FORMS OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING MUST BE
COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
9:00 AM QUEENSLAND TIME ON 28 NOVEMBER 2010**

NOTICE OF ANNUAL GENERAL MEETING 2010
COOL OR COSY LIMITED ACN 103 472 751 ("Company")

Notice is hereby given that the Annual General Meeting of the members of Cool or Cosy Limited will be held at the offices of the Company at 36 Computer Road, Yatala, Queensland at 9:00 am (Queensland time) on Tuesday, 30 November 2010.

AGENDA

Ordinary Business

1. Financial Accounts and Reports

To receive the financial report for the year ended 30 June 2010, including the Directors' Declaration, Directors' Report and Audit Report.

2. Remuneration Report

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

"That the Company's Remuneration Report for the year ending 30 June 2010 be adopted"

Note: In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the directors or the Company. The Remuneration Report can be found on pages 11 to 20 of the Company's 2010 Annual Report.

3. Re-election of John Smith

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

"To re-elect as a director John Smith who retires in accordance with ASX Listing Rule 14.4 and clause 11.3 of the Company's Constitution, and being eligible offers himself for re-election".

Special Business

4. Change of Company Name

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

"That the name of the Company be changed to Intelligent Solar Limited".

5. Amendments to Constitution

That the Constitution of the Company be amended as follows:

- (a) deleting clauses 17.1 to 17.2 and inserting the following:

"17.1 Paying a dividend

The Directors may from time to time declare or decide that a dividend (whether interim, final or otherwise) is payable and fix the amount, the time for payment and the method of payment. A decision to pay a dividend may be revoked at any time before the Listed Securities are quoted on an ex-dividend basis in relation to the dividend."

- (b) in clause 17.2, inserting the words *"[Intentionally Deleted]"*;

- (c) in clause 17.3, deleting the words *"dividend, whether final or interim"* and replacing them with the word *"dividend"*;

- (d) in clause 17.4, after the word “*declaring*” inserting the words “*or deciding*”;
- (e) in clause 17.6, deleting the words “*ought not to be distributed as dividends*” and replacing them with the word “*prudent*”;
- (f) in clause 17.7, after the word “*declared*” inserting the words “*or decided*”;
- (g) in clause 17.15, after the word “*declare*” inserting the words “*or decide*”;
- (h) in clause 17.18, after the word “*declared*” inserting the words “*or decided*”.
- (i) in clause 18.1, after the words “*may capitalise profits*” insert the words “*or any amounts otherwise available for distribution to Members*”.

6. **Approval for the Issue of Shares Under the Share Purchase Plan**

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

“That approval is hereby given, for the purpose of ASX Listing Rule 7.1 and all other purposes, for the issue of up to 375,000,000 fully paid ordinary shares in the Company at an issue price of 2 cents under a Share Purchase Plan as described in the Explanatory Memorandum.”

Voting Exclusion: Subject to the following paragraph, the Company will disregard any votes cast on this Resolution by:

- (a) a person who may participate in the proposed issue as an underwriter; and
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; and
- (c) any associate of that person or persons.

The Company has sought that ASX grant a waiver from ASX Listing Rule 7.3.8 to permit the Company to not disregard votes on this Resolution by shareholders who may participate in the Share Purchase Plan as shareholders.

However, the Company need not disregard a vote if:

- (d) 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
- (e) 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.

7. **Approval to Issue Shares to Underwriters under the Share Purchase Plan**

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

“That, subject to Resolution 6 being passed and for the purpose of ASX Listing Rules 7.1 and for all other purposes, approval is hereby given for the issue of up to a maximum of 220,000,000 fully paid ordinary shares to underwriters of the Share Purchase Plan in the event of a shortfall at an issue price of 2 cents on the terms and conditions described in the Explanatory Memorandum.”

Voting Exclusion: The Company will, in accordance with the Listing Rules of the ASX Limited, disregard any votes cast on this Resolution by:

- (a) a person who may participate in the proposed issue; and
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed;
- (c) and any associate of that person or persons.

However, the Company need not disregard a vote if:

- (d) 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
- (e) 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.

GENERAL BUSINESS

To transact any business that may be properly brought before the meeting.

For further information, please refer to the Explanatory Memorandum which forms part of this Notice of Annual General Meeting.

By the Order of the Board



Robert Nicholls

Company Secretary

Dated: 29 October 2010

Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of shares if that person is registered as a holder of those shares at 9:00 am Queensland time on 28 November 2010.

Votes of members

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) shall have one vote for each share held by him, her or it provided that all shares are fully paid.

Proxies

Please note that:

- (a) a member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy may be in the form of the proxy form attached to this Notice of Annual General Meeting;
- (c) where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If a member appoints two proxies, and the appointment does not specify the proportion of the member's voting rights which each proxy may exercise, each proxy may exercise one-half of the voting rights;

- (d) a proxy need not be a member of the Company;
- (e) a proxy form may specify the manner in which the proxy is to vote in respect of a particular resolution and, where a proxy form so provides, the proxy is not entitled to vote on the resolution except as specified in the proxy form;
- (f) if a member appoints the Chairman of the meeting as the member's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that member, in favour of that item;
- (g) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the member gives a direction to the contrary;
- (h) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (i) to be valid, a proxy form must be signed or otherwise authenticated in a manner prescribed by law, by the member or the member's attorney or, if the member is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (j) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 9:00 am Queensland time on 28 November 2010:

with the Company:

- by mail: Share Registry – Registries Limited, GPO Box 3993,
Sydney NSW 2001 Australia

Or - by facsimile: + 61 2 9290 9655

Or - in person Share Registry – Registries Limited,
Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum contains the information needed for Cool or Cosy Limited's members to assess Resolutions 2 through 7 to be put to them at the Annual General Meeting of Cool or Cosy Limited on Tuesday, 30 November 2010. A Notice of Annual General Meeting accompanies this document.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting, should be read carefully and in their entirety.

2. Item 2 – Approval of the Remuneration Report

Under the Corporations Act 2001 (Cth) (**Corporations Act**), disclosure requirements for listed companies have been expanded to include within the Directors' Report a section known as the Remuneration Report. This report sets out the policy and disclosures relating to the remuneration of both directors and certain key executives. The report is set out on pages 11 to 20 of the Company's 2010 Annual Report.

The Company is required to put a resolution that the Remuneration Report be adopted to the vote at the Annual General Meeting. Under the Corporations Act the vote is advisory only and does not bind the Directors or the Company.

The Board unanimously recommends that shareholders vote in favour of this resolution.

3. Item 3 – Re-election of Director

John Smith was appointed as a Non-Executive Director by the Board on 24 October 2008. His appointment was subsequently ratified by shareholders at the 2008 Annual General Meeting convened on 28 November 2008.

Mr Smith is Chairman of the Cool or Cosy Audit Committee.

John has over 25 years experience in various general management and Chief Financial Officer roles within multinational corporations based in Australia, United States and South East Asia.

He holds a Bachelor of Commerce (Accounting) degree from the University of New South Wales and Master of Business Administration from the University of New England. Mr Smith has been a Certified Practising Accountant since 1981. John has extensive corporate management experience and a detailed understanding of accounting, finance, corporate governance and risk management developed through various roles with the Eastman Kodak Group. Directorships of other listed entities in last three years: Nil

The Board (other than Mr John Smith) recommends that shareholders vote in favour of this resolution.

4. Item 4 – Change of Company Name

Shareholder approval is sought for the proposed change of name of the Company to Intelligent Solar Limited.

The proposed change of name is intended to reflect the intended future strategic direction of the consolidated entity as more fully detailed in Company announcements regarding the prospective commercialisation of proprietary solar hot water technology developed by the Company.

A change of name is a 'special resolution' under the Corporations Act which requires the approval of 75% of the votes cast by Shareholders entitled to vote at the Annual General Meeting.

The Board unanimously recommends that shareholders vote in favour of this resolution.

5. Item 5 – Amendments to Constitution

The purpose of the proposed amendments is to align the Company's Constitution with recent amendments to the Corporations Act 2001 relating to the payment of dividends by a company. Previously, a company could only pay dividends out of company profits. The Corporations Amendment (Corporate Reporting Reform) Act 2010 has replaced this requirement on and from 28 June 2010, so that a company may only pay a dividend if all of the following three tests are satisfied:

Balance sheet test: The Company's assets must exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

Fair to shareholders: The payment of the dividend is fair and reasonable to the Company's shareholders as a whole.

No material prejudice to creditors: The payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

References in the Company's Constitution to dividends being paid out of profits (see clause 17) are therefore no longer consistent with the Corporations Act and are considered by the Board to be inappropriate as their retention may require the Company to comply with the "profits test" in addition to the above tests.

In addition, the proposed amendments allow the Board to "decide" that a dividend is payable. Under the Corporations Act, a decision to pay a dividend will not create a debt until the time for payment arrives. In contrast, a debt arises when a dividend is "declared". This aspect of the proposed amendments will more closely align the Constitution with the provisions of the Corporations Act dealing with the payment of dividends.

The Board unanimously recommends that shareholders vote in favour of this resolution.

6. Item 6 – Approval for the Issue of Shares Under the Share Purchase Plan

The Board currently proposes to offer up to 375 million Shares under a Share Purchase Plan at 2 cents per share to raise a maximum of \$7.5 million, and seeks shareholder approval to do so. The record date for the proposed Share Purchase Plan is Thursday 28 October 2010. The Company expects to be in a position to provide further details on the ASX Companies Announcement Platform regarding the Share Purchase Plan shortly, and in any event, prior to the date of the Annual General Meeting.

Listing Rule 7.1 provides that a listed company may not issue equity securities in any 12 month period which, when aggregated with other equity securities issued within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions, or the prior approval of members of the company in general meeting is obtained.

In compliance with ASX Listing Rule 7.3, shareholders are advised as follows:

Listing Rule 7.3.1: the maximum number of shares to be issued and allotted is 375,000,000 shares;

Listing Rule 7.3.2: the shares will be issued at a date no later than 3 months after the date of the Annual General Meeting (or such later date as is approved by ASX);

Listing Rule 7.3.3: the issue price of the shares will be 2 cents per share;

Listing Rule 7.3.4: the allottees will be those shareholders with registered addresses in Australia and New Zealand on the record date who elect to participate in the Share Purchase Plan;

Listing Rule 7.3.5: the shares will rank pari passu in all respects with the Company's existing fully paid ordinary shares;

Listing Rule 7.3.6: the shares will be issued to provide funds for pursuing ongoing project opportunities and for working capital purposes;

Listing Rule 7.3.7: the shares will be allotted at a date no later than 3 months after the date of the Annual General Meeting (or such later date as is approved by ASX).

It is noted that normally a shareholder who participates in an issue requiring shareholder approval is not permitted to vote on that issue. However, the Company has sought that the ASX grant a waiver from the ASX's normal voting exclusion rules to enable shareholders who participate in the Share Purchase Plan, other than those who may participate as an underwriter, to vote on this resolution.

The Board unanimously recommends that shareholders vote in favour of this resolution.

7. Item 7 – Approval to Issue Shares to the Underwriters of the Share Purchase Plan

ASX Listing Rule 7.2 Exception 15 allows a Company to issue shares under a Share Purchase Plan without shareholder approval, but excludes shares issued under an underwriting agreement. Accordingly, any shares issued to the underwriters of the Share Purchase Plan as a result of any shortfall under the Share Purchase Plan will reduce the number of equity securities the Company could otherwise issue without shareholder approval as permitted under Listing Rule 7.1. The Company is currently considering proposals to partly underwrite the Share Purchase Plan for up to 220,000,000 Shares. Accordingly, the maximum possible number of Shares which will be issued to the underwriters as a result of any shortfall under the Share Purchase Plan will be up to 220,000,000 Shares. Approval is sought for the maximum proposed number of Shares which could be issued to proposed underwriters.

In compliance with Listing Rule 7.3 shareholders are advised as follows:

Listing Rule 7.3.1: the total number of securities which may be allotted is up to 220,000,000 shares;

Listing Rule 7.3.2: the shares will be issued at a date no later than 3 months after the date of the Annual General Meeting (or such later date as is approved by ASX);

Listing Rule 7.3.3: the issue price of the shares will be 2 cents per share;

Listing Rule 7.3.4: it is proposed that the shares will be issued to a number of sophisticated and professional investors as severally liable underwriters;

Listing Rule 7.3.5: the shares will rank pari passu in all respects with the Company's existing fully paid ordinary shares;

Listing Rule 7.3.6: the shares will be issued to provide funds for pursuing ongoing project opportunities and for working capital purposes;

Listing Rule 7.3.7: the shares will be allotted at a date no later than 3 months after the date of the Annual General Meeting (or such later date as is approved by ASX).

The Board unanimously recommends that shareholders vote in favour of this resolution.



Cool or Cosy Limited

ACN 103 472 751

FOR ALL ENQUIRIES CALL:

(within Australia) 1300 737 760 (outside Australia) +61
2 9290 9600

FACSIMILE

+61 2 9290 9655

ALL CORRESPONDENCE TO:

Registries Limited

GPO Box 3993

Sydney NSW 2001

Australia

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 9.00 am
(ADST) on SUNDAY 28th NOVEMBER 2010

TO VOTE ONLINE



STEP 1 : VISIT www.registries.com.au/vote/coolorcosyagm2010

STEP 2: Enter your holding/investment type

STEP 3: Enter your Reference Number and VAC:



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

Reference Number:

Please note it is important you keep this
confidential

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **9.00 am (local time) on Tuesday 30th November 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged:

BY MAIL - Share Registry – Registries Limited, GPO Box 3993,
Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Registries Limited,
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.registries.com.au/vote/coolorcosyagm2010
or turnover to complete the Form ➔

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

STEP 1 - Appointment of Proxy

I/We being a member/s of **Cool or Cosy Limited** and entitled to attend and vote hereby appoint

<input type="checkbox"/> the Chairman of the Meeting (mark with an 'X')	OR	
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If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Cool or Cosy Limited to be held at 36 Computer Road, Yatala, Queensland on Tuesday the 30th November 2010 at 9.00am (local time)** and at any adjournment of that meeting, to act 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.

STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

Ordinary Business

- | | | | | |
|--------------|---------------------------------------|--|--|--|
| Resolution 2 | To adopt the Remuneration Report | | | |
| Resolution 3 | To re-elect as a director, John Smith | | | |

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

- | | | | | |
|--------------|---|--|--|--|
| Resolution 4 | Change of Company Name | | | |
| Resolution 5 | Amendments to Constitution | | | |
| Resolution 6 | Approval for the Issue of Shares Under the Share Purchase Plan | | | |
| Resolution 7 | Approval to Issue Shares to the Underwriters of the Share Purchase Plan | | | |

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*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.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / / 2010