

1 November 2010

ASX Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

NOTICE OF ANNUAL GENERAL MEETING

Please find attached an amended Notice of Meeting.

The changes that have been made relate to:

Page 3;

- **Resolution 3:** in the voting exclusion statement, remove, or their associates, add, and their associates.
- **Resolution 4:** in the voting exclusion statement, delete, or employees and remove, or their associates, add, and their associates.
- **Resolution 5:** in the voting exclusion statement, delete, or employees and remove, or their associates, add, and their associates.
- **Explanatory Memorandum: Resolution 3 (b)(vi),** in the information column line 2, remove, or their associates, add, and their associates.

These changes have been made to comply with ASX Listing Rule 14.11

For further information please contact the undersigned.

Yours faithfully,



Chris J Powell
Company Secretary



A B N 63 095 117 981 A S X C o d e C A P

A M E N D E D

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting: Monday 22 November 2010

Time of Meeting: 3:30pm EST

Place of Meeting: The Irish Association, 175 Elizabeth Street, Brisbane Queensland, 4000

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third Annual General Meeting (**General Meeting**) of Shareholders of Carpentaria Exploration Limited (**Company**) will be held at:

Place: The Irish Association, 175 Elizabeth Street, Brisbane Queensland, 4000

Date: 3:30pm EST on Monday 22 November 2010.

AGENDA

BUSINESS

The business of the Meeting will consist of:

ORDINARY BUSINESS

Agenda Item 1 - Financial statements and reports

To receive and consider the Annual Financial Report, together with the Directors' Report and the Auditor's Reports for the year ending 30 June 2010.

Agenda Item 2 - Resolutions

Resolution 1 : Adoption of Remuneration Report

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

"That, for all purposes, Shareholders adopt the Remuneration Report as disclosed in the Directors' Report for the year ending 30 June 2010."

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

Resolution 2 : Re-election of Director

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

"That Mr Mike Chester, who retires as a Director of Carpentaria Exploration Limited by rotation, pursuant to the Constitution and being eligible, offers himself for re-election, is re-elected as a Director of the Company."

SPECIAL BUSINESS

Resolution 3 : Approval of prior issue of ordinary shares

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



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"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue and allotment of 250,000 fully paid ordinary shares paid as consideration for the access of a tenement as specified in, and on such terms and conditions referred to in, the Explanatory Memorandum accompanying this Notice of General Meeting".

The Company will disregard any votes cast on Resolutions 3 by B and A Sutherland and their associates. However, the Company need not disregard a vote if:

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

Resolution 4 : Approval of issue of securities under the Employee Option Plan (EOP)

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

"That, for the purposes of Exception 9 of Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to administer and issue securities under the Carpentaria Exploration Limited Employee Option Plan on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolutions 4 by any Directors of the Company and their associates. However, the Company need not disregard a vote if:

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

Resolution 5 : Approval of issue of securities under the Employee Share Plan (ESP)

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

"That, for the purposes of Exception 9 of Listing Rule 7.2 of the ASX Listing Rules, section 260C(4) of the Corporations Act and for all other purposes, approval is given for the Company to administer and issue securities under the Carpentaria Exploration Limited Employee Share Plan on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolutions 5 by any Directors of the Company and their associates. However, the Company need not disregard a vote if:

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

OTHER BUSINESS

To transact any other business which may be brought forward in accordance with the Company's Constitution.



Voting entitlements

For the purpose of determining an entitlement to vote at the General Meeting, a person will be recognised as a member if that person is registered as a holder of Company shares at 3:30 pm on (48 hours before the General Meeting) Saturday, 20 November 2010.

Explanatory Memorandum

Further information in relation to these resolutions is set out in the Explanatory Memorandum attached to this Notice of General Meeting.

The Explanatory Memorandum accompanying this Notice of General Meeting is incorporated in and comprises part of this Notice of General Meeting.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

BY ORDER OF THE BOARD

Chris Bynon-Powell
Company Secretary
20 October 2010



A M E N D E D EXPLANATORY MEMORANDUM

ORDINARY BUSINESS

Agenda Item 1 – Financial statements and reports

The Annual Financial Report for the year ending 30 June 2010 is tabled for information of Shareholders but does not require any formal resolution.

Agenda Item 2 – Resolutions

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its shareholders for their consideration and adoption by way of a non-binding resolution the Company's Remuneration Report as disclosed in the Company's Annual Report.

The Remuneration Report of the Company for the financial year ending 30 June 2010 is set out in the Directors' Report on pages 4 to 24 of the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Resolution 2 – Re-election of Director

Pursuant to both the Listing Rules and the Constitution, Directors must retire by rotation at least once every three years. Mike Chester retires as a director of the Company and offers himself for re-election.

Details of Mike Chester's background and experience are contained in the Company Annual Report which accompanies this Explanatory Memorandum.

The remaining Directors recommend to Shareholders that Mr Chester be re-elected.

SPECIAL BUSINESS

Resolution 3 – Approval of prior issue of ordinary shares

Resolution 3 is sought to approve the prior issue of 250,000 shares so that the Company retains capacity to issue up to a full 15% of its issued capital, if required, in the next 12 months without shareholder approval.

(a) Overview of regulatory approval requirements

ASX Listing Rule 7.1 provides that without shareholder approval, a company must not issue or agree to issue new 'equity securities' constituting more than 15% of its total ordinary shares on issue within a 12 month period excluding shares approved by shareholders.

However, ASX Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be treated as having been made with approval for the purposes of ASX Listing Rule



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7.1 provided the issue did not breach ASX Listing Rule 7.1 and shareholders subsequently approve the issue.

Shareholder approval is now sought pursuant to ASX Listing Rule 7.4 to approve the prior issue so that the Company retains capacity to issue up to a full 15% of its issued capital, if required, in the next 12 months without shareholder approval. ASX Listing Rule 7.5 sets out the information that must be provided to shareholders in order for them to approve a subsequent issue of securities.

(b) Specific information

ASX Listing Rule 7.5 requires the following information to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

No.	Listing Rule 7.5 requirement	Information
(i)	Total number of ordinary shares issued:	250,000.
(ii)	The issue price of the ordinary shares:	The ordinary shares were a component for consideration of access to the tenement located at Burta (Tenement).
(iii)	The terms of the ordinary shares:	The ordinary shares rank equally with the Company's existing ordinary shares on issue.
(iv)	The name of the allottee:	B and A Sutherland (Allottee)
(v)	The use (or intended use) of the funds raised:	No financial consideration was provided by the Allottee. The Allottee instead provided a right of access to the Company in respect to the Tenement.
(vi)	Voting exclusion statement:	The Company will disregard any votes cast on Resolutions 3 by B and A Sutherland and their associates. However, the Company need not disregard a vote if: - it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or - it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
(v)	Other:	The issue of the ordinary shares when made did not breach Listing Rule 7.1.

Resolution 4 : Approval of issue of securities under the Employee Option Plan (EOP)

Resolution 4 is a resolution which seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's Employee Option Plan (**EOP**) without prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.



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(a) Overview of regulatory approval requirements

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval.

Listing Rule 7.1 does not apply in certain cases, which are set out in Listing Rule 7.2, which allow specified issues of securities to be excluded from the calculation of the number of securities issued in the 12 month period.

Listing Rule 7.2 includes Exception 9, which provides an exception where an issue under an employee incentive scheme is made if within three years before the date of issue one of the following occurred:

- (i) shareholders approved the issue of securities under the scheme as an exception to Listing Rule 7.1; or
- (i) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme were set out in the prospectus.

Accordingly, the Company is seeking shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's EOP prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.

(b) Company information

The EOP was adopted by the Company on 20 August 2007. Given that this was prior to the date the Company was admitted to the Official List of the ASX and given that a summary of the EOP was set out in the prospectus of the Company issued on 7 September 2007 (**Prospectus**), the Company availed itself of Exception 9 of Listing Rule 7.2 from 7 September 2007 until 7 September 2010.

In order to take advantage of the exemption from ASX Listing Rule 7.1 and allow the Company flexibility to issue securities going forward, the Board now seeks approval under the EOP as an exception to ASX Listing Rule 7.1 for the next three years from the date of this Resolution.

The main purpose of the EOP is to provide an additional incentive to 'Eligible Persons' (being directors and other officers, employees, contractors to and consultants of the Company and its subsidiaries) to provide dedicated and ongoing commitment and effort to the Group, and for the Company to reward its directors and other officers, employees, contractors and consultants for their efforts.

It should be noted that:

- (i) This Resolution does not approve the issue of any options under the EOP (**Employee Options**) to any director of the Company. Employee Options cannot be granted to directors of the Company or their associates unless prior approval of shareholders is obtained in accordance with the ASX Listing Rules.
- (ii) The Company will take reasonable steps to ensure that the number of shares the subject of Employee Options, when aggregated with any shares the subject of offers or invitations under any employee share schemes and any shares issued during the previous five years



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pursuant to employee shares schemes, does not exceed 5% of the total number of shares on issue as at the time of the relevant offer (in accordance with the terms of the EOP).

- (iii) If Employee Options are exercised, this will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of options exercised. It will also increase the number of shares that are on issue by the number of options exercised.
- (iv) Employee Options will not be listed for quotation on ASX. However, the Company will make application for the official quotation of shares issued on the exercise of Employee Options to ASX and to each other securities exchange on which shares are listed at the time.
- (v) Shares issued pursuant to the exercise of the Employee Options will rank *pari passu* in all respects with the Company's existing ordinary shares

Exception 9 of Listing Rule 7.2 requires certain information to be provided to shareholders. This information is set out below:

No.	Exception 9 of Listing Rule 7.2 requirement	Information
(i)	A summary of the terms of the EOP:	This is set out in paragraph 4(c) below.
(ii)	The number of securities issued under the EOP since the last approval (in this case given the EOP was established prior to listing, since the date it was established).	4,250,000 options have been issued under the EOP. Of these 4,250,000 options: • 1,650,000 have been exercised; and • 500,000 have lapsed, which mean that there are 2,100,000 options remaining.

(c) Summary of the terms of the EOP

In accordance with ASX Listing Rule 7.2, Shareholders are provided with the following information.

- (i) The Board Committee will administer the EOP and the Board has general powers to amend the EOP Rules from time to time.
- (ii) The Board Committee administering the EOP will determine participation in the EOP having regard to factors such as seniority, length of service, record of employment and potential contribution. Such participation (by way of an issue of an invitation inviting an application for options) may be subject to the satisfaction of corporate or personal goals.
- (iii) Once an invitation is accepted the Company will issue the number of Employee Options applied for and an option certificate for them.
- (iv) Each Employee Option entitles the holder of those Employee Option (**Optionholder**), on exercise, to one Share.



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- (v) There is no issue price for the Employee Options. The exercise price for the Employee Option will be such price as determined by the Board Committee (in its discretion) being not less than:
 - A. (if there was at least one transaction in the Shares on ASX during the 10 business day period immediately before the date of the invitation to take up Employee Options) the VWAP determination for that period; or
 - B. (if there were no transactions in the Shares on ASX during the 10 business day period immediately before the date of the invitation to take up Employee Options) the last price at which an offer was made on ASX to purchase a Share.
- (vi) The expiry date for an Employee Option is the date determined by the Board Committee at the time of issue, which will be no later than 10 years from the date of issue.
- (vii) Shares issued as a result of the exercise of any Employee Options will rank equally in all respects with Shares.
- (viii) Employee Options may not be transferred other than with the prior written approval of the Board Committee.
- (ix) Quotation of Employee Options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of Employee Options.
- (x) An Employee Option may only be exercised by written notice to the Company together with payment in full (unless other arrangements have been approved by the Board Committee). An Employee Option may be exercised at any time after that Employee Option has vested and any other conditions imposed by the Board on exercise satisfied and before it lapses. The Board may determine the vesting period and any condition on exercise (if any).
- (xi) An Employee Option will lapse upon the expiry date (being 10 years from the grant date or such shorter period specified by the Board Committee) or one month after the Optionholder ceases to be an Eligible Person (though if the holder ceases to be an Eligible Person by reason of retirement or retrenchment, bankruptcy or death, not until twelve months after such event).
- (xii) There are no participating rights or entitlements inherent in the Employee Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Options. However, the Company will ensure that Optionholders will be given such notice period determined by the ASX Listing Rules to determine whether to exercise their Employee Options so as to participate in any bonus or entitlement issue.
- (xiii) In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Employee Options, the number of Employee Options to which each Optionholder is entitled or the exercise price of his or her Employee Options, or both, or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.



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- (xiv) Annexure 1 to the EOP Rules sets out particular rules which may be applied only to South African employees which permit, with the Board Committee's consent, certain 'Option Vesting Rights' which are rights to take delivery of and make payment for Shares in periods specified by the Board.

Resolution 5 : Approval of issue of securities under the Employee Share Plan (ESP)

Resolution 5 is a resolution which seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's Employee Share Plan (**ESP**) without prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.

Resolution 5 also seeks shareholder approval in accordance with section 260C(4) of the Corporations Act to give financial assistance in connection with an acquisition of Shares in the Company, i.e. by way of the offer of loans to 'Eligible Employees' to finance the acquisition price of Employee Shares by employees under the terms of the ESP.

(a) Overview of regulatory approval requirements – Exception 9 of Rule 7.2 of the ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval.

Listing Rule 7.1 does not apply in certain cases, which are set out in Listing Rule 7.2, which allow specified issues of securities to be excluded from the calculation of the number of securities issued in the 12 month period.

Listing Rule 7.2 includes Exception 9, which provides an exception where an issue under an employee incentive scheme is made if within three years before the date of issue one of the following occurred:

- (i) shareholders approved the issue of securities under the scheme as an exception to Listing Rule 7.1; or
- (ii) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme were set out in the prospectus.

Accordingly, the Company is seeking shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's ESP without prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.

(b) Overview of regulatory approval requirements – Section 260C(4) of the Corporations Act

Under the terms of the ESP, to assist 'Eligible Employees' to participate in the ESP the Company may offer loans to 'Eligible Employees' to finance the acquisition price of Shares issued under the ESP (**Employee Shares**).

The provision of such loans may constitute the giving of financial assistance in connection with an acquisition of Shares in the Company. Such financial assistance may be prohibited unless an exemption from section 260A of the Corporations Act applies.



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One exemption from section 260A of the Corporations Act (set out in section 260C(4)) is financial assistance given under an employee share scheme approved by a resolution passed at a general meeting of the Company.

Accordingly, the Company is also seeking shareholder approval in respect of the ESP for the purposes of section 260C(4) of the Corporations Act.

(c) Company information

The ESP was adopted by the Company on 20 August 2007. No summary of the ESP was contained in the Prospectus. As such, to date, the Company has not availed itself of Exception 9 of Listing Rule 7.2.

In order to take advantage of the exemption from ASX Listing Rule 7.1 and allow the Company flexibility to issue securities, the Board now seeks approval under the ESP as an exception to ASX Listing Rule 7.1 for the next three years from the date of this Resolution.

The main purpose of the ESP is to provide an additional incentive to 'Eligible Persons' (being directors and other officers, employees, contractors to and consultants of the Company and its subsidiaries) to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its directors and other officers, employees, contractors and consultants for their efforts.

It should be noted that:

- (i) This Resolution does not approve the issue of Employee Shares to any director of the Company. Employee Shares cannot be granted to directors of the Company or their associates unless prior approval of shareholders is obtained in accordance with the ASX Listing Rules.
- (ii) The Company will take reasonable steps to ensure that the number of Employee Shares when aggregated with any shares the subject of offers or invitations under any employee share schemes and any shares issued during the previous five years pursuant to employee shares schemes, does not exceed 5% of the total number of shares on issue as at the time of the relevant offer (in accordance with the terms of the ESP).
- (iii) If Employee Shares are issued, this will have the effect of increasing the Company's cash position by the amount of the issue price multiplied by the number of Employee Shares. It will also increase the number of shares that are on issue.
- (iv) Employee Shares will be listed for quotation on ASX and on each other securities exchange on which shares are listed at the time.
- (v) Employee Shares issued will rank *pari passu* in all respects with the Company's existing Shares.

Exception 9 of Listing Rule 7.2 requires certain information to be provided to shareholders. This information is set out below:

No.	Exception 9 of Listing Rule 7.2	Information
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	requirement	
(i)	A summary of the terms of the ESP:	This is set out in paragraph 5(d) below.
(ii)	The number of securities issued under the ESP since the last approval (in this case given the ESP was established prior to listing, since the date it was established).	To date, no shares have been issued under the ESP.

(d) Summary of the terms of the ESP

In accordance with ASX Listing Rule 7.2, Shareholders are provided with the following information.

- (i) The Board Committee will administer the ESP and the Board has general powers to amend the ESP Rules from time to time.
- (ii) The Board Committee administering the ESP will determine participation in the ESP having regard to factors such as seniority, length of service, record of employment and potential contribution. Such participation (by way of an issue of an invitation inviting an application for options) may be subject to the satisfaction of corporate or personal goals.
- (iii) Once an invitation is accepted the Company will issue the number of Employee Shares applied for and a share certificate for them.
- (iv) Except insofar as is necessary to comply with the provisions of an employment contract or other contract approved by the Board whereby executive or technical services are provided to the Company, the issue price for each Employee Share will be not less than:
 - A. (if there was at least one transaction in the Shares on ASX during the 10 business day trading period immediately before the date of the invitation to take up Employee Shares) the price determined by VWAP determination of the Shares on ASX during that period; or
 - B. (if there were no transactions in the Shares on ASX during the 10 business day trading period immediately before the date of the invitation to take up Employee Shares) the last price at which an offer was made on ASX to purchase a Share.
- (v) Employee Shares issued will rank equally in all respects with Shares.

(b) Financial assistance to Eligible Employees

To assist Eligible Employees to participate in the ESP, the Company would like to offer loans to Eligible Employees to finance the acquisition price of the Employee Shares on the following terms:

- (i) The Company will have the discretion to determine whether to offer a loan and also to determine how much the employee should subscribe using their own funds and how much of the total purchase price will be made available by a loan.



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- (ii) The principal amount outstanding under loans made by the Company will be interest free. The loans will be of a limited recourse nature such that the Company will accept in full satisfaction of repayment of a loan the amount of the market value of the Employee Shares at the time the loan is due to be repaid (less any transaction costs relating to the disposal of the shares) in the event that the market value of the Employee Shares is less than the amount of the loan outstanding. The loan is to be repaid within such period as is specified by the Board Committee at the time of making the invitation.
- (iii) Rights and entitlements
- From the date Employee Shares are acquired under the ESP, employees will have full entitlements to all dividends and bonus shares, and voting rights, although, unless otherwise determined by the Board, the amount of any cash dividend will be applied against repayment of any loan which may have been made available to assist the acquisition of the Employee Shares.
- (iv) Restrictions on disposal of Employee Shares
- A. An Eligible Employee may not sell or otherwise deal with an Employee Share until the loan amount in respect of that Employee Share has been repaid and until the expiry of the qualifying period in respect of the Employee Shares, if any, that may be imposed by the Board and set out in the invitation, and the Company:
- will retain the Share certificate (if any) and an executed Share transfer form in respect of the Employee Shares;
 - may apply a holding lock; and
 - may refuse to register a transfer of Employee Shares,
- until the loan amount has been repaid and any applicable qualifying periods have passed. The Company will have a lien over any Employee Shares in relation to which a loan remains outstanding.
- B. If an Eligible Employee wishes to sell any Employee Shares prior to repayment in full of the loan amount and prior to the expiry of any qualifying period then the eligible employee may give written notice to the Company requesting the Company to sell the relevant Employee Shares. In the absolute discretion of the Board Committee, in the case of hardship or otherwise, and provided the Board Committee is of the opinion that the proceeds from the sale of the Employee Shares are reasonably likely to exceed the amount outstanding in relation to the loan, the Company may, within 30 days after receipt of such a notice, arrange for the sale of the Employee Shares and apply the proceeds of the sale in repayment of the loan (together with reasonable expenses).
- (v) Repayment of loan upon ceasing to be an Eligible Employee
- If, prior to the repayment in full of the loan by an Eligible Employee, the Eligible Employee dies, becomes bankrupt or ceases to be an Eligible Employee, then the Eligible Employee (or his or personal representative) must elect between one of the following (and if no election is made the first is deemed to apply):



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- A. to have Company sell on ASX, or place, the relevant Employee Shares and apply the proceeds of the sale in repayment of the loan (together with reasonable expenses); or
- B. to repay the loan and, upon repayment in full of the loan, have the relevant Employee Shares fully vested in their name. If this election is made then the loan must be repaid within 12 months in the event of the death, bankruptcy, retirement or retrenchment or within one month in the event that the eligible employee resigns, is terminated or otherwise ceases to be an eligible employee.

GLOSSARY OF TERMS

In this Explanatory Memorandum the following expressions have the following meanings:

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means Australian Securities Exchange Limited.

"**Board**" means the board of Directors of the Company.

"**Company**" or "**Carpentaria**" means Carpentaria Exploration Limited ACN 095 117 981.

"**Constitution**" means the Company's constitution from time to time.

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

"**Directors**" means the directors of Carpentaria from time to time.

"**Eligible Employee**" means an employee of the Company determined to be an 'eligible employee pursuant to the terms of the EOP or ESP (as relevant).

"**EOP**" means the Employee Option Plan of the Company dated 20 August 2007.

"**ESP**" means the Employee Share Plan of the Company dated 20 August 2007.

"**EST**" means Eastern Standard Time, being the time that applies in Brisbane, Queensland.

"**Explanatory Memorandum**" means the explanatory memorandum that accompanies and forms part of this Notice.

"**Listing Rules**" means the Listing Rules of ASX.

"**Meeting**" or "**General Meeting**" means the annual general meeting of shareholders of Carpentaria convened by this Notice.

"**Notice**" or "**Notice of General Meeting**" means the notice of annual general meeting which accompanies this Explanatory Memorandum.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means an ordinary share in the Company.

"**Shareholder**" means a Company shareholder.

"**VWAP**" means the volume weighted average price.



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PROXY FORM

APPOINTMENT OF PROXY

ANNUAL GENERAL MEETING

I/We

being a member of Carpentaria Exploration Limited entitled to attend and vote at the Meeting, hereby appoint:

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's Nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting of Carpentaria Exploration Limited to be held at 3:30pm on Monday 22 November 2010 at the Irish Association, 175 Elizabeth Street, Queensland 4000 and at any adjournment of that meeting. If no directions are given, the Chairman will vote in favour of all of the resolutions.

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

	For	Against	Abstain*
Resolution 1. Adoption of Remuneration Report	☐	☐	☐
Resolution 2. Re-election of Mike Chester	☐	☐	☐
Resolution 3. Approval of prior issue of ordinary shares	☐	☐	☐
Resolution 4. Approval of issue of securities under the Employee Option Plan (EOP)	☐	☐	☐
Resolution 5. Approval of issue of securities under the Employee Share Plan (ESP)	☐	☐	☐

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

Dated this day of 2010

Signatures: Individuals and joint holders.

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Signature

Sole Director/Company Secretary Director



Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on their behalf.
Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A proxy need not be a member of the Company.
In the case of joint holders, signatures are required by the first named and one other joint holder.
3. Corporate shareholders should comply with the execution requirements as set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - two directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary, that director.For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Law, a document must appear to have been executed in accordance with section 129(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and confirm to the requirements of section 127(1) or (2), as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. For the purpose of section 1109 N of the Corporations Act, shares in the Company will be taken to be held by the persons who are registered holders at 7.00pm Eastern Standard Time on Friday 19 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.
7. To be effective, this proxy (and the Power of Attorney, if any, under which it is signed or a notorially certified copy thereof) must be lodged at the office of the Company:

Carpentaria Exploration Limited
PO Box 10919 Adelaide Street
Brisbane, Queensland, 4000

or **sent by facsimile to (07) 3220 1291** or by **email to info@capex.net.au** not less than forty eight (48) business hours before the time for holding the Annual General Meeting.