

ASPERMONT LIMITED

ABN 66 000 375 048

**NOTICE OF GENERAL MEETING
AND PROXY FORM**

Date of Meeting

31 October 2011

Time of Meeting

11:00 am

Place of Meeting

613-619 Wellington Street

Perth, Western Australia

**NOTICE OF GENERAL MEETING
ASPERMONT LIMITED
ABN 66 000 375 048**

INSTRUCTIONS TO SHAREHOLDERS

Venue

The General Meeting of the shareholders of Aspermont Limited will be held at:

613-619 Wellington Street, Perth, Western Australia, commencing at 11:00am (WST) on 31 October 2011

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11:00 am.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this notice as soon as possible and either:

- return the proxy form by post to Aspermont Limited, PO Box 78, Leederville 6902, Western Australia; or
- send the proxy by facsimile to the Company on facsimile number 61 8 6263 9148

so that it is received not later than 11:00 am (WST) on 29 October 2011.

Your proxy form is enclosed.

Bodies Corporate – Corporate Representation

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at the meeting of Shareholders. The appointment may be a standing one.

Enquiries

The Company welcomes enquiries in respect of matters covered in this Notice of Meeting and attendance of shareholders at the General Meeting proposed. Should you require further information please contact:

The Company Secretary

John R Detwiler

Phone: (+61 8) 6263 9103 Fax: (+61 8) 6263 9148

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of Aspermont Limited ABN 66 000 375 048 (“**Company**” or “**Aspermont**”) will be held at 613-619 Wellington Street, Perth, Western Australia on 31 October 2011 at 11:00 am Western Standard Time, for the purpose of transacting the following business referred to in this Notice of General Meeting.

An Explanatory Memorandum containing information in relation to each of the following resolutions and a Proxy Form accompanies this Notice of Meeting.

ORDINARY BUSINESS

Resolution 1 – Approval to the Grant of Unlisted Options to a Director – Mr Andrew Leslie Kent (Executive Chairman)

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

"That, pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to grant to Andrew Leslie Kent 16,000,000 Unlisted Options on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of General Meeting".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 1 by Mr Kent and any associate of Mr Kent. 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 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 2 – Approval to the Grant of Unlisted Options to a Director – Charbel Nader (Non-Executive Deputy Chairman and Lead Independent Director)

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

"That, pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to grant to Charbel Nader 1,000,000 Unlisted Options on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of General Meeting".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 2 by Mr Nader and any associate of Mr Nader. 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 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 3 – Approval to the Grant of Unlisted Options to a Director – Mr Colm O'Brien (Chief Executive Officer)

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

"That, pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to grant to Colm O'Brien 4,000,000 Unlisted Options on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of General Meeting".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 3 by Mr O'Brien and any associate of Mr O'Brien. 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 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 to the Payment of a bonus of \$311,000 to Mr Colm O'Brien (Chief Executive Officer)

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and for all other purposes and subject to Resolution 5 being passed, the Company approves and authorises the payment of a bonus of \$311,000 to Colm O'Brien for the purposes of applying the net proceeds after tax to acquire the 2,000,000 ordinary shares in the Company as referred to in Resolution 5".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 4 by Mr O'Brien and any associate of Mr O'Brien. 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 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 – Issue of shares to Mr Colm O'Brien (Chief Executive Officer) utilizing the proceeds of the bonus

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

"That, pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes and subject to Resolution 4 being passed, the

Company approves and authorises the issue to Colm O'Brien 2,000,000 ordinary shares in the Company at the price of \$0.083 per share".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 5 by Mr O'Brien and any associate of Mr O'Brien. 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 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 – Increase in the Fees Payable to Non-Executive Directors

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

"That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes the aggregate amount of fees payable to non-executive directors be increased from \$102,000 a year to \$190,000 a year, including in respect of the year ending 30 June 2011".

The Company will in accordance with Listing Rule 10.17 disregard the votes of all of the 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 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.

By order of the Board



Mr John R Detwiler
Company Secretary
Dated: 20 September 2011

PROXIES

- Votes at the general meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
- A proxy may but need not be a shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or their attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.

For the purposes of Regulation 7.11.37 of the Corporation Regulations the Company determines that members holding ordinary shares at 5.00pm Western Standard Time on Saturday 29 October 2011 will be entitled to attend and vote at the General Meeting.

ASPERMONT LIMITED

ABN 66 000 375 048

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in Aspermont Limited ("**Company**") with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of General Meeting:

RESOLUTIONS 1, 2 AND 3 – APPROVAL TO THE GRANT OF UNLISTED OPTIONS TO MR KENT, MR NADER AND MR O'BRIEN .

Introduction

The Company proposes to grant a total of 21,000,000 unlisted options to Mr Kent, Mr Nader and Mr O'Brien as follows:

<u>Name</u>	<u>Unlisted Options</u>
Mr Kent	16,000,000
Mr Nader	1,000,000
Mr O'Brien	4,000,000

The terms of the Options are set out in Annexure A to this Explanatory Memorandum.

Background

In 2010 the Company commissioned GRG (Godfrey Remuneration Group Pty Ltd), a remuneration consultant to review and report on remuneration of directors and executives of the Company. GRG delivered their report in September 2010. In preparing their report GRG undertook a comparison of other companies which were ASX listed companies which GRG considered were "industrial companies similar to Aspermont in terms of both market capitalisation and turnover", excluding financial services sector companies. In their report GRG recommended for consideration a short term incentive package (STI) consisting of an incentive award based on a percentage of remuneration and a long term incentive package (LTI) based on a share incentive.

Current Proposals Regarding Options

The Company's Remuneration Committee (which consists of Messrs Stark, Nader, Cross and O'Brien) considered the GRG September 2010 Report.

The Remuneration Committee did not adopt the short term and long term incentives recommended by GRG in their September 2010 Report and instead proposed the long term incentive instead be by way of options. It was considered that options are a more cost effective and cash conserving means of providing an incentive than equity by way of loan and that the incentives to the Directors represented by the grant of the Options are a cost effective and efficient reward and incentive for the Directors. The Remuneration Committee put forward the current proposals.

The exercise price of the options is 150% of the average between the highest and lowest trading prices for the shares of the Company on the day the conditions precedent to the issue are met, (resolutions 1, 2 and 3 being passed) which provides an incentive for Mr Kent, Mr Nader and Mr O'Brien.

Shareholders should note that it is proposed to grant Options to Mr Nader, who is a non-executive director. Guideline 9.3 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which guideline provides that non-executive Directors should not receive options. Mr Nader is the Vice-Chairman of the Board. The Remuneration Committee considers that it is appropriate that Mr Nader will receive extra compensation as he has a somewhat onerous role that includes that of lead independent director and will have a workload that is substantially larger than that of other non-executive directors and that for these reasons the additional remuneration which will be provided by way of the proposed options is appropriate.

An independent committee of the Board consisting of Messrs Stark, Nizol and Cross was established to consider the proposals to grant the options and resolved that they be granted, subject to approval by the shareholders as provided in Resolutions 1,2 and 3.

The terms of the Options and the conditions on which they are issued are set out in Annexure A to this Explanatory Memorandum. Although shareholders should refer to Annexure A in its entirety, shareholders should note the following:

- (a) The Options will be issued without payment of consideration;
- (b) The Options will not be listed on the ASX;
- (c) Each single Option entitles the holder to acquire 1 ordinary share in the Company. An application will be made for listing of the shares on the ASX when the Options are exercised;
- (d) The price at which each Option may be exercised is 150% of the average between the highest and lowest trading prices for the shares of the Company on the day the conditions precedent to the issue are met, (resolutions 1, 2 and 3 being passed);

- (e) The Options must be exercised within 4 years of when they are issued otherwise they will lapse;
- (f) The Options must be exercised within 30 days of a “Termination Event” (please refer to the definition), which in summary occurs where the option holder ceases to be an employee (if he is an executive director) or ceases to be a director, (if he is a non executive director). The Options will lapse where an “Adverse Termination Event” occurs (please refer to the definition in the Glossary).

Deeds are to be entered into with Mr Kent, Mr Nader and Mr O’Brien. Each deed will provide for the issue of the Options subject to approval being obtained pursuant to Resolution 1 (in the case of the Options to be issued to Mr Kent), Resolution 2 (in the case of the Options to be issued to Mr Nader) and Resolution 3 (in the case of the Options to be issued to Mr O’Brien). The deeds will contain the following additional provisions:

- (i) The Options will be issued no later than one month after the Conditions Precedent have been met. The Options will not be issued to an Executive if an Adverse Termination Event or a Termination Event occurs in relation to him before the Options have been issued.
- (ii) The Company shall no later than 5 Business Days after the Conditions Precedent are met give the Executive notice of the Exercise Price. If the Executive objects to the Company’s calculation of the Exercise Price it must notify the Company within 5 Business Days with its calculation as to what he considers the Exercise Price to be and if the Executive fails to give notice pursuant to this clause he shall be deemed to have accepted the Exercise Price notified to him by the Company.
- (iii) If the Company receives a notice from the Executive pursuant to clause (ii) it may refer the determination of the Exercise Price to a Chartered Accountant or Certified Practising Accountant for determination and who shall act as an expert and not an arbitrator and whose decision shall be final and binding on both parties.
- (iv) If the Company is able to comply with the provisions of section 708A(6) of the Corporations Act it will issue a notice pursuant to that section (“Cleansing Notice”) on each occasion the Options are exercised and the Shares are issued pursuant to the Options.
- (v) If for any reason the Company is unable to issue a Cleansing Notice the Executive agrees (if required by the Company) that he will enter into a Restriction Agreement in the form set out in Appendix 9A of Chapter 9 of the Listing Rules in respect of the Shares to be issued which must be executed and delivered to the Company before those Shares are issued.

GRG Report

GRG have prepared a report on the proposals to issue the Options to Mr Kent, Mr Nader and Mr O'Brien, dated 13 May 2011 as part of their remuneration packages a copy of which is at Appendix B to this Explanatory Statement. The GRG Report concludes that having regard to the matters referred to in it that the proposed remuneration packages constitute reasonable remuneration from the Company's point of view.

RESOLUTIONS 4 AND 5-PAYMENT OF BONUS TO COLM O'BRIEN AND ISSUE OF SHARES TO MR O'BRIEN USING THE PROCEEDS OF THE BONUS

Subject to obtaining shareholder approval, the Company proposes:

- (a) To pay a gross bonus of \$311,000 to Mr Colm O'Brien, the Company's Chief Executive Officer for the purpose of acquiring the shares referred to in paragraph (b) net of PAYG withholding of \$144,615 yielding a net amount of \$166,385 below, subject to approval pursuant to Resolution 4 and Resolution 5; and
- (b) To issue 2,000,000 fully paid ordinary shares in the Company at the price of \$0.083 each, for an aggregate subscription price of \$166,385 subject to approval pursuant to Resolution 4 and Resolution 5.

The background to the matter is as follows.

Mr O'Brien was employed by the Company in October 2005. Mr O'Brien's employment contract provided, amongst other matters, that he would be entitled to be issued shares in the Company in the following circumstances and other benefits as follows:

- (i) On achievement of group turnover of \$30 million or Net Profit of \$5 million-in which case he will be entitled to be issued 1,500,000 shares at no cost;
- (ii) On achievement of group turnover of \$50 million or Net profit of \$10 million-in which case he will be entitled to be issued a further 1,000,000 shares at no cost;
- (iii) Remaining with the Company for 4 years from commencement of his employment (1 October 2009)-in which case he will be entitled to be issued 1,000,000 shares at no cost; and
- (iv) a loan of up to \$100,000 from the Company to acquire further equity and other purchases at rates representing fair market value.

Reasons for the Proposed Bonus and Issue of Shares to Mr O'Brien

Mr O'Brien has become entitled to the 1,000,000 shares by virtue of having completed 4 years employment with the Company (as referred to in paragraph (iii) above, however, those shares have not yet been issued. The Company proposes to recognize Mr O'Brien's contribution and efforts to the following matters: navigating the Company through the global financial crisis, the acquisition of shares in Mining Communications Ltd in 2008, the disposal of non-performing assets and managing creditor and bank relationships in the period 2008 to 2010. The Company proposes, subject to shareholder approval, to make a bonus payment to Mr O'Brien which will be both in recognition of his contributions to the matters referred to above and also be in consideration of the cancellation of the following entitlements under his contract of employment:

- (i) On achievement of group turnover of \$30 million or Net Profit of \$5 million-in which case he will be entitled to be issued 1,500,000 shares at no cost;
- (ii) On achievement of group turnover of \$50 million or Net profit of \$10 million-in which case he will be entitled to be issued a further 1,000,000 shares at no cost;
- (iii) Remaining with the Company for 4 years from commencement of his employment (1 October 2009)-in which case he will be entitled to be issued 1,000,000 shares at no cost; and
- (iv) a loan of up to \$100,000 from the Company to acquire further equity and other purchases at rates representing fair market value.

(which will be referred to as **"the Existing Entitlements"**).

The arrangements are set out below and it will be noted that the net proceeds of the bonus (after deduction of tax payable by Mr O'Brien on a PAYG basis) must be used to subscribe for 2,000,000 shares in the Company.

The proposed arrangements are subject to approval by shareholders pursuant to resolutions 4 and 5.

The Company also proposes to negotiate a new employment contract with Mr O'Brien.

Reasons for the proposed Structure

The Company considered the alternative of a direct issue of shares to Mr O'Brien and decided to proceed with the proposed structure of a monetary bonus with a requirement that the after tax proceeds be used to acquire shares for the following reasons. The Company has been advised by its tax advisors that if \$2,000,000 shares were issued to Mr O'Brien as fully paid up, Mr O'Brien would be taxed on the full value of the shares at the time of acquisition. The Company is concerned that if the shares were issued to Mr O'Brien without payment, he may need to sell a significant portion of the shares in order to meet his tax liability. The shares are relatively thinly traded (the average daily volume of shares in the Company traded on the ASX in the year ended 19 September 2011 was 15,500). As a consequence, there was a concern that Mr O'Brien may not be able to readily sell shares in order to pay the tax. The imposition of a liability for tax in this manner was unacceptable to Mr O'Brien. The Company also favours its directors maintaining a longer term holding in the Company. The Company will receive a deduction for tax purposes in respect of the monetary element of the proposed bonus. The tax and cash flow consequences of the structure of the bonus proposed to be paid to Mr O'Brien and subscription by him for the 2,000,000 shares are set out in paragraph (c) of the section of this Explanatory Statement headed "Related Party Transactions-Further Information in respect of Resolutions 1-5."

Proposed Bonus and Issue of Shares

The proposed arrangements are as follows:

- (a) Payment of a bonus of \$311,000 to Mr O'Brien. Tax payable by Mr O'Brien of \$144,615 will be deducted and he will receive after tax a net amount of \$166,385. These net post tax proceeds must be used to acquire the 2,000,000 shares in the Company as referred to in paragraph (b) below; and
- (b) The issue of 2,000,000 shares in the Company at the price of \$0.083 per share (being a total subscription price of \$166,385). The net balance of the bonus to be received by Mr O'Brien after deduction of tax, \$166,385, will be applied to pay for the subscription price of the 2,000,000 shares.

If the shares are issued to Mr O'Brien they will be subject to a period of voluntary escrow of 12 months.

It is intended that the Company and Mr O'Brien will enter into a deed of settlement which provides for the above matters (including the cancellation of the Existing Entitlements), the provisions of which will subject to approval by shareholder pursuant to Resolutions 4 and 5. The deed of settlement will require that the net proceeds of the bonus after tax must be applied immediately towards the subscription price for the shares and that Mr O'Brien directs that payment is to be made accordingly.

It is intended that following the implementation of these proposals that the Company will seek to negotiate a new employment contract with Mr O'Brien.

The price per share has been determined on the basis of a 90 day weighed average market price calculated on 19 July 2011, being the date on which the uninterested directors considered and (subject to shareholder approval) approved the proposal.

The tax consequences to the Company and the consequences in cash flow arising from the bonus being paid to Mr O'Brien are set out in paragraph (c) under the heading "Related Party Transactions-Further Information in respect of Resolutions 1-5".

RESOLUTION 6

Listing Rule 10.17 requires shareholder approval by ordinary resolution for an increase in the fixed directors fees paid to non-executive directors.

The Company is seeking approval to increase the maximum total amount of fees payable to non-executive directors of the Company from \$102,000 to \$190,000, to ensure that the Company is able to attract and retain the services of suitably qualified and experienced directors.

The background to the increase of fees is as follows:

- (a) Subject to Resolution 6 being passed, the annual fees payable to Mr Stark and Mr Cross will be increased from \$26,000 (payable to each of them) to \$45,000 (payable to each of them). The Remuneration Committee has noted that the fees have not increased for the past 5 years;
- (b) Subject to Resolution 6 being passed, the annual fees payable to Mr Nader will be increased from \$50,000 to \$100,000. This increase reflects Mr Nader's appointment as Vice Chairman; as such Mr Nader is the lead independent director. Mr Nader is also a member of all committees of the Board of the Company (including the audit and risk, remuneration and investment committees);
- (c) There are no additional fees for attending committee meetings.

If the increase is approved it is proposed that they will take effect from the year ending 30 June 2011.

RELATED PARTY TRANSACTIONS-FURTHER INFORMATION IN RESPECT OF RESOLUTIONS 1-5

The following additional information is provided in respect of Resolutions 1-5 inclusive.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or

- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Mr Kent, Mr Nader and Mr O'Brien are each a related party of the Company.

Resolutions 1,2 and 3 provide for the grant of Unlisted Options to Mr Kent, Mr Nader and Mr O'Brien which is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Resolutions 4 and 5 provide for the payment of the gross bonus of \$311,000 to Mr O'Brien and the issue of 2,000,000 shares to him at the issue price of \$0.083 per share (which in total amounts to \$166,385 after deducting PAYG withholding from the gross bonus of \$311,000) utilizing the proceeds of the bonus.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders:

- (a) The related parties to whom the proposed resolutions would permit the financial benefit to be given are set out below.

In respect of the options referred to in Resolutions 1,2 and 3 the following persons:

Name	Unlisted Options
Mr Kent	16,000,000
Mr Nader	1,000,000
Mr O'Brien	4,000,000
TOTAL	21,000,000

Mr O'Brien will receive the Bonus referred to in Resolution 4 and the Shares referred to in Resolution 5.

- (b) The nature of the financial benefits proposed to be given:
- (i) the grant of the Unlisted Options to Mr Kent, Mr Nader and Mr O'Brien for no consideration on the terms and conditions set out in Resolutions 1, 2 and 3 and Annexure B to this Explanatory Memorandum; and
 - (ii) the payment of the bonus of \$311,000 to Mr O'Brien and the issue of 2,000,000 shares to him at the issue price of \$0.083 per share (which in total amounts to \$166,385 after deducting PAYG withholding from the gross bonus of \$311,000) utilizing the proceeds of the bonus.
- (c) The tax and cash flow consequences of the payment of the bonus to Mr O'Brien and the subscription of shares by him are as follows. A deduction of \$144,615 in respect of PAYG tax will be made from the bonus to be paid to Mr O'Brien. The payment of the bonus to Mr O'Brien will be a tax deductible expense of the

Company and after having taken advice from its tax advisors, the Company understands that the effect of this will be that the Company will reduce the amount of Australian tax otherwise payable by it by \$93,300. The net proceeds of the bonus (\$166,385) will be applied by Mr O'Brien in subscribing for the shares to be issued to him. The ultimate cash flow effect on the Company will be \$51,315. The position is shown in the table set out below. It should be noted that there will be a period of time between the Company paying the bonus and receiving the benefit of the reduced tax payable :

	\$	\$ Cash Position
Bonus payment to Colm O'Brien	311,000	(311,000)
PAYG payment to ATO and deducted from the bonus	(144,615)	
Mr O'Brien subscribes for 2M shares		166,385
Immediate cash flow effect on the company		(144,615)
Positive effect of the allowance arising by virtue of the payment of the bonus on the Company's tax position		93,300
Ultimate cash flow effect		(51, 315)

(d) Directors' recommendations:

All the Directors were available to consider Resolutions 1, 2, 3, 4, 5 and 6.

Messrs Colm O'Brien, David Nizol, Lewis Cross, Charbel Nader and John Stark (who do not have an interest in Resolution 1) recommend that the shareholders approve the grant of Unlisted Options under Resolution 1 to Mr Kent for the reasons set out under the sub-heading "Current Proposals Regarding Options" under the Section of this Explanatory Statement headed "Resolutions 1, 2 and 3- Approval to the Grant of Unlisted Options to Mr Kent, Mr Nader and Mr O'Brien".

Mr Kent declined to make a recommendation to shareholders in respect of Resolution 1 as he has a material personal interest in the outcome of the resolution by virtue of the proposed grant of Options to him.

Messrs Andrew Kent, Colm O'Brien, David Nizol, Lewis Cross and John Stark (who do not have an interest in Resolution 2) recommend that the shareholders approve the grant of Unlisted Options under Resolution 2 to Mr Nader for the

reasons set out under the sub-heading “Current Proposals Regarding Options” referred to above.

Mr Nader declined to make a recommendation to shareholders in respect of Resolution 2 as he has a material personal interest in the outcome of the resolution by virtue of the proposed grant of Options to him.

Messrs Andrew Kent, David Nizol, Lewis Cross, Charbel Nader and John Stark (who do not have an interest in Resolution 3) recommend that the shareholders approve the grant of Unlisted Options under Resolution 3 to Mr O’Brien for the reasons set out under the sub-heading “Current Proposals Regarding Options” referred to above.

Mr O’Brien declined to make a recommendation to shareholders in respect of Resolution 3 as he has a material personal interest in the outcome of the resolution by virtue of the proposed grant of Options to him.

Messrs Andrew Kent, David Nizol, Lewis Cross, Charbel Nader and John Stark (who do not have an interest in resolution 4 or 5) recommend that the shareholders approve the payment of the bonus of \$311,000 to Mr O’Brien pursuant to resolution 4 and the allotment of the 2,000,000 shares to Mr O’Brien at the price of \$0.083 per share (for an aggregate consideration of \$166,385 for all 2,000,000 shares) pursuant to resolution 5 for the reasons set out under the sub-headings “Reasons for the Proposed Bonus and Issue of Shares to Mr O’Brien” and “Reasons for the Proposed Structure”, which appear under the section of this Explanatory Statement headed “Resolutions 4 and 5 - Payment of Bonus to Colm O’Brien and Issue of Shares to Mr O’Brien using the Proceeds of the Bonus”.

Mr O’Brien declined to make a recommendation to shareholders in respect of Resolutions 4 and 5 as he has a material personal interest in the outcome of the resolutions.

- (e) Other information that is reasonably required by shareholders to make a decision whether it is in the best interests of the Company to pass Resolutions 1, 2, 3, 4 and 5 that is known to the Company or any of its Directors:

- (i) The proposed resolutions would have the effect of giving power to the Directors to grant up to 21,000,000 unlisted Options on the terms and conditions as set out in Resolutions 1, 2 and 3 and Annexure B to this Explanatory Memorandum.

The Company presently has 236,710,493 Shares on issue and listed on the ASX.

The Company has no listed or unlisted Options on issue.

- (ii) GRG have valued the Unlisted Options to be granted to the Directors using the Black-Scholes Option Pricing Model ("BSModel"), which is the most

widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory.

The value of an option calculated by the BSModel is a function of a number of variables. In GRG's Report (at Annexure B), they state that their assessment of the value of the Unlisted Options has been prepared using the following assumptions:

Share price	10 cents
Exercise price	15 cents
Term	4 years
Risk Free Interest Rate	5.4%
Volatility	40%
Dividends	Nil

The valuation date was at May 2011.

In the GRG Report, GRG have stated "GRG has estimated a volatility that is lower than has been experienced by many companies over recent years due to the global financial crisis. As the stock market seems to be settling back to more normal behaviour and Aspermont is not a highly speculative stock, GRG considers that it is reasonable to use 40% as an estimate of future volatility in Aspermont's share price. In this regard it should be noted that if the volatility were to be increased to 80% then the value of the options will double. It should also be noted that the value of the options for taxation purposes would be nil."

The following table is an extract from the GRG Report:

Role	Chairman	Vice-Chairman	Group CEO
Number of Options	16,000,000	1,000,000	4,000,000
Options Value	\$397,000	\$25,000	\$99,000
4 Year Average Value (rounded)	\$100,000	\$6,000	\$25,000

The market traded price of a share of the Company was \$0.09 on 19 September 2011.

The valuations referred to above do not necessarily represent the market values of the Options or the tax values for taxation purposes to the option holder. The future value of the Options may be up or down on the values noted below as it will primarily depend on the future price of a Share (for the next 4 years), and the time to expiry of the Options.

Any change in the variables applied in the Black and Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

- (iii) If any Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all Options the subject of Resolutions 1,2 and 3 are exercised, the total dilution would be approximately 8.9 %. The market price of the Shares during the period of the Options will normally determine whether or not the holders of the Options exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading on ASX at a price which is higher than the exercise price of the Options.
- (iv) If the traded price of the 2,000,000 shares to be acquired by Mr O'Brien increase beyond \$0.083 per share at the time of the completion of subscription by him, then Mr O'Brien will be acquire them at less than market price, The shares of the Company are listed on the ASX and trading prices may fluctuate depending on market conditions. For example, if at the time of subscription the traded price is \$0.09 (the latest price on 19 September 2011) then Mr O'Brien will acquire the shares at a price equal to \$0.007 per share less than the price at which the shares are traded (total benefit being $\$0.007 \times 2,000,000 \text{ shares} = \$14,000$). Conversely, if the traded price at the time of subscription is equal to or less than \$0.083 per share at the time of subscription, Mr O'Brien will acquire the shares at a price higher than the traded price and there will be no benefit.
- (v) As at the date of this Notice, the Directors and their associates have relevant interests in securities in the Company as follows:

Name	Number of Shares	Number of Options
Mr Kent	116,925,000	None
Mr Nader	None	None
Mr O'Brien	1,575,417	None

- (vi) The Directors' base salaries or fees per annum (including superannuation) and the total financial benefit to be received by them in this current period as a result of the grant of Options the subject of Resolutions 1,2 and 3 are as follows:

Name	Base salary/fees p.a. (\$)	Unlisted Options (\$)	Total Financial Benefit (\$)
Mr Kent	\$200,000	\$397,000	\$597,000
Mr Nader	\$100,000	\$25,000	\$125,000
Mr O'Brien	\$300,000	\$99,000	\$399,000

- (vii) The following table gives details of the highest, lowest and latest price of the Shares trading on the ASX over the past 12 months ending on 8 September 2011:

Security	Highest Price	Date of highest price	Lowest Price	Date of lowest price	Latest Price on 19 September 2011
Shares	\$0.14	30 March 2011	\$0.08	15 December 2010	\$0.09

- (viii) Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Unlisted Options in its income statement for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Unlisted Options pursuant to the resolutions.
- (ix) As noted in paragraph (v) above, at the date of this Notice Mr O'Brien and his associates hold 1,575,417 shares. If the shares are issued to him pursuant to resolution 5, then the number of shares held by him will increase to 3,575,417 shares.
- (x) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolutions.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party.

Listing Rule 10.11 therefore requires shareholders to approve the grant of Options to the Directors. For the purposes of Listing Rule 10.13, the following information is provided to shareholders in respect of the Options:

- (a) the Options will be granted to Mr Kent, Mr Nader and Mr O'Brien;
- (b) the maximum number of Options to be granted is 21,000,000;
- (c) the Options will be allotted no later than one month after the Conditions Precedent have been met;
- (d) the Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Options; and

the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the grant of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Listing Rule 10.11 requires shareholders to approve the issue of the 2,000,000 shares to Mr O'Brien (**O'Brien Shares**). For the purposes of Listing Rule 10.13 the following information is provided to shareholders in respect of the O'Brien Shares:

- (aa) The O'Brien Shares will be issued to Mr O'Brien;
- (bb) The O'Brien Shares will be fully paid up ordinary shares;
- (cc) There will be 2,000,000 O'Brien Shares;
- (dd) The O'Brien Shares will be issued within 1 month of the approval from shareholders being obtained;
- (ee) The O'Brien Shares will be subject to 12 months' escrow;
- (ff) The O'Brien Shares will be issued at a subscription price of \$0.083 per share (the total subscription price will amount to \$166,385);
- (gg) The funds raised by the issue of the O'Brien shares (\$166,385) will be used for the purposes of providing working capital to the Company

Role of ASIC and ASX

Pursuant to Section 218(1) of the Corporations Act, the Company must lodge with ASIC the notice of meeting and explanatory memorandum at least 14 days before the Notice of Meeting is given. The fact that the accompanying notice of meeting and this explanatory statement have been received by ASIC and the ASX is not to be taken as an indication of the merits of the proposals. ASX and their respective officers take no responsibility for any decision a shareholder may make in reliance of that documentation.

ANNEXURE A
TERMS AND CONDITIONS OF 2011 OPTIONS

1. Each Option entitles the Executive (referred to in this Schedule as the **(Option Holder)**) to subscribe for one Share at the Exercise Price.
2. The Options are exercisable at any time up to the Expiration Date by the Option Holder giving notice signed by him which states the number of Options being exercised and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company. Any Options not exercised by the Expiration Date will lapse.
3. The Option Holder may exercise some only of that his Options, which does not affect the Option Holder's right to exercise the remainder of their Options by the Expiration Date. Options must be exercised in multiples of 100 at a time, unless the Option Holder exercises all Options able to be exercised at that time.
4. The Options are not transferable. Application will not be made to ASX for official quotation of the Options.
5. All Shares issued upon exercise of the Options will, from the date they are issued, rank *pari passu* in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
6. The Option Holder cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Options without exercising the Options. However, the Company will ensure that the purpose of determining entitlements to any such issue, the books closing date will be at least 9 business days after the issue is announced. This will give the Option Holder the opportunity to exercise his Options prior to the date for determining entitlements to participate in any such issue.
7. Subject to paragraph 8, if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Option or any other terms of those Options.
8. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company the rights of Option Holder including the number of Options or the Exercise Price or both will be changed to the extent necessary to comply with the Listing Rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
9. Options must be exercised within 30 days of a Termination Event (other than an Adverse Termination Event) otherwise they will lapse without any compensation being payable to the Option Holder.
10. In the event that an Adverse Termination Event occurs before the Expiration Date the Options shall lapse without any compensation being payable to the Option Holder.

ANNEXURE B
GRG REPORT

Level 9
56 Berry Street, North Sydney 2060
Telephone 61-2-8923 5700
Facsimile 61-2-8923 5706
ABN: 38 096 171 247

13 May 2011

Mr J. R. Detwiler
Chief Financial Officer & Company Secretary
Aspermont Limited
613-619 Wellington Street
Perth WA 6000

Dear John,

As requested we have reviewed the proposed remuneration packages for the Chairman, Vice-Chairman and the Group Chief Executive Officer (Group CEO) with a view to providing our professional opinion on their reasonableness, particularly in regard to the proposed grants of options.

Proposed Packages

The following table presents Godfrey Remuneration Group Pty Limited's (GRG's) understanding of the proposed remuneration packages for the 2011-12 financial year.

Remuneration Components	Chairman	Vice-Chairman	Group CEO
Base including super & benefits	\$200,000	\$100,000	\$300,000
Short term incentive (STI) – No formal STI plans	\$0	\$0	\$0
Long Term Incentive (LTI)	\$100,000	\$6,000	\$25,000
Total Remuneration Package	\$300,000	\$106,000	\$325,000

The LTI for the Chairman and Deputy Chairman and partially for the Group CEO is in the form of grants of options. It is understood that the 2011 grant is intended to cover 4 years and therefore another grant will not be considered for 4 years unless circumstances materially change. The options will have a term of 4 years and an exercise price set at 150% of the share price at the time of the grant. There will be no vesting conditions but, of course, the premium exercise price will set a significant performance condition that will need to be satisfied before any value starts to accrue in the options.

The option values were calculated using a Black-Scholes Option Valuation Model and the following assumptions:

Assumptions	
Share Price	\$0.10
Exercise Price	\$0.15
Term	4 years
Risk Free Interest Rate	5.4%
Volatility*	40%
Dividends	Nil

*NB: GRG has estimated a volatility that is lower than has been experienced by many companies over recent years due to the global financial crisis. As the stock market seems to be settling back to more normal behaviour and Aspermont is not a highly speculative stock, GRG considers that it is reasonable to use 40% as an estimate of future volatility in Aspermont's share price. In this regard it should be noted that if the volatility were to be increased to 80% then the value of the options would double. It should also be noted that value of the options for taxation purposes would be nil.

The option values were as follows and one-third of that value has been included in the remuneration packages to average that value over the period the grants are intended to cover.

Role	Chairman	Vice-Chairman	Group CEO
Number of Options	16,000,000	1,000,000	4,000,000
Options Value	\$397,000	\$25,000	\$99,000
4 Year Average Value (rounded)	\$100,000	\$6,000	\$25,000

Market Practice

GRG recently market benchmarked Aspermont's remuneration practices in relation to key management personnel (KMP). A summary of the market benchmarking exercise is provided in the attachment to this letter. Aspermont's size in terms of market capitalisation is currently about the same as it was when the benchmarking analysis was undertaken.

The proposed Base Packages for the Chairman and the Group CEO are lower than recommended assuming that the Company wished to adopt median market practice for Base Packages. The proposed LTI will bring the total remuneration package for the Chairman up to a level that is around the 75th percentile of market practice through a heavy weighing on incentives. Thus, the packages will have a strong emphasis on performance and the options will not deliver benefits to the executives until shareholders have benefitted from a 50% increase in the value of their shareholdings. The proposed total remuneration package for the Group CEO will be below the median of market practice.

The role of Vice-Chairman was not covered in the market benchmarking work previously undertaken by GRG. Unfortunately, Deputy Chair roles are rarely present on boards and therefore

market data is limited. Hence, it is not possible to undertake a direct market comparison. Nevertheless, GRG understands that the Vice-Chairman role will be an onerous role as it will also be the lead independent director role and will involve a workload that is substantially larger than that of other NEDs. While it is difficult to assess an appropriate market rate for this role there does seem to be an appropriate relativity between the Chairman's and the Vice-Chairman's proposed remuneration packages.

Reasonableness

Having regard to the foregoing information and to GRG's understanding of Aspermont's circumstances including current shareholdings (Mr Kent, the Chairman, current owns approximately 49.5% of the issued shares), GRG is of the view that the proposed remuneration packages constitute reasonable remuneration from the Company's point of view.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D. Godfrey', with a stylized flourish at the end.

Denis Godfrey
Managing Director

Attachment: Summary of 2010 Market Benchmarking Report

During September 2010 GRG submitted a report following work undertaken to market benchmark the market competitiveness of Aspermont's remuneration practices in relation to non-executive directors and top executives. As a guide to market practice a comparator group of companies was selected. It comprised 20 industrial companies, excluding financial services sector companies as they are high payers, with 10 larger and 10 smaller than Aspermont's then market capitalisation of \$34 million.

Remuneration data as disclosed in the most recently available annual reports for these companies was extracted and analysed. GRG took that data into account as well as its knowledge of wider market remuneration practices to formulate recommendations.

In formulating recommendations GRG assumed that Aspermont's policy would be for base remuneration being Base Packages (salary, superannuation contributions, other benefits and fringe benefit tax) for executives and fees including superannuation contributions for non-executive directors, should be pitched at the 50th percentile or median of projected market practice for the year during which the remuneration would be paid. For non-executive directors, GRG also recommended that options be provided in addition to the base remuneration so as to improve the competitiveness of the total remuneration package, reduce the amount paid in cash and to ensure that their interests were closely aligned with those of shareholders.

For executives both short and long term incentives were recommended as these are normal components of executive remuneration and ensure that executive earnings are related to performance. It was also recommended that the long term incentive component should be larger than the short term incentive as it is more closely aligned with sustainable growth in shareholder value and provides executives with the opportunity to increase their shareholdings in the company.

Specific recommendation for the roles of Chairman and Group CEO were as follows:

Remuneration Components	Chairman	Group CEO
Base including super & benefits	\$215,000	\$344,000 to \$430,000
Short term incentive	\$0	20% of Base at target \$68,800 to \$86,000
Long Term Incentive	\$107,500	30% of Base at target \$103,200 to \$129,000
Total Remuneration Package	\$322,500	\$516,000 to \$645,000

Recommendations were not made in relation to the Deputy Chairman role as that role has been created since our report was prepared.

Two long term incentive approaches were recommended. For the Chairman and the non-executive directors an option plan was recommended. Under that plan the exercise price of the options was to be set at a significant (50%) premium to the share price at the time the options are granted. This ensures that shareholders receive significant gains before any benefit starts to accrue in the options. Further, if the share price did not grow the above the exercise price then the options would not be exercised and there would be no dilution of the equity of shareholders. For the Group CEO and other executives a share purchase loan plan with performance based loan waivers was recommended allow so as to allow for the use of more focused performance targets and ensure that executives become long term shareholders in the company.

GLOSSARY

The following terms have the following meanings in this Explanatory Memorandum:

"Adverse Termination Event" means:

- (a) the Executive's employment by the Company or a Related Body Corporate is terminated or he ceases to be a director if he is not an employee (whether he is removed by a resolution of shareholders or otherwise) following the Executive having been convicted of or made subject to an order in respect of a Serious Corporate Offence; or
- (b) the Executive's employment is terminated because of a breach by him of his employment or service contract with the Company or any of its Related Bodies Corporate or any misconduct;

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"Board" means the board of Directors;

"Company" or **"Aspermont"** means Aspermont Ltd ABN 66 000 375 048;

"Conditions Precedent" means in respect of the proposed grant of Options to Mr Kent Resolution 1 being passed; in respect of the proposed grant of Options to Mr Nader Resolution 2 being passed and in respect of the proposed grant of Options to Mr O'Brien Resolution 3 being passed;

"Constitution" means the constitution of the Company;

"Corporations Act" means the Corporations Act 2001 (Cth);

"Executive" means each of Mr Kent, Mr Nader and Mr O'Brien;

"Exercise Price" means in respect of each option an amount equal to 150% of the average between the highest and lowest trading prices for the shares in the Company as recorded on the ASX on the day the Conditions Precedent are met and, if the shares of the Company are not traded on that date, on the last day before the Conditions Precedent are met on which the shares of the Company are traded;

"Expiration Date" means 4 years after the Options are issued;

"GRG" means Godfrey Remuneration Group Pty Ltd (ABN 38 096 171 247);

"GRG Report" means the report prepared by GRG dated (13 May) 2011 a copy of which is at Annexure B to this Explanatory Memorandum;

"Listing Rules" means the Listing Rules of the ASX;

"Mr Kent" means Andrew Leslie Kent, the Executive Chairman of the Company;

"Mr Nader" means Charbel Nader, the Vice-Chairman of the Company;

"Mr O'Brien" means Colm O'Brien, the Chief Executive Officer of the Company;

"Notice" or **"Notice of Meeting"** means the notice of annual general meeting accompanying this Explanatory Memorandum;

"Option" means an option to acquire one Share;

"Serious Corporate Offence" means (a) conviction of an offence relating to fraud in connection with any office or position held by the Executive in the Company or any of its Related Bodies Corporate (b) conviction of an offence relating to insider trading in respect of securities of the Company or any Related Body Corporate (c) conviction of an offence pursuant section 184 of the Corporations Act in connection with any office or position held by the Company in the Company or any of its Related Bodies Corporate (d) conviction any offence under the Corporations Act which carries a penalty of imprisonment (whether or not that is imposed) in relation to any matter concerning the Company or its Related Bodies Corporate (e) an order made against the Executive in respect of breaches of section 180, 181 or 182 of the Corporations Act connection with any office or position held by the Executive in the Company or any of its Related Bodies Corporate or (f) an order under section 1034L or 1043O of the Corporations Act in relation to any activities of the Executive in relation to the securities of the Company or any Related Body Corporate.

"Shares" means ordinary fully paid shares in the capital of the Company;

"Termination Event" means:

- (a) where the Executive is an employee of the Company or Related Body Corporate of the Company in addition to being a director of the Company, he ceases to be employed by the Company for any reason (whether because he has resigned or his employment has been terminated for any reason) unless upon ceasing to be an employee of the Company or that Related Body Corporate, he becomes an employee of a Related Body Corporate; and
- (b) where the Executive is not an employee of the Company but is a director, he ceases to be a director for any reason whether by way of resignation or removal pursuant to a resolution of shareholders; and

"WST" means Australian Western Standard Time.

ASPERMONT LIMITED
ABN 66 000 375 048

PROXY FORM

The Company Secretary
Aspermont Limited

I/We _____ of _____ being a member/members of Aspermont Limited HEREBY APPOINT _____ of _____ and/or failing him _____ of _____ or failing that person then the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 613-619 Wellington Street, Perth, Western Australia, on 31 October 2011 at 11 am Western Standard Time and at any adjournment of the meeting.

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:

RESOLUTION	FOR	AGAINST	ABSTAIN
Resolution 1 – Approval to Grant Options to Andrew Leslie Kent	☐	☐	☐
Resolution 2 – Approval to Grant Options to Charbel Nader	☐	☐	☐
Resolution 3 – Approval to Grant Options to Colm O'Brien	☐	☐	☐
Resolution 4 – Payment of Bonus to Colm O'Brien	☐	☐	☐
Resolution 5- Issue of shares to Colm O'Brien	☐	☐	☐
Resolution 6- Increase of fees available to pay Non-Executive Directors	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box.*

☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions(s) and that votes cast by the Chair of the meeting for those resolution(s) other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your vote on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman intends to vote undirected proxies in favour of all the resolutions set out in the Notice.

<i>This Proxy is appointed to represent _____ % of my voting right, or if 2 proxies are appointed Proxy 1 represents _____ % and Proxy 2 represents _____ % of my total votes</i>
<i>My total voting right is _____ shares</i>

If the shareholder is an individual or joint holders:

Signature _____ Signature _____

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Director/Secretary

Print name

Print name

Dated: 2011

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote at this General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholders' voting rights. If such appointment is not made then each proxy may exercise half to the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or their attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed either in accordance with the Constitution of the company or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by all of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noticed by the Company, must accompany the proxy form.
5. To be effective forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting (that is by 11am Western Standard Time on 29 October 2011) by post or facsimile to the respective addresses stipulated in the explanatory statement to which this proxy form is attached.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) If the proxy is the Chairman, the proxy must vote on a poll and must vote that way, and
 - (d) If the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in anyway that the proxy sees fit.

7. The Chairman intends to vote undirected proxies in favour of all the resolutions set out in the Notice.