

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a meeting of members of SomnoMed Limited (the "Company") will be held at the Royal Room, Level 13, 167 Macquarie Street, Sydney, NSW 2000 on Monday 21st November 2011 at 2.30pm for the purpose of transacting the business set out in this Notice.

BUSINESS

Item 1– Financial Statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30th June 2011.

Item 2– Remuneration Report

To adopt the Remuneration Report for the year ended 30th June 2011.

Item 3- Election of Director- (Graham Hurst)

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

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

Item 4- Appointment of Director (Lee Ausburn)

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

"That Lee Ausburn being a Director, who was appointed since the last general meeting of the Company, in accordance with the Company's Constitution, and being eligible, be appointed as a Director of the Company."

Item 5- Appointment of Director (Robert Scherini)

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

"That Robert Scherini being a Director, who was appointed since the last general meeting of the Company, in accordance with the Company's Constitution, and being eligible, be appointed as a Director of the Company."

Appointment of Proxy

- (a) A member who is unable to attend and vote at the meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below. The proxy need not be a member of the Company.
- (b) If a member wishes to appoint a proxy, and is entitled to cast 2 or more votes, then the member may appoint 2 proxies, and may specify the proportion or number of votes each proxy may cast.
- (c) A proxy form (and the power of attorney (if any) under which it is signed) must be received at the registered office of the Company not less than 48 hours before the time of the holding of the meeting:
 - By hand: Boardroom Pty Limited - Level 7, 207 Kent Street, Sydney, NSW, 2000
 - By mail: Boardroom Pty Limited - GPO Box 3993, Sydney NSW, 2001
 - By facsimile: (02) 9290 9655

Corporate Representatives

Corporate members must either:

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

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

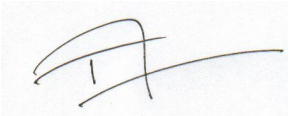
Entitlement to Vote

For the purpose of the meeting, those members holding shares at 7pm on 19th November 2011 will be voting members at the meeting.

Further Information

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

By the Order of the Board of Directors.

A handwritten signature in black ink, appearing to be 'T. A. Flitcroft', written over a light grey rectangular background.

T. A. Flitcroft
Company Secretary

Dated: 14th October 2011

EXPLANATORY NOTES ON ITEMS OF BUSINESS

Item 1: Financial Statements

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

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

Item 2: Remuneration Report

The Directors' Report for the year ended 30 June 2011 contains a Remuneration Report, which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for Directors and certain senior executives.

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

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

Item 3: Election of Director

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

Graham Hurst is an experienced investor with over forty year experience in capital markets. He became a member of the Sydney Stock Exchange in 1968 and was subsequently a director of the Sydney Stock Exchange for five years and on the Exchange's national listing committee during this time.

Graham has acted as financial advisor to a number of companies.

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

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

Item 4: Appointment of Director

Pursuant to the Company's Constitution, Lee Ausburn being a Director, who was appointed since the last general meeting of the Company, in accordance with the Company's Constitution, and being eligible, be appointed as a Director of the Company.

Lee has had a long career in the health industry, beginning as a pharmacist before joining Merck and Co. Inc., a global pharmaceutical company. During this period, she progressed through a range of roles, beginning in marketing before becoming responsible for reimbursement and pricing of Merck products in Australia.

In 1998 she moved into a regional role and was ultimately Vice President, Asia Merck & Co. Inc. responsible for the general management and strong growth of Merck organisations and their products across Asia reporting directly to the executive responsible for the geographic area in the US. During this time Lee built businesses in a number of countries, often from the very beginning, planned and launched new products, liaised with regulatory authorities and government agencies and built and supervised management teams responsible for building Merck's business in that part of the world.

Item 4: Appointment of Director - continued

After leaving Merck in 2008, she has taken on a number of non-executive director roles. She is a non-executive director of Australian Pharmaceutical Industries (API) Ltd, which distributes pharmaceuticals to pharmacies across Australia. API also has retail pharmacy operations through Priceline stores.

In addition she is a member of two NSW government boards which are responsible for the implementation of the Garling recommendations to improve the quality of care in NSW hospitals- the Clinical Excellence Commission and the Agency for Clinical Innovation.

If appointed, Lee Ausburn will continue as a Director and be subject to retirement by rotation in accordance with the Company's Constitution.

The Board, with exception of Lee Ausburn, unanimously recommends that Shareholders vote in favour of the appointment of Lee Ausburn.

Item 5: Appointment of Director

Pursuant to the Company's Constitution, Robert Scherini being a Director, who was appointed since the last general meeting of the Company, in accordance with the Company's Constitution, and being eligible, be appointed as a Director of the Company.

Rob is a past Managing Director for Johnson & Johnson Medical Australia/NZ and has held senior management positions both locally and internationally. He was posted for a number of years in J&J international headquarter in Brussels before returning to Australia where he was directly responsible for J&J's medical device business in the APAC region. He has a strong track record of growing businesses and brings to the Board a wealth of experience in Sales & Marketing, Business Development, Finance, Operations and Supply, Legal, Human Resources and Information Technology.

Rob has a bachelor degree in Business and is a Certified Practising Accountant (CPA). He was a Member of the Board of the Medical Technology Association of Australia (MTAA) for nine years. He has been a strong advocate of Human Resources Strategy and was recognised as Best HR Champion at the 2004 Australian HR Awards. In 2007 was awarded a Rotary International Fellowship for his assistance to the community.

More recently Rob has devoted his time to consulting and mentoring. He is a senior partner of a healthcare consultancy focused on Asia Pacific and a member of the Board of a large privately owned medical device company. Rob is also a member of the Executive Advisory Council of Nursing & Midwifery at the University of Technology, Sydney (UTS).

If appointed, Robert Scherini will continue as a Director and be subject to retirement by rotation in accordance with the Company's Constitution.

The Board, with exception of Robert Scherini, unanimously recommends that Shareholders vote in favour of the appointment of Robert Scherini.