

21st October 2008

ASX Announcements Platform

Solco Ltd – Notice of Annual General Meeting of Shareholders

Please find attached a copy of the Notice of Meeting, Explanatory Memorandum and Proxy Form for the 2008 Annual General Meeting of Solco Ltd to be held on Thursday 20th November 2008, commencing at 10AM (WDST) at Solco Ltd 126 Sheffield Road, Welshpool, Western Australia. This is being sent to all shareholders today.

Darren Crawte
Company Secretary

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**SOLCO LTD
ACN 084 656 691**

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

**AND
EXPLANATORY MEMORANDUM**

AND

PROXY FORM

TO BE HELD ON

**THURSDAY 20 NOVEMBER 2008
COMMENCING AT 10 AM**

AT

**SOLCO LTD
126 SHEFFIELD ROAD
WELSHPOOL
WESTERN AUSTRALIA**

For personal use only

Notice is hereby given that Annual General Meeting of Solco Ltd ("the Company") will be held at Solco Ltd, 126 Sheffield Road, Welshpool, Western Australia on Thursday the 20th day of November 2008 at 10 am.

The business of the Annual General Meeting is to consider and (if thought fit) to pass, with or without modification, the following ordinary resolutions:

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

AGENDA

1. CHAIRMAN'S ADDRESS

2. ANNUAL FINANCIAL REPORTS AND ACCOUNTS

To table the Financial Statements for the year ended 30 June 2008 and the related Director's Report, Director's Declaration and Audit Report thereon.

3. RE-ELECTION OF MR IAN CAMPBELL AS A DIRECTOR

To consider and, if thought fit, to pass the following as an ordinary resolution (**Resolution 1**):

"That Mr Ian Campbell, having been appointed as an additional director of the Company on 23 November 2007 and being eligible for election, be elected a Director of the Company."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ian Campbell (or his nominee) and any of his associates.

4. RE-ELECTION OF MR DAVID RICHARDSON AS A DIRECTOR

To consider and, if thought fit, to pass the following as an ordinary resolution (**Resolution 2**):

"That Mr David Richardson, being a director of the Company who retires by rotation in accordance with clause 8.1 (e) (ii) of the Company's Constitution, and being eligible, is re-elected as a director of the Company"

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr David Richardson (or his nominee) and any of his associates.

5. DIRECTOR'S REMUNERATION REPORT

To consider and, if thought fit, to pass the following as an advisory resolution (**Resolution 3**):

"To approve the Directors' Remuneration Report forming part of the Company's Annual Financial Reports and Accounts."

6. SHARE PLACEMENT OF UP TO 40,000,000 SHARES

To consider and, if thought fit, to pass the following as an ordinary resolution (**Resolution 4**):

"That, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Directors to issue or cause the issue, at any time(s) within three (3) months of the date of this resolution, of up to 40,000,000 fully paid ordinary shares in the Company and at an issue price not less than 80% of the average market price (as defined in the ASX Listing Rules) for the Company's fully paid ordinary shares calculated, for each issue of Shares which is made, over the last 5 days on which sales in such shares were recorded before the day on which the issue is made."

7. ISSUE OF OPTIONS TO EXECUTIVE DIRECTOR

To consider and, if though fit, to pass the following as an ordinary resolution (**Resolution 5**):

"That, for the purposes of Part 2E.1 of the Corporations Act 2001 (the Act) and Chapter 10 of the ASX Listing Rules and for all other purposes, approval is given for the Company to issue to Mark Norman (current executive director of the Company) 1,000,000 options in the Company, each to acquire one fully paid ordinary share in the Company, at an exercise price per option of \$0.12 for 500,000 of the options and at an exercise price per option of \$0.16 for the balance of the options, which options shall be exercisable at any time in the period commencing on 1 January 2010 (the date on which the options vest) and expiring at 5.00pm WST on 31 December 2010 and otherwise on the terms and conditions set out in appendix A of the Explanatory Memorandum attached to this notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Mark Norman (or his nominee) and any of his associates.

8. ISSUE OF OPTIONS TO STEVEN COLE (A NON-EXECUTIVE DIRECTOR)

To consider and, if though fit, to pass the following as an ordinary resolution (**Resolution 6**):

"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the ASX Listing Rules and for all other purposes, approval is given for the Company to issue to Steven Cole (a current non-executive director of the Company) 1,000,000 options in the Company, each to acquire one fully paid ordinary share in the Company, at an exercise price per option of \$0.15 for 500,000 of the options and at an exercise price per option of \$0.20 for the balance of the options, which options shall be exercisable at any time in the period commencing on 1 January 2010 (the date on which the options vest) and expiring at 5:00pm WST on 31 December 2010 and otherwise on the terms and conditions set out in appendix B of the Explanatory Memorandum attached to this notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Steven Cole (or his nominee) and any of his associates.

9. ISSUE OF OPTIONS TO IAN CAMPBELL (A NON-EXECUTIVE DIRECTOR)

To consider and, if though fit, to pass the following as an ordinary resolution (**Resolution 7**) subject to the passing resolution 1:

"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the ASX Listing Rules and for all other purposes, approval is given for the Company to issue to Ian Campbell (a current non-executive director of the Company) 1,000,000 options in the Company, each to acquire one fully paid ordinary share in the Company, at an exercise price per option of \$0.15 for 500,000 of the options and at an exercise price per option of \$0.20 for the balance of the options, which options shall be exercisable at any time in the period commencing on 1 January 2010 (the date on which the options vest) and expiring at 5:00pm WST on 31 December 2010 and otherwise on the terms and conditions set out in appendix B of the Explanatory Memorandum attached to this notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ian Campbell (or his nominee) and any of his associates.

10. ISSUE OF OPTIONS TO DAVID RICHARDSON (A NON-EXECUTIVE DIRECTOR)

To consider and, if though fit, to pass the following as an ordinary resolution (**Resolution 8**) subject to the passing of resolution 2:

"That, for the purposes of Part 2E.1 of the Act and Chapter 10 of the ASX Listing Rules and for all other purposes, approval is given for the Company to issue to David Richardson (a current non-executive director of the Company) 1,000,000 options in the Company, each to acquire one fully paid ordinary share in the Company, at an exercise price per option of \$0.15 for 500,000 of the options and at an exercise price per option of \$0.20 for the balance of the options, which options shall be exercisable at any time in the period commencing on 1 January 2010 (the date on which the options vest) and expiring at 5:00pm WST on 31 December 2010 and otherwise on the terms and conditions set out in appendix B of the Explanatory Memorandum attached to this notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr David Richardson (or his nominee) and any of his associates.

PROXIES

In accordance with Section 249L of the Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is 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.

In accordance with Section 250BA of the Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: 126 Sheffield Road
Welshpool WA 6106

Facsimile Number: (08) 9334 8199

Each shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each particular resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

A corporation may elect to appoint a representative in accordance with the Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that members holding ordinary shares at 5.00pm WST on 18 November 2008 will be entitled to attend and vote at the Annual General Meeting.

Please note all defined terms used in this Notice of Meeting have the meanings set out in the glossary of the Explanatory Memorandum accompanying this Notice.

By order of the Board



Darren Crawte
Company Secretary
6th October 2008

This Explanatory Memorandum is intended to provide shareholders of Solco with sufficient information to assess the merits of each Resolution contained in the accompanying Notice of Annual 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 Meeting.

1. CHAIRMAN'S ADDRESS

The Chairman, Mr Steven Cole, will make an address to the Shareholders. No resolution is required in respect of this Agenda item.

2. ANNUAL FINANCIAL REPORTS AND ACCOUNTS

The second item of the Notice is to receive and consider the annual financial reports and accounts of the Company for the year ended 30 June 2007. No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's directors and auditors in relation to the Company's results and operations for the financial year.

3. RESOLUTION 1: ELECTION OF MR IAN CAMPBELL AS A DIRECTOR

In accordance with Article 8.1 of the Company's Constitution, a director appointed by the Board during the year must stand for election by the shareholders at the next annual general meeting of the Company. Mr Ian Campbell was appointed to the Board following last year's Annual General Meeting of the Company and therefore stands for election at this year's Annual General Meeting.

Mr Campbell was appointed an independent non executive director of Solco Limited on 23rd November 2007.

Mr Campbell is tertiary-educated, including studies in accounting, business law, valuation and management. Prior to his distinguished Parliamentary career he was a commercial and industrial property executive with national and international realty firms.

In 1990 Mr Campbell entered Federal politics as a WA Senator, holding high level Cabinet and other offices including:

- Parliamentary Secretary to the Treasurer
- Parliamentary Secretary to the Minister for Communications and Information Technology
- Minister for Environment and Heritage
- Minister for Human Services
- Minister for Local Government, Territories and Roads.

His international experience includes:

- World Bank of Governors and IMF Annual Meetings in 2002/2003;
- Leading international delegations on climate change including at UN Conventions, G8 plus 5 summits, and Asia Pacific conferences.

Mr Campbell has worked at the highest levels with international and national political and business leaders.

Your Directors have reviewed the necessary competencies of the Board members and each candidate's contribution to the Board and unanimously recommend Mr. Campbell's re-election.

4. RESOLUTION 2 : ELECTION OF MR DAVID RICHARDSON AS A DIRECTOR

Resolution 2 seeks approval to re-elect David Richardson who retires by rotation in accordance with Article 8.1 of the Company's Constitution is eligible and, in accordance with the Company's Constitution, offers himself for re-election as a Director of the Company, with effect from the end of the meeting.

Mr Richardson is a qualified mechanical engineer who has over 30 years of high level business experience. Mr Richardson established a successful engineering enterprise of Toussaint & Richardson in 1982 which he ran until it was acquired in 2000. More recently he was a senior executive of the large, publicly listed engineering firm Worley Parsons, serving as head of the Minerals and Metals division. Mr Richardson also serves as a non-executive director of ASX Listed engineering and project management company Emerson Stewart Limited.

Mr Richardson has extensive operational, commercial and engineering experience in Australia and internationally.

Your Directors have reviewed the necessary competencies of the Board members and each candidate's contribution to the Board and unanimously recommend Mr. Richardson's re-election.

5. RESOLUTION 3: DIRECTORS' REMUNERATION REPORT

The Annual Report for the year ended 30 June 2007 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Pursuant to section 250R(3) of the Corporations Act, the Shareholder vote is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the Resolution not be passed.

6. RESOLUTION 4: SHARE PLACEMENT

(A) Background

Resolution 4 seeks Shareholder approval for the purpose of ASX Listing Rule 7.1 and for all other purposes to authorise the Directors to issue or cause the issue of that number of fully paid ordinary shares in the Company ("Shares") as will not exceed 40,000,000 Shares at an issue price of not less than 80% of the average market price (as defined in the ASX Listing Rules) for the Company's Shares calculated over the last 5 days on which sales of such Shares were recorded before the day on which the issue is made.

At the Company's AGM held in November 2007 the Shareholders approved a comparable authority to the Directors. This earlier approval provided the Directors with authority to issue up to 40,000,000 Shares at the same issue price as is currently proposed at any time up to 23 February 2008. However, despite the Directors being engaged in several prospective acquisition opportunities, none to date have satisfactorily met the requirements imposed by the Directors as necessary to provide sufficient Solco Shareholder value to warrant their being proceeded with. The Directors now ask the Shareholders effectively to "refresh" the mandate that the Shareholders had previously given to the Directors at the Company's last AGM.

(B) Listing Rule 7.1

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amounts to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

The Directors are of the view that the Company should actively seek out opportunities for acquisition of synergistic businesses and wish to be in a position, in a fast moving marketplace, to fund appropriate acquisitions (including by way of issue of Shares in the Company in consideration of such acquisitions).

The Company therefore seeks approval, pursuant to Listing Rule 7.1, to issue up to 40,000,000 Shares. The following information is provided in accordance with Listing Rule 7.3:-

1. The maximum number of Shares the Company is to issue is 40,000,000 Shares.
2. The Shares will be issued within three months of the date of this annual general meeting.
3. The issue price for the Shares will be not less than 80% of the average market price (as defined in the ASX Listing Rules) for the Company's Shares calculated over the last 5 days on which sales of such Shares were recorded, before the day on which the issue is made.
4. The names of the allottees of the Shares are not known at this time. The Shares will be issued to sophisticated and/or professional investors and/or other persons (including vendors of business interests that may be acquired by the Company). No related parties will be allottees.
5. The Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares in the Company and application will be made for their quotation on the Australian Securities Exchange.
6. The purpose of the proposed placement(s) is to raise capital for business or corporate acquisitions by the Company and/or to satisfy the consideration for business or corporate acquisitions by the Company.
7. The Company anticipates allotting these Shares progressively throughout the three month period.
8. The Company will disregard any votes cast on this resolution by any participants in the proposed Share issue (if the names of any proposed allottees are known as at the date of the meeting and they are Shareholders in the Company) or any associate of any of these recipients. However, the Company will not disregard the vote if:
 - 8.1 it is cast by a person, as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form; or
 - 8.2 it is cast by the person chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form to vote as the proxy decides.

7. RESOLUTIONS 5, 6, 7 and 8 - ISSUE OF OPTIONS TO COMPANY DIRECTORS

(A) Background

Resolutions 5, 6, 7 and 8 seek Shareholder approval for the purposes of the Act and Chapter 10 of the ASX Listing Rules and for all other purposes, for the Company to issue options to the current Directors of the Company.

The Directors of the Company have respectively resolved (with interested Directors abstaining from voting on the resolution affecting them) that, subject to receiving the approval of the Company's Shareholders in accordance with resolutions 5, 6, 7 and 8, each of the Directors of the Company will be issued with 1,000,000 options in the Company (the **Options**).

Mark Norman is an executive director and acting Chief Executive Officer of the Company and it is proposed that the Options will be issued to Mark Norman as part of his remuneration package in consideration of services which he will provide to the Company. It is also proposed that the existing non-executive directors of the Company, Steven Cole, Ian Campbell and David Richardson, be issued with Options in consideration of ongoing services which they will provide to the Company in their capacity as non executive directors.

The terms and conditions upon which the Options will be issued to Mark Norman are set out in Appendix "A" to this Explanatory Memorandum.

The terms and conditions upon which the Options will be issued to the non-executive Directors (Steven Cole, Ian Campbell and David Richardson) are set out in Appendix B to this Explanatory Memorandum.

Assuming Shareholder approval to the issue of the Options is obtained in accordance with Resolutions 5, 6, 7 and 8, each of the Directors will hold the Shares and options in the Company set out below. If all of the Options proposed to be issued to the Directors are exercised, an additional 4,000,000 Shares in the Company will then be on issue. This would increase the number of Shares on issue from 199,613,638 to 203,613,638 (assuming that no other Options are exercised and no other Shares are issued) with a dilution effect of 2% on existing Shareholders.

Holders	Shares (direct and indirect)	Options ¹ proposed to be issued	Shares held if Options Exercised
Mark Norman	250,000	1,000,000	1,250,000
Steven Cole	7,573,514	1,000,000	8,573,514
Ian Campbell	0	1,000,000	1,000,000
David Richardson	89,170,775	1,000,000	90,170,775

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If at any time the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company. The trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	Price	Date
Highest	11.5 cents	11 December 2007
Lowest	3.6 cents	7 October 2008
Last	3.6 cents	7 October 2008

Subject to the significant qualifications detailed below the Directors have estimated, using the valuation methodology summarised below, that the value of each of the Options to be issued to:

- (a) the executive Directors is 1.51 cents per Option for the Options exercisable at 12 cents each and 1.19 cents per for the Options exercisable at 16 cents each; and
- (b) the non-executive directors is 1.19 cents per Option for Options exercisable at 15 cents each and 0.97 cents for Options exercisable at a price of 20 cents each.

Therefore the total value of the executive director's 1,000,000 Options would be \$13,500 (estimated) and \$32,400 (estimated) in the case of the non-executive directors.

The Options have been indicatively valued using the Black-Scholes Option Valuation Model (the **Model**), which takes account of factors including option exercise price, the current underlying share price volatility, risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected option life. The Model attributes the indicative values disclosed above based on the following assumptions:

- (a) the Options are exercisable at a price per Option, in the case of the executive directors, of 12 cents and 16 cents and in the case of the non-executive directors, of 15 cents and 20 cents;
- (b) a current underlying Share price volatility of 100%;
- (c) a risk-free interest rate of 5.50% per annum;
- (d) the underlying value of each Share being 5 cents (based on the value of the Company's Shares on the ASX on 25 September 2008);
- (e) no dividends being payable; and

¹ Assuming Shareholder approval to the issue of the Options is obtained.

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- (f) the Options are exercisable in the period 1 January 2010 (the date on which all of the Options vest) to 31 January 2010. The expected date of exercise has been adjusted to the midpoint between the vesting date and the exercise date.

The estimated value of each Option is subject to considerable uncertainty because many of the parameters of the Model are difficult to estimate. For example, the share price may go above, or below, 5 cents per Share after 25 September 2008.

(B) The Act

Part 2E.1 of the Act regulates the provision of "financial benefits" by public companies. The Company is a public company.

Section 208(1) of the Act provides that the Company can only give a financial benefit to a "related party" of the Company if the Company obtains the approval of its Shareholders in accordance with the procedures set out in Part 2E.1 of the Act. Directors of public companies are related parties for the purposes of the Act. Mark Norman, Steven Cole, Ian Campbell and David Richardson are all directors of the Company, and therefore related parties of the Company.

The Act deems the issue of an option by a public company to a related party to constitute the giving of a financial benefit to that related party. In the circumstances, the resolution by the Directors to issue the Options will result in the Company giving a financial benefit to Mark Norman, Steven Cole, Ian Campbell and David Richardson.

The Options are being issued to the Directors in consideration of services which they will provide to the Company. Section 211 of the Act provides an exception to the need to obtain Shareholder approval to the giving of a financial benefit to a related party where the financial benefit is remuneration given to an officer (including a director) of a public company and giving the remuneration would be reasonable given the respective circumstances of the public company and the related party (including the responsibilities involved in the office or employment).

The Board has resolved (with interested Directors abstaining from voting on the resolution which affected them) that the issue of the Options to the Directors is reasonable given the circumstances of the Company and those Directors. However to avoid doubt the Company is seeking Shareholder approval for the purposes of Part 2E.1 of the Act.

As required by Part 2E.1 of the Act, and in particular section 219 of the Act, the information contained in paragraphs (D), (E), (F) and (G) below is provided to allow the Shareholders of the Company sufficient information to determine whether or not they should approve these resolutions.

(C) Listing Rule 10.11

Listing Rule 10.11 provides that an entity must not issue or agree to issue equity securities to a related party of the Company without the approval of holders of ordinary securities of the acquisition. Accordingly, Shareholder approval to the proposed issue of the Options to the Directors under Resolutions 6, 7, 8 and 9 is also being sought for the purposes of Listing Rule 10.11.

In compliance with ASX Listing Rule 10.13, the information contained in paragraphs (D), (E), (F) and (G) below is provided in relation to the Options which are proposed to be issued to Mark Norman under Resolution 4, Steven Cole under Resolution 5, Ian Campbell under Resolution 6 and David Richardson under Resolution 7.

(D) Issue of Options to Mark Norman under Resolution 5

As required by section 219 of the Act:

1. The proposed financial benefit will be given to Mark Norman (who is an executive director and acting Chief Executive Officer of the Company).
2. The nature of the financial benefit is the issue, for nil cash consideration, to Mark Norman of 1,000,000 Options in the Company, having an estimated value in each case of \$13,500. This is a gross figure which will be amortised over the vesting period of the Options.

3. Mark Norman (the person to whom the financial benefit will be given) does not wish to make a recommendation to Shareholders about this resolution on the basis that he has an interest in the resolution's passage. All of the Directors who do not have an interest in this resolution recommend that Shareholders approve this resolution on the basis that the Options are being issued to Mark Norman as part of his remuneration package which also comprises a base salary (inclusive of superannuation) of \$200,000 per annum .
4. Mark Norman, as director and the person to whom the financial benefit will be payable, has an interest in this resolution.
5. The Directors are not aware of any other information (other than the information contained in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the resolution.
6. The Company will disregard any votes cast on Resolution 5 by Mark Norman (being the related party of the Company to whom the resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

As required by ASX Listing Rule 10.13:

Name: The Options are to be issued to Mark Norman, executive director and acting Chief Executive Officer of the Company.

Maximum number of Options to be issued: 1,000,000 Options

Date of Issue: The Options will be issued immediately after Shareholder approval is obtained at this AGM.

Relationship: Mark Norman is a director of the Company.

Issue Price: All of the Options are being issued for nil cash consideration as part of the grantee's executive remuneration package. In the case of the Options to be issued to Mark Norman, those Options will be exercisable at an exercise price per Option of \$0.12 for 500,000 of the Options and at an exercise price per Option of \$0.16 for the balance of the Options.

Funds Raised: As the Options are being issued for nil cash consideration, no funds will be raised from the issue of the Options. If the Options (or any of them) are exercised, funds raised therefrom will be applied for general working capital purposes.

For the purpose of Listing Rule 10.13.6 and for all other purposes, the Company will disregard any votes cast on Resolution 5 by Mark Norman and any of his associates. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by a 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.

As Shareholder approval is being sought for the purposes of Listing Rule 10.11, Shareholder approval is not required to be sought for the purposes of Listing Rule 7.1 (and the proposed issue of the Options under Resolution 5 will not be counted in the 15% limit prescribed by that listing rule).

(E) Issue of Options to Steven Cole under Resolution 6

As required by section 219 of the Act:

1. The proposed financial benefit will be given to Steven Cole (who is a non-executive director).
2. The nature of the financial benefit is the issue, for nil cash consideration, to Steven Cole of 1,000,000 Options in the Company, having an estimated value of \$10,800. This is a gross figure which will be amortised over the vesting period of the Options.

3. Steven Cole (the person to whom the financial benefit will be given) does not wish to make a recommendation to Shareholders about this resolution on the basis that he has an interest in the resolution's passage. All of the Directors who do not have an interest in this resolution recommend that Shareholders approve this resolution on the basis that the Options are being issued to Steven Cole in consideration of services which he will provide to the Company in his capacity as a non-executive Director. In particular at this early stage of the Company's re-ignition, it is projected that services well in excess of the normal requirements for a non-executive director will be demanded of its Board members if the Company is to grow and develop to deliver strong shareholder value. The Options to issue will be by way of remuneration in addition to the director's other standard fees of \$40,000 per annum.
4. Steven Cole as a director and the person to whom the financial benefit will be payable, has an interest in this resolution.
5. The Directors are not aware of any other information (other than the information contained in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the resolution.
6. The Company will disregard any votes cast on Resolution 6 by Steven Cole (being the related party of the Company to whom the resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

As required by ASX Listing Rule 10.13:

Name: The Options are to be issued to Steven Cole, a non-executive director of the Company.

Maximum number of Options to be issued: 1,000,000 Options.

Date of Issue: The Options will be issued immediately after Shareholder approval is obtained at this AGM.

Relationship: Steven Cole is a director of the Company

Issue Price: All of the Options are being issued for nil cash consideration as part of the grantees directors fees package. The Options will be exercisable at an exercise price per Option of \$0.15 for 500,000 of the Options and at an exercise price per Option of \$0.20 for the balance of the Options.

Funds Raised: As the Options are being issued for nil cash consideration, no funds will be raised from the issue of the Options. If the Options (or any of them) are exercised, funds raised there from will be applied for general working capital purposes.

For the purpose of Listing Rule 10.13.6 and for all other purposes, the Company will disregard any votes cast on Resolution 6 by Steven Cole and any of his associates. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by a 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.

As Shareholder approval is being sought for the purposes of Listing Rule 10.11, Shareholder approval is not required to be sought for the purposes of Listing Rule 7.1 (and the proposed issue of the Options under Resolution 6 will not be counted in the 15% limit prescribed by that listing rule).

(F) Issue of Options to Ian Campbell under Resolution 7

As required by section 219 of the Act:

1. The proposed financial benefit will be given to Ian Campbell (who is a non-executive director).
2. The nature of the financial benefit is the issue, for nil cash consideration, to Ian Campbell of 1,000,000 Options in the Company, having an estimated value of \$10,800. This is a gross figure which will be amortised over the vesting period of the Options.

3. Ian Campbell (the person to whom the financial benefit will be given) does not wish to make a recommendation to Shareholders about this resolution on the basis that he has an interest in the resolution's passage. All of the Directors who do not have an interest in this resolution recommend that Shareholders approve this resolution on the basis that the Options are being issued to Ian Campbell in consideration of services which he will provide to the Company in his capacity as a non-executive Director. In particular at this early stage of the Company's re-ignition, it is projected that services well in excess of the normal requirements for a non-executive director will be demanded of its Board members if the Company is to grow and develop to deliver strong shareholder value. The Options to issue will be by way of remuneration in addition to the director's other standard fees of \$30,000 per annum.
4. Ian Campbell as a director and the person to whom the financial benefit will be payable, has an interest in this resolution.
5. The Directors are not aware of any other information (other than the information contained in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the resolution.
6. The Company will disregard any votes cast on Resolution 7 by Ian Campbell (being the related party of the Company to whom the resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

As required by ASX Listing Rule 10.13:

Name: The Options are to be issued to Ian Campbell, a non-executive director of the Company.

Maximum number of Options to be issued: 1,000,000 Options.

Date of Issue: The Options will be issued immediately after Shareholder approval is obtained at this AGM.

Relationship: Ian Campbell is a director of the Company.

Issue Price: All of the Options are being issued for nil cash consideration as part of the grantees directors fees package. The Options will be exercisable at an exercise price per Option of \$0.15 for 500,000 of the Options and at an exercise price per Option of \$0.20 for the balance of the Options.

Funds Raised: As the Options are being issued for nil cash consideration, no funds will be raised from the issue of the Options. If the Options (or any of them) are exercised, funds raised there from will be applied for general working capital purposes.

For the purpose of Listing Rule 10.13.6 and for all other purposes, the Company will disregard any votes cast on Resolution 7 by Ian Campbell and any of his associates. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by a 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.

As Shareholder approval is being sought for the purposes of Listing Rule 10.11, Shareholder approval is not required to be sought for the purposes of Listing Rule 7.1 (and the proposed issue of the Options under Resolution 7 will not be counted in the 15% limit prescribed by that listing rule).

(G) Issue of Options to David Richardson under Resolution 8

As required by section 219 of the Act:

1. The proposed financial benefit will be given to David Richardson (who is a non-executive director).
2. The nature of the financial benefit is the issue, for nil cash consideration, to David Richardson of 1,000,000 Options in the Company, having an estimated value of \$10,800 This is a gross figure which will be amortised over the vesting period of the Options.

3. David Richardson (the person to whom the financial benefit will be given) does not wish to make a recommendation to Shareholders about this resolution on the basis that he has an interest in the resolution's passage. All of the Directors who do not have an interest in this resolution recommend that Shareholders approve this resolution on the basis that the Options are being issued to David Richardson in consideration of services which he will provide to the Company in his capacity as a non-executive Director. In particular at this early stage of the Company's re-invigoration, it is projected that services well in excess of the normal requirements for a non-executive director will be demanded of its Board members if the Company is to grow and develop to deliver strong shareholder value. The Options to issue will be by way of remuneration in addition to the director's other standard fees of \$30,000 per annum.
4. David Richardson as a director and the person to whom the financial benefit will be payable, has an interest in this resolution.
5. The Directors are not aware of any other information (other than the information contained in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interest of the Company to pass the resolution.
6. The Company will disregard any votes cast on Resolution 8 by David Richardson (being the related party of the Company to whom the resolution would permit the financial benefit to be given) and his associates (who are all prohibited from voting).

As required by ASX Listing Rule 10.13:

Name: The Options are to be issued to David Richardson, a non-executive director of the Company.

Maximum number of Options to be issued: 1,000,000 Options.

Date of Issue: The Options will be issued immediately after Shareholder approval is obtained at this AGM.

Relationship: David Richardson is a director of the Company.

Issue Price: All of the Options are being issued for nil cash consideration as part of the grantees directors fees package. The Options will be exercisable at an exercise price per Option of \$0.15 for 500,000 of the Options and at an exercise price per Option of \$0.20 for the balance of the Options.

Funds Raised: As the Options are being issued for nil cash consideration, no funds will be raised from the issue of the Options. If the Options (or any of them) are exercised, funds raised there from will be applied for general working capital purposes.

For the purpose of Listing Rule 10.13.6 and for all other purposes, the Company will disregard any votes cast on Resolution 8 by David Richardson and any of his associates. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by a 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.

As Shareholder approval is being sought for the purposes of Listing Rule 10.11, Shareholder approval is not required to be sought for the purposes of Listing Rule 7.1 (and the proposed issue of the Options under Resolution 8 will not be counted in the 15% limit prescribed by that listing rule).

GLOSSARY OF TERMS

In this Explanatory Memorandum and accompanying Notice of Meeting the following words and expressions have the following meanings:

"**ASX**" means ASX Ltd (ACN 008 624 691) or the Australian Securities Exchange, as the context requires;

"**Company**" or "**Solco Ltd**" means Solco Ltd (ACN 084 656 691);

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

"**Directors**" means the directors of the Company;

"**Explanatory Memorandum**" means the information attached to the Notice of Meeting which provides information to Shareholders about the resolutions contained in the Notice of Meeting;

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

"**Notice**" or "**Notice of Meeting**" means the notice of meeting which accompanies this Explanatory Memorandum;

"**Options**" mean options to subscribe for Shares;

"**Shareholder**" means a person holding Shares in the Company; and

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

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APPENDIX A
TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO THE EXECUTIVE DIRECTORS

1. **Nil Consideration Payable**

No subscription or application monies will be payable for the issue of each option.

2. **Entitlement**

The Option Holder shall be issued with 1,000,000 options ("Options"). Each Option shall entitle the Option Holder (or a transferee under clause 9) to subscribe (in cash) for one (1) fully paid ordinary share ("Share") in the capital of Solco Ltd ACN 084 656 691 ("the Company"):

2.1 in the case of 500,000 Options, at an exercise price of 12 cents per Option; and

2.2 in the case of the balance of the Options, at an exercise price of 16 cents per Option,
("Exercise Price").

3. **Quotation**

The Options will not be quoted on the Australia Securities Exchange ("ASX").

4. **Option Period**

Each Option will expire at 5:00pm WST on 31 December 2010 ("Option Expiry Date"). Subject to clauses 5, 6 and 10 hereof, each Option may be exercised by the Option Holder at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire.

5. **Non-Exercise Periods**

Options may only be exercised after they have vested. Subject to clause 6.2.3 and 6.2.4 the Options will vest ("Vested Options") on 1 January 2010.

6. **Lapsing of Options Prior to Option Expiry Date**

Options will automatically lapse prior to the Option Expiry Date in the following circumstances:-

6.1 With respect to Vested Options:

6.1.1 immediately upon determination by the board of directors of the Company ("the Board") that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company or its subsidiaries;

6.1.2 Subject to clause 6.1.1, one (1) month after the Option Holder ceases to be an employee of the Company or its subsidiaries (for any reason including by resignation, retrenchment, redundancy, termination or retirement) unless a longer period is otherwise determined by the Board; or

6.1.3 Subject to clauses 6.1.1 and 6.1.2, three (3) months after the death, permanent illness or permanent physical or mental incapacity of the Option Holder (unless a longer period is otherwise determined by the Board).

6.2 Where Options have not vested in accordance with clause 5:

6.2.1 immediately upon determination by the Board that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company or its subsidiaries;

6.2.2 immediately upon the Option Holder ceasing to be an employee of the Company or its subsidiaries by virtue of:

6.2.2.1 their self initiated resignation or retirement; or

6.2.2.2 their employment being terminated by the Company as a consequence of a breach or default in the performance by them of their duties; or

- 6.2.3 subject to clause 6.2.1 and 6.2.2, one (1) month after the Option Holder ceases to be an employee of the Company or its subsidiaries by reason of their retrenchment, redundancy or termination by the Company other than as a consequence of a breach or default in the performance by the Option Holder of their duties, and in which case the Options will have deemed to have vested at the date of such cessation of employment.
- 6.2.4 subject to clause 6.2.1, 6.2.2 and 6.2.3, three (3) months after the death, permanent illness or permanent physical or mental incapacity of the Option Holder, and in which case the Options will have deemed to have vested at the date of such death, permanent illness or permanent physical or mental incapacity.

7. Ranking of Share Issued on Exercise of Option

Each Share issued as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with all of the existing Shares on issue.

8. Notification to Option Holders

The Option Holder will be entitled to receive, and will be sent, all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless he is, in addition to being an Option Holder, a member of the Company.

9. Dealings in Options

9.1 Save as provided in clause 9.2, the Option Holder may not sell, transfer, assign, mortgage or otherwise encumber an Option without the prior written consent of the Board (which the Board may give or not give at its discretion) and any such sale, transfer, assignment or mortgage shall be subject to any applicable law and the ASX Listing Rules.

9.2 The Option Holder may at any time transfer all of their Vested Options to:

9.2.1 his spouse;

9.2.2 a company in which the Option Holder or his spouse are shareholders; or

9.2.3 a trustee of a trust in which the Option Holder or his spouse have a beneficial interest,

and such transfer shall be subject to any applicable law and the ASX Listing Rules.

10. Method of Exercise of an Option

10.1 A certificate or holding statement will be issued by the Company with respect to the Options ("the Certificate").

10.2 Attached to or endorsed on the reverse side of the Certificate will be a notice that is to be completed by the Option Holder when exercising the Options ("Notice of Exercise of Options").

10.3 Vested Options may be exercised by the Option Holder delivering to the Company personally or sending by registered post to the registered office of the Company:

10.3.1 a completed Notice of Exercise of Options;

10.3.2 payment in full for the Shares being subscribed, being an amount equal to the Exercise Price multiplied by the number of Vested Options being exercised; and

10.3.3 the Certificate.

10.4 The Notice of Exercise of Options must state the number of Vested Options being exercised and the number of Shares to be issued, such number to be a multiple of 1,000, or if the total number of Vested Options held by an Option Holder is less than 1,000, then the total of all Vested Options held by the Option Holder.

10.5 The exercise of less than all of the Option Holder's Vested Options will not prevent the Option Holder from exercising the whole or part of the balance of the Option Holder's Vested Options before the Option Expiry Date in the future.

- 10.6 If the Option Holder exercises less than all of the Option Holder's Vested Options, the Company must cancel the Certificate and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.
- 10.7 Within fourteen (14) days from the date the Option Holder exercises the Vested Options, the Company shall issue to the Option Holder the number of Shares subscribed for.
- 10.8 The Company will (subject to any escrow restrictions imposed by the ASX), within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of Vested Options, apply to the ASX for, and use its best endeavours to obtain, official quotation of all such Shares, in accordance with the *Corporations Act 2001* and the ASX Listing Rules.

11. Reconstruction

In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the ASX Listing Rules applicable to reconstructions at the time of the reconstruction.

12. Participation in the New Share Issues

- 12.1 There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its members from time to time unless and until the Options are exercised.
- 12.2 The Company will ensure that prior to the Option Expiry Date, the record date for the purposes of determining entitlements to any new issues of capital will be at least nine (9) business days after such new issues are announced in order to afford the Option Holder an opportunity to exercise any Vested Options then held by the Option Holder.

13. Change of Options Exercise Price or Number of Underlying Shares

- 13.1 If the Company makes a pro rata issue (except a bonus issue) to its members, the exercise price of each Option shall be adjusted in accordance with the provisions of the ASX Listing Rules.
- 13.2 If the Company makes a bonus issue of Shares or other securities convertible into Shares pro rata to members, the number of Shares issued on the exercise of each Option will include the number of bonus Shares that the Option Holder would have been issued with if the Option had been exercised by the Option Holder prior to the books' closing date for bonus Shares. No change will be made in such circumstances to the Exercise Price.

14. Takeover

Notwithstanding clause 5, all Options may be exercised if a takeover bid (as defined in the *Corporations Act 2001*) is made for the Shares.

15. ASX Listing Rules

The rights of the Option Holder may be changed from time to time to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

APPENDIX B
TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO THE NON-EXECUTIVE DIRECTORS

1. **Nil Consideration Payable**

No subscription or application monies will be payable for the issue of each option.

2. **Entitlement**

The Option Holder shall be issued with 1,000,000 options ("Options"). Each Option shall entitle the Option Holder (or a transferee under clause 9) to subscribe (in cash) for one (1) fully paid ordinary share ("Share") in the capital of Solco Ltd ACN 084 656 691 ("the Company"):

2.1 in the case of 500,000 Options, at an exercise price of 15 cents per Option; and

2.2 in the case of the balance of the Options, at an exercise price of 20 cents per Option, ("Exercise Price").

3. **Quotation**

The Options will not be quoted on the Australian Securities Exchange ("ASX").

4. **Option Period**

Each Option will expire at 5:00pm WST on 31 December 2010 ("Option Expiry Date"). Subject to clauses 5, 6 and 10 hereof, each Option may be exercised by the Option Holder at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire.

5. **Non-Exercise Periods**

Options may only be exercised after they have vested. Subject to clause 6.2.2 and 6.2.3 the Options will vest ("Vested Options") on 1 January 2010.

6. **Lapsing of Options Prior to Option Expiry Date**

Options will automatically lapse prior to the Option Expiry Date in the following circumstances:-

6.1 With respect to Vested Options:

6.1.1 immediately upon determination by the board of directors of the Company ("the Board") that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company or its subsidiaries;

6.1.2 subject to clause 6.1.1, one (1) month after the Option Holder ceases to be a non-executive director of the Company or its subsidiaries (for any reason) unless a longer period is otherwise determined by the Board; or

6.1.3 subject to clauses 6.1.1 and 6.1.2, three (3) months after the death, permanent illness or permanent physical or mental incapacity of the Option Holder (unless a longer period is otherwise determined by the Board).

6.2 Where Options have not vested in accordance with clause 5:

6.2.1 immediately upon determination by the Board that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company or its subsidiaries;

6.2.2 one (1) month after the Option Holder ceases to be a non-executive director of the Company by any reason of their removal or non renewal of appointment other than as a consequence of their self initiated retirement (or not standing for re-election) or a breach or default in performance of duties or disqualification from office, and in which case the Options will be deemed to have vested at the date of such cessation.

6.2.3 subject to clauses 6.2.1 and 6.2.2, three (3) months after the death, permanent illness or permanent physical or mental incapacity of the Option Holder, and in which case the Options will be deemed to have vested at the date of such death, permanent illness or permanent physical or mental incapacity.

7. Ranking of Share Issued on Exercise of Option

Each Share issued as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with all of the existing Shares on issue.

8. Notification to Option Holders

The Option Holder will be entitled to receive, and will be sent, all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless he is, in addition to being an Option Holder, a member of the Company.

9. Dealings in Options

9.1 Save as provided in clause 9.2, the Option Holder may not sell, transfer, assign, mortgage or otherwise encumber an Option without the prior written consent of the Board (which the Board may or may not give at its discretion) and any such sale, transfer, assignment or mortgage shall be subject to any applicable law and the ASX Listing Rules.

9.2 The Option Holder may at any time transfer all of their Vested Options to:

9.2.1 his spouse;

9.2.2 a company in which the Option Holder or his spouse are shareholders; or

9.2.3 a trustee of a trust in which the Option Holder or his spouse have a beneficial interest,

and such transfer shall be subject to any applicable law and the ASX Listing Rules.

10. Method of Exercise of an Option

10.1 A certificate or holding statement will be issued by the Company with respect to the Options ("the Certificate").

10.2 Attached to or endorsed on the reverse side of the Certificate will be a notice that is to be completed by the Option Holder when exercising the Options ("Notice of Exercise of Options").

10.3 Vested Options may be exercised by the Option Holder delivering to the Company personally or sending by registered post to the registered office of the Company:

10.3.1 a completed Notice of Exercise of Options;

10.3.2 payment in full for the Shares being subscribed, being an amount equal to the Exercise Price multiplied by the number of Vested Options being exercised; and

10.3.3 the Certificate.

10.4 The Notice of Exercise of Options must state the number of Vested Options being exercised and the number of Shares to be issued, such number to be a multiple of 1,000, or if the total number of Vested Options held by an Option Holder is less than 1,000, then the total of all Vested Options held by the Option Holder.

10.5 The exercise of less than all of the Option Holder's Vested Options will not prevent the Option Holder from exercising the whole or part of the balance of the Option Holder's Vested Options before the Option Expiry Date in the future.

10.6 If the Option Holder exercises less than all of the Option Holder's Vested Options, the Company must cancel the Certificate and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.

10.7 Within fourteen (14) days from the date the Option Holder exercises the Vested Options, the Company shall issue to the Option Holder the number of Shares subscribed for.

10.8 The Company will (subject to any escrow restrictions imposed by the ASX), within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of Vested Options, apply to the ASX for, and use its best endeavours to obtain, official quotation of all such Shares, in accordance with the *Corporations Act 2001* and the ASX Listing Rules.

11. Reconstruction

In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the ASX Listing Rules applicable to reconstructions at the time of the reconstruction.

12. Participation in the New Share Issues

12.1 There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its members from time to time unless and until the Options are exercised.

12.2 The Company will ensure that prior to the Option Expiry Date, the record date for the purposes of determining entitlements to any new issues of capital will be at least nine (9) business days after such new issues are announced in order to afford the Option Holder an opportunity to exercise any Vested Options then held by the Option Holder.

13. Change of Options Exercise Price or Number of Underlying Shares

13.1 If the Company makes a pro rata issue (except a bonus issue) to its members, the exercise price of each Option shall be adjusted in accordance with the provisions of the ASX Listing Rules.

13.2 If the Company makes a bonus issue of Shares or other securities convertible into Shares pro rata to members, the number of Shares issued on the exercise of each Option will include the number of bonus Shares that the Option Holder would have been issued with if the Option had been exercised by the Option Holder prior to the books' closing date for bonus Shares. No change will be made in such circumstances to the Exercise Price.

14. Takeover

Notwithstanding clause 5, all Options may be exercised if a takeover bid (as defined in the *Corporations Act 2001*) is made for the Shares.

15. ASX Listing Rules

The rights of the Option Holder may be changed from time to time to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

PROXY FORM

The Secretary
Solco Limited
126 Sheffield Road,
Welshpool WA 6106

Fax: (08) 9334 8199

I/We

.....
of
being a member / members of Solco Ltd hereby appoint
.....
of

or, failing him/her, the Chairman of the meeting, as my / our proxy to vote for me/ us on my/our behalf at the Annual General Meeting of the Company to be held at 10am WST on 20 November 2008 and at any adjournment of that meeting.

This form may, if wished, be used to direct the proxy to vote in respect of the resolutions by marking with an "X" in the appropriate box "For" or "Against", otherwise the proxy may vote as he or she thinks fit or abstain from voting.

RESOLUTIONS	FOR	AGAINST	ABSTAIN	CHAIR*
1. Election of Mr Ian Campbell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr. David Richardson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Share placement of up to 50,000,000 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of options to Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of options to Steven Cole (a Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of options to Ian Campbell (a Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of options to David Richardson (a Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

* If you do not wish to direct your proxy how to vote, please place a mark in this box. By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than proxy holder will be disregarded because of that interest.

If the Shareholder is an / are individual(s):

Signature of member

Signature of joint member

If the Shareholder is a Company:

Executed in accordance with the Constitution of the Company:

Director/Sole Director and Sole Secretary:

Director/Secretary:.....

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INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual 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 specific 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.
3. The proxy form must be signed personally by the shareholder or his 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 noted 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 Annual General Meeting, that is by 10 am WST on 18 November 2008, by post or facsimile to the respective addresses stipulated in this proxy form.
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 Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, 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, or acts as proxy for any other shareholder, the proxy can cast any votes the proxy holds as a shareholder or as proxy for any other shareholder in any way that the proxy, or that other shareholder, sees fit.

7. The Chairperson intends to vote in favour of all resolutions set out in the Notice of Annual General Meeting.