

# **Prima Biomed Ltd**

**ACN 009 237 889**

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## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

including

## **EXPLANATORY STATEMENT**

### **DATE**

Wednesday, 4 June 2008

### **TIME**

11am

### **LOCATION**

Prima Biomed Ltd  
Suite 1705, 109 Pitt Street  
Sydney NSW 2000

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

# Table of Contents

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Section 1 - Notice of Extraordinary General Meeting	4
Section 2 - Explanatory Statement	11

# Time and Place of Meeting and How to Vote

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## Venue

This Extraordinary General Meeting of shareholders of Prima Biomed Ltd ACN 009 237 889 (**Company**) will be held at 11am on Wednesday, 4 June 2008 at:

Prima Biomed Ltd  
Suite 1705, 109 Pitt Street  
Sydney NSW 2000

## How to Vote

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

### Voting in Person

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

### Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Extraordinary General Meeting and return it to the Company. A Proxy Form may be lodged:

- (a) by posting it to The CFO Solution, Suite 1, 1233 High Street, Armadale, VIC, 3143; or
- (b) by faxing it to (03) 9822 7735,

so that it is received not less than 48 hours prior to the commencement of the meeting.

# Section 1 - Notice of Extraordinary General Meeting

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Notice is given that an Extraordinary General Meeting of shareholders of Prima Biomed Ltd ACN 009 237 889 (**Company**) will be held at Prima Biomed Ltd, Suite 1705, 109 Pitt Street, Sydney, NSW, 2000 on Wednesday, 4 June at 11am.

The Explanatory Statement to this Notice of Extraordinary Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Extraordinary General Meeting.

## Agenda

### Resolution 1 – Approval of Issue of Options to Ata Gokyildirim

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

*That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Ata Gokyildirim (and/or his nominee) 10,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

### Further Information

Further information specifically relevant to Resolution 1 is set out in paragraph 2 of the Explanatory Statement.

### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by:

- (a) Ata Gokyildirim, Richard Hammel and Martin Rogers; and
- (b) any associate of Ata Gokyildirim, Richard Hammel and Martin Rogers.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### Resolution 2 – Approval of Issue of Options to Richard Hammel

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

*That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Richard Hammel (and/or his nominee) 10,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

### **Further Information**

Further information specifically relevant to Resolution 2 is set out in paragraph 3 of the Explanatory Statement.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 2 by:

- (a) Richard Hammel, Ata Gokyildirim and Martin Rogers; and
- (b) any associate of Richard Hammel, Ata Gokyildirim and Martin Rogers.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### **Resolution 3 – Approval of Issue of Options to Martin Rogers**

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

*That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Martin Rogers (and/or his nominee) 10,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

### **Further Information**

Further information specifically relevant to Resolution 3 is set out in paragraph 4 of the Explanatory Statement.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 3 by:

- (a) Martin Rogers, Ata Gokyildirim and Richard Hammel; and
- (b) any associate of Martin Rogers, Ata Gokyildirim and Richard Hammel.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### **Resolution 4 – Approval of Issue of Shares to Phillip Hains**

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

*That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Phillip Hains (and/or his nominee) 3,333,333 fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

### **Further Information**

Further information specifically relevant to Resolution 4 is set out in paragraph 5 of the Explanatory Statement.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 4 by:

- (a) Phillip Hains; and
- (b) any associate of Phillip Hains.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### **Resolution 5 – Approval of Issue of Shares to RMWise Research Pty Ltd ACN 128 531 779**

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

*That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue RMWise Research Pty Ltd ACN 128 531 779 (and/or its nominee) 2,333,333 fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

### **Further Information**

Further information specifically relevant to Resolution 5 is set out in paragraph 6 of the Explanatory Statement.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 5 by:

- (c) RMWise Research Pty Ltd ACN 128 531 779; and
- (d) any associate of RMWise Research Pty Ltd ACN 128 531 779.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### **Resolution 6 – Approval of Issue of Shares to Fortbridge Consulting Pty. Ltd. ACN 126 433 430**

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

*That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Fortbridge Consulting Pty. Ltd. ACN 126 433 430 (and/or its nominee) 333,333 fully paid ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

### **Further Information**

Further information specifically relevant to Resolution 6 is set out in paragraph 7 of the Explanatory Statement.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 6 by:

- (a) Fortbridge Consulting Pty. Ltd. ACN 126 433 430; and
- (b) any associate of Fortbridge Consulting Pty. Ltd. ACN 126 433 430.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### **Resolution 7 – Ratification of Previous Issue of Shares and Options to Queensland M M Pty Ltd ACN 010 552 066**

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue to Queensland M M Pty Ltd ACN 010 552 066 of 900,000 fully paid ordinary shares in the Company and 900,000 options to acquire fully paid shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

### **Further Information**

Further information specifically relevant to Resolution 7 is set out in paragraph 8 of the Explanatory Statement.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 7 by:

- (a) Queensland M M Pty Ltd ACN 010 552 066; and
- (b) any associate of Queensland M M Pty Ltd ACN 010 552 066.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

### **Resolution 8 – Ratification of Previous Issue of Shares and Options to Darontack Pty. Ltd. ACN 007 031 085**

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue to Darontack Pty. Ltd. ACN 007 031 085 of 640,000 fully paid ordinary shares in the Company and 640,000 options to acquire fully paid ordinary*

*shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

#### **Further Information**

Further information specifically relevant to Resolution 8 is set out in paragraph 9 of the Explanatory Statement.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 8 by:

- (a) Darontack Pty. Ltd. ACN 007 031 085; and
- (b) any associate of Darontack Pty. Ltd. ACN 007 031 085.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

#### **Resolution 9 – Ratification of Previous Issue of Shares and Options to Lampam Pty. Ltd. ACN 006 457 576**

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue to Lampam Pty. Ltd. ACN 006 457 576 of 460,000 fully paid ordinary shares in the Company and 460,000 options to acquire fully paid shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

#### **Further Information**

Further information specifically relevant to Resolution 9 is set out in paragraph 10 of the Explanatory Statement.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 9 by:

- (a) Lampam Pty. Ltd. ACN 006 457 576; and
- (b) any associate of Lampam Pty. Ltd. ACN 006 457 576.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

#### **Resolution 10 – Ratification of Previous Issue of Options to Superstructure International Pty Ltd**

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the prior issue to Superstructure International Pty Ltd ACN 108 507 151 of 40,000,000 options to acquire fully paid shares in the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.*

#### **Further Information**

Further information specifically relevant to Resolution 10 is set out in paragraph 11 of the Explanatory Statement.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 10 by:

- (a) Superstructure International Pty Ltd ACN 108 507 151; and
- (b) any associate of Superstructure International Pty Ltd ACN 108 507 151.

However, the Company need not disregard a vote if it is cast by:

- (a) a person falling within (a) or (b) as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

#### **Resolution 11 – To repeal the existing constitution of the Company and replace it with a new constitution**

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

*That with effect from the end of this meeting, the constitution tabled at this meeting and signed by the Chairman be adopted as the constitution of the Company in substitution for, and to the exclusion of, the existing constitution.*

#### **Further information**

Further information specifically relevant to Resolution 11 is set out in paragraph 12 of the Explanatory Statement accompanying this Notice.

#### **Voting Exclusion Statement**

No exclusions.

## **Proxies**

Each shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy. The proxy need not be a shareholder of the Company.

A shareholder 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. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A shareholder may specify the way in which a proxy is to vote on the resolution or may allow the proxy to vote at their discretion.

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice and return it to the Company. To be valid, Proxy Forms must be received by the Company not less than 48 hours prior to the commencement of the meeting. A Proxy Form may be lodged:

- (a) by posting it to The CFO Solution, Suite 1, 1233 High Street, Armadale, VIC, 3143; or
- (b) by faxing it to (03) 9822 7735.

If the Proxy Form is executed under a Power of Attorney, a certified copy of the Power of Attorney must be lodged with the Proxy Form.

## **Incorporation of Explanatory Statement**

The Explanatory Statement attached to this Notice is incorporated into and forms part of this Notice.

## **Voting Entitlements**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the board has determined that a person's entitlement to vote at the Extraordinary General Meeting will be the entitlement of that person set out in the register of shareholders as at 11am on Monday, 2 June 2008. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.

By order of the Board:



**Robert Kleine**  
**Company Secretary**

Dated: 29 April 2008

# Section 2 - Explanatory Statement

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## 1. Introduction

This Explanatory Statement has been prepared to assist shareholders of the Company to understand the reason and nature of the 11 proposed resolutions set out in the attached Notice of Extraordinary General Meeting.

The Directors recommend that you read this Explanatory Statement and attend the Extraordinary General Meeting. If you are unable to attend but wish to vote, please complete the Proxy Form enclosed and ensure it reaches the address or facsimile stated in the Notice of Extraordinary General Meeting not less than 48 hours prior to the time of the Extraordinary General Meeting.

## 2. Resolution 1 – Approval of Issue of Options to Ata Gokyildirim

### 2.1 General

The Company proposes to issue Ata Gokyildirim (and/or his nominee) 10,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 2.3 below. The options are proposed to be issued to Ata Gokyildirim, a director of the Company, as an incentive to provide dedicated and ongoing services to the Company.

Shareholder approval for the issue of the options to Ata Gokyildirim is required pursuant to ASX Listing Rule 10.14 and section 208 of the Corporations Act.

### 2.2 ASX Listing Rule 10.14

ASX Listing Rule 10.4 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities under an employee incentive scheme.

If approval is given under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of options to Ata Gokyildirim be approved under ASX Listing Rule 10.14, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### 2.3 Technical Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 1:

(a) **ASX Listing Rule 10.15.1: *Nature of relationship***

Ata Gokyildirim is a director of the Company.

- (b) **ASX Listing Rule 10.15.2:** *Maximum number of securities that may be acquired by all persons for whom approval is required*

Approval is being sought to issue Ata Gokyildirim and/or his nominee 10,000,000 options to acquire fully paid ordinary shares in the Company. The proposed issue is not part of a formal employee incentive scheme. It is a one-off issue. Approval is also being sought for 10,000,000 options to acquire fully paid ordinary shares to be issued to Richard Hammel and Martin Rogers. See paragraphs 3 and 4 of this Explanatory Statement for further details.

- (c) **ASX Listing Rule 10.15.3:** *Price for each security to be acquired under the scheme*

No funds will be raised from the issue of options to Ata Gokyildirim and/or his nominee as the purpose of the options is to give Ata Gokyildirim an incentive to provide dedicated and ongoing services to the Company.

In determining the number and terms of the options to be issued to Ata Gokyildirim and/or his nominee, consideration was given to his relevant experience and role as director and the current market price of the Company's options.

Each option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 31 December 2011 (**Expiry Date**). The options are exercisable at an exercise price of \$0.02 at any time on or before the Exercise Date and will otherwise be issued on the terms and conditions set out in Annexure A.

- (d) **ASX Listing Rule 10.15.4:** *The name of all persons who received approval under the scheme since the last approval*

The proposed issue to Ata Gokyildirim and/or his nominee of options to acquire fully paid ordinary shares in the Company is not part of a formal employee incentive scheme. It is a one-off issue.

- (e) **ASX Listing Rule 10.15.4A:** *The names of all persons entitled to participate in the scheme*

Approval is also being sought for 10,000,000 options to acquire fully paid ordinary shares to be issued to Richard Hammel and Martin Rogers. See paragraphs 3 and 4 of this Explanatory Statement for further details.

- (f) **ASX Listing Rule 10.15.5:** *Voting exclusion statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

- (g) **ASX Listing Rule 10.15.6:** *The terms of any loan in relation to the acquisition*

Not applicable.

- (h) **ASX Listing Rule 10.13.7:** *Date by which the securities are to be issued*

The options will be issued no later than one month after the date of the Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

## 2.4 Section 208 of the Corporations Act

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Ata Gokyildirim and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed the view that the exceptions to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of options to Ata Gokyildirim and/or his nominee.

## 2.5 Technical Information required by section 217 to 227 of the Corporations Act

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of options to Ata Gokyildirim and/or his nominee:

- (a) *The related party to whom the financial benefit will be given*

Ata Gokyildirim and/or his nominee.

- (b) *The nature of the financial benefits*

10,000,000 options to acquire fully paid ordinary shares in the Company. Each option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 31 December 2011 (**Expiry Date**). The options are exercisable at an exercise price of \$0.02 at any time on or before the Exercise Date and will otherwise be issued on the terms and conditions set out in Annexure A.

- (c) *Director's recommendations*

The directors of the Company other than Ata Gokyildirim, who abstains from voting due to his material interest in the outcome of Resolution 1, recommend that Shareholders approve the proposed Resolution 1. In resolving to recommend the proposed Resolution, the directors (other than Ata Gokyildirim) considered Ata Gokyildirim's experience and skills, the market price of the options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

- (d) *Director's interest in resolution*

Martin Rogers and Richard Hammel do not have an interest in Resolution 1.

If Resolution 1 is passed, Ata Gokyildirim will receive options to acquire fully paid ordinary shares in the Company.

(e) *All other relevant information*

**Director's current interest:** As at the date of this Notice, Ata Gokyildirim has no notifiable interests in the securities of the Company. Entities associated with Ata Gokyildirim are currently paid \$120,000 per annum for his services as a director of the Company. In addition, Superstructure International Pty Ltd ACN 108 507 151 entered into a 12 month agreement with the Company on 12 September 2007 to provide consultancy services in consideration for the issue of 40 million options to acquire fully paid ordinary shares in the Company. Ata Gokyildirim is engaged by Superstructure International Pty Ltd as a consultant.

**Dilution Effect:** If shareholders approve the issue of the options to Ata Gokyildirim and all of the options are exercised, the effect will be to dilute the shareholders of existing shareholders by approximately 3% based on the number of shares on issue as at the date of this Notice.

**Share trading prices in the past 12 months:** In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest	\$0.087
Lowest	\$0.010
Last	\$0.013

**Option trading prices in the past 12 months:** The class of options proposed to be issued to Ata Gokyildirim were quoted on ASX on 17 March 2008. In the period between that date and preceding the date of this Explanatory Statement, the highest, lowest and last trading price of those options on ASX were:

Highest	\$0.01
Lowest	\$0.003
Last	\$0.008

**Valuation of Options:** ASIC requires explanatory information regarding the value of the options proposed to be issued to Ata Gokyildirim be included in this Explanatory Statement. The volume weighted average price of the class of options to be issued to Ata Gokyildirim (and/or his nominee) from 17 March 2008 until 28 April 2008 was \$0.005 per option. Accordingly, the options to be issued to Ata Gokyildirim (and/or his nominee) have an aggregate value of \$50,000.

### 3. Resolution 2 – Approval of Issue of Options to Richard Hammel or nominee

#### 3.1 General

The Company proposes to issue Richard Hammel (and/or his nominee) 10,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 3.3 below. The options are proposed to be issued to

Richard Hammel, a non-executive director of the Company, as an incentive to provide dedicated and ongoing services to the Company.

Shareholder approval for the issue of the options to Richard Hammel is required pursuant to ASX Listing Rule 10.14 and section 208 of the Corporations Act.

### **3.2 ASX Listing Rule 10.14**

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities under an employee incentive scheme.

If approval is given under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of options to Richard Hammel be approved under ASX Listing Rule 10.14, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **3.3 Technical Information required by ASX Listing Rule 10.15**

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 2:

(a) **ASX Listing Rule 10.15.1: *Nature of relationship***

Richard Hammel is a director of the Company.

(b) **ASX Listing Rule 10.15.2: *Maximum number of securities that may be acquired by all persons for whom approval is required***

Approval is being sought to issue Richard Hammel and/or his nominee 10,000,000 options to acquire fully paid ordinary shares in the Company. The proposed issue is not part of a formal employee incentive scheme. It is a one-off issue. Approval is also being sought for 10,000,000 options to acquire fully paid ordinary shares to be issued to Ata Gokyildirim and Martin Rogers. See paragraphs 2 and 4 of this Explanatory Statement for further details.

(c) **ASX Listing Rule 10.15.3: *Price for each security to be acquired under the scheme***

No funds will be raised from the issue of options to Richard Hammel and/or his nominee as the purpose of the options is to give Richard Hammel an incentive to provide dedicated and ongoing services to the Company.

In determining the number and terms of the options to be issued to Richard Hammel and/or his nominee, consideration was given to his relevant experience and role as director and the current market price of the Company's options.

Each option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 31 December 2011 (**Expiry Date**). The options are exercisable at an exercise price of \$0.02 at any time on or before the Exercise Date and will otherwise be issued on the terms and conditions set out in Annexure A.

- (d) **ASX Listing Rule 10.15.4:** *The name of all persons who received approval under the scheme since the last approval*

The proposed issue to Richard Hammel and/or his nominee of options to acquire fully paid ordinary shares in the Company is not part of a formal employee incentive scheme. It is a one-off issue.

- (e) **ASX Listing Rule 10.15.4A:** *The names of all persons entitled to participate in the scheme*

Approval is also being sought for 10,000,000 options to acquire fully paid ordinary shares to be issued to Ata Gokyildirim and Martin Rogers. See paragraphs 2 and 4 of this Explanatory Statement for further details.

- (f) **ASX Listing Rule 10.15.5:** *Voting exclusion statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

- (g) **ASX Listing Rule 10.15.6:** *The terms of any loan in relation to the acquisition*

Not applicable.

- (h) **ASX Listing Rule 10.13.7:** *Date by which the securities are to be issued*

The options will be issued no later than one month after the date of the Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

### **3.4 Section 208 of the Corporations Act**

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Richard Hammel and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed that view that the exceptions which are available to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of options to Richard Hammel and/or his nominee.

### **3.5 Technical Information required by section 217 to 227 of the Corporations Act**

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of options to Richard Hammel and/or his nominee:

- (a) *The related party to whom the financial benefit will be given*

Richard Hammel and/or his nominee.

- (b) *The nature of the financial benefits*

10,000,000 options to acquire fully paid ordinary shares in the Company. Each option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 31 December 2011 (**Expiry Date**). The options are exercisable at an exercise price of \$0.02 at any time on or before the Exercise Date and will otherwise be issued on the terms and conditions set out in Annexure A.

(c) *Director's recommendations*

The directors of the Company other than Richard Hammel, who abstains from voting due to his material interest in the outcome of Resolution 2, recommend that Shareholders approve the proposed Resolution 2. In resolving to recommend the proposed Resolution, the directors (other than Richard Hammel) considered Richard Hammel's experience and skills, the market price of the options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

(d) *Director's interest in resolution*

Martin Rogers and Ata Gokyildirim do not have an interest in Resolution 2.

If Resolution 2 is passed, Richard Hammel will receive options to acquire fully paid ordinary shares in the Company.

(e) *All other relevant information*

**Director's current interest:** As at the date of this Notice, Richard Hammel has 500,000 unlisted options to acquire fully paid ordinary shares in the Company at an exercise price of \$0.20 per share and which expire on 29 February 2009. Entities associated with Richard Hammel are currently paid US\$40,000 per annum for his services as non-executive director of the Company. In addition, effective 1 March 2008, entities associated with Richard Hammel are entitled to be paid a fixed fee of US\$12,000 per month in consideration of providing four days of strategic planning and business development consultancy services to the Company per month. For each additional day of service provided in any given month, entities associated with Richard Hammel are entitled to be paid US\$3,000.

**Dilution Effect:** If shareholders approve the issue of the options to Richard Hammel and all of the options are exercised, the effect will be to dilute the shareholders of existing shareholders by approximately 3% based on the number of shares on issue as at the date of this Notice.

**Share trading prices in the past 12 months:** In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest	\$0.087
Lowest	\$0.010
Last	\$0.013

**Option trading prices in the past 12 months:** The class of options proposed to be issued to Richard Hammel were quoted on ASX on 17 March 2008. In the period between that date and preceding the date of this Explanatory Statement, the highest, lowest and last trading price of those options on ASX were:

Highest	\$0.01
Lowest	\$0.003
Last	\$0.008

**Valuation of Options:** ASIC requires explanatory information regarding the value of the options proposed to be issued to Richard Hammel be included in this Explanatory Statement. The volume weighted average price of the class of options to be issued to Richard Hammel (and/or his nominee) from 17 March 2008 until 28 April 2008 was \$0.005 per option. Accordingly, the options to be issued to Richard Hammel (and/or his nominee) have an aggregate value of \$50,000.

## **4. Resolution 3 – Approval of Issue of Options to Martin Rogers or nominee**

### **4.1 General**

The Company proposes to issue Martin Rogers (and/or his nominee) 10,000,000 options to acquire fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 4.3 below. The options are proposed to be issued to Martin Rogers, an executive director of the Company with effect from 1 April 2008, as an incentive to provide dedicated and ongoing services to the Company.

Shareholder approval for the issue of the options to Martin Rogers is required pursuant to ASX Listing Rule 10.15 and section 208 of the Corporations Act.

### **4.2 ASX Listing Rule 10.14**

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting a director or an associate of a director to acquire securities under an employee incentive scheme.

If approval is given under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1. Shareholders should therefore note that should the issue of options to Martin Rogers be approved under ASX Listing Rule 10.14, the issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **4.3 Technical Information required by ASX Listing Rule 10.15**

For the purposes of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 3:

(a) **ASX Listing Rule 10.15.1: *Nature of relationship***

Martin Rogers is a director of the Company.

- (b) **ASX Listing Rule 10.15.2:** *Maximum number of securities that may be acquired by all persons for whom approval is required*

Approval is being sought to issue Martin Rogers and/or his nominee 10,000,000 options to acquire fully paid ordinary shares in the Company. The proposed issue is not part of a formal employee incentive scheme. It is a one-off issue. Approval is also being sought for 10,000,000 options to acquire fully paid ordinary shares to be issued to Ata Gokyildirim and Richard Hammel. See paragraphs 2 and 3 of this Explanatory Statement for further details.

- (c) **ASX Listing Rule 10.15.3:** *Price for each security to be acquired under the scheme*

No funds will be raised from the issue of options to Martin Rogers and/or his nominee as the purpose of the options is to give Martin Rogers an incentive to provide dedicated and ongoing services to the Company.

In determining the number and terms of the options to be issued to Martin Rogers and/or his nominee, consideration was given to his relevant experience and role as director and the current market price of the Company's options.

Each option will entitle the holder to subscribe for one fully paid ordinary share in the Company and will expire on 31 December 2011 (**Expiry Date**). The options are exercisable at an exercise price of \$0.02 at any time on or before the Exercise Date and will otherwise be issued on the terms and conditions set out in Annexure A.

- (d) **ASX Listing Rule 10.15.4:** *The name of all persons who received approval under the scheme since the last approval*

The proposed issue to Martin Rogers and/or his nominee of options to acquire fully paid ordinary shares in the Company is not part of a formal employee incentive scheme. It is a one-off issue.

- (e) **ASX Listing Rule 10.15.4A:** *The names of all persons entitled to participate in the scheme*

Approval is also being sought for 10,000,000 options to acquire fully paid ordinary shares to be issued to Ata Gokyildirim and Richard Hammel. See paragraphs 2 and 3 of this Explanatory Statement for further details.

- (f) **ASX Listing Rule 10.15.5:** *Voting exclusion statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

- (g) **ASX Listing Rule 10.15.6:** *The terms of any loan in relation to the acquisition*

Not applicable.

- (h) **ASX Listing Rule 10.13.7:** *Date by which the securities are to be issued*

The options will be issued no later than one month after the date of the Extraordinary General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

#### 4.4 Section 208 of the Corporations Act

Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. A “related party” includes a director of the Company. Accordingly, the proposed issue of options to Martin Rogers and/or his nominee involves the provision of a financial benefit to a related party of the Company.

The directors have formed the view that the exceptions to section 208 of the Corporations Act may not apply in the current circumstances. The directors have therefore resolved to seek shareholder approval for the purposes of section 208 of the Corporations Act for the issue of options to Martin Rogers and/or his nominee.

#### 4.5 Technical Information required by section 217 to 227 of the Corporations Act

In accordance with the requirements of sections 217 and 227 of the Corporations Act, and particularly section 219, the following information is provided to enable shareholders to assess the proposed issue of options to Martin Rogers and/or his nominee:

- (a) *The related party to whom the financial benefit will be given*

Martin Rogers and/or his nominee.

- (b) *The nature of the financial benefits*

10,000,000 options to acquire fully paid ordinary shares in the Company.

- (c) *Director's recommendations*

The directors of the Company other than Martin Rogers, who abstains from voting due to his material interest in the outcome of Resolution 3, recommend that Shareholders approve the proposed Resolution 3. In resolving to recommend the proposed Resolution, the directors (other than Martin Rogers) considered Martin Roger's experience and skills, the market price of the options. The directors of the Company are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

- (d) *Director's interest in resolution*

Richard Hammel and Ata Gokyildirim do not have an interest in Resolution 3.

If Resolution 3 is passed, Martin Rogers will receive options to acquire fully paid ordinary shares in the Company.

- (e) *All other relevant information*

**Director's current interest:** As at the date of this Notice, Martin Rogers has no notifiable interests in the securities of the Company. Entities associated with Martin Rogers are currently paid \$120,000 per annum for his services as an executive director of the Company. In addition, Superstructure International Pty Ltd ACN 108 507 151 entered into a 12 month agreement with the Company on 12 September 2007 to provide consultancy services in

consideration for the issue of 40 million options to acquire fully paid ordinary shares in the Company. Martin Rogers is engaged by Superstructure International Pty Ltd as a consultant.

**Dilution Effect:** If shareholders approve the issue of the options to Martin Rogers and all of the options are exercised, the effect will be to dilute the shareholders of existing shareholders by approximately 3% based on the number of shares on issue as at the date of this Notice.

**Share trading prices in the past 12 months:** In the 12 months preceding the date of this Explanatory Statement, the highest, lowest and last trading price of shares on ASX were:

Highest	\$0.087
Lowest	\$0.010
Last	\$0.013

**Option trading prices in the past 12 months:** The class of options proposed to be issued to Martin Rogers were quoted on ASX on 17 March 2008. In the period between that date and preceding the date of this Explanatory Statement, the highest, lowest and last trading price of those options on ASX were:

Highest	\$0.01
Lowest	\$0.003
Last	\$0.008

**Valuation of Options:** ASIC requires explanatory information regarding the value of the options proposed to be issued to Martin Rogers be included in this Explanatory Statement. The volume weighted average price of the class of options to be issued to Martin Rogers (and/or his nominee) from 17 March 2008 until 28 April 2008 was \$0.005 per option. Accordingly, the options to be issued to Martin Rogers (and/or his nominee) have an aggregate value of \$50,000.

## 5. Resolution 4 – Approval of Issue of Shares to Phillip Hains

### 5.1 General

The Company proposes to issue Phillip Hains (and/or his nominee) 3,333,333 fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 5.3 below. The shares proposed to be issued to Phillip Hains, the Company's Secretary, are in consideration of secretarial and accounting services provided to the Company by Phillip Hains to the value of \$50,000.

### 5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an

amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

### 5.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided

- (a) **ASX Listing Rule 7.3.1: *Maximum number of securities to be issued pursuant to Resolution 4***

3,333,333 fully paid ordinary shares in the Company.

- (b) **ASX Listing Rule 7.3.2 and 7.3.7: *Date by which securities will be issued and allotted***

If shareholder approval is obtained, the issue of the shares to Phillip Hains and/or his nominee will occur on a date which is not later than three months after the date of the Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

- (c) **ASX Listing Rule 7.3.3: *Issue price of securities***

The shares will not be issued for cash consideration.

- (d) **ASX Listing Rule 7.3.4: *Name of allottees***

Phillip Hains and/or his nominee.

- (e) **ASX Listing Rule 7.3.5: *Terms of securities***

The Company will apply to ASX to have the fully paid ordinary shares issued to Phillip Hains and/ or his nominee quoted and these shares will rank equally with all other ordinary shares of the Company on issue. Once the shares are issued to Phillip Hains and/or his nominee, the rights and entitlements of Phillip Hains and/or his nominee as shareholder of the Company will be identical to the rights and entitlements of the holders of issued ordinary shares in the Company.

- (f) **ASX Listing Rule 7.3.6: *Intended use of the funds raised***

No funds will be raised from the issue of shares to Phillip Hains and/or his nominee as the shares are being issued in consideration of company secretarial and accounting services provided to the Company by Phillip Hains to the value of \$50,000.

In determining the number and terms of the shares to be issued to Phillip Hains and/or his nominee, consideration was given to his relevant experience and the current market price of the Company's shares.

- (g) **ASX Listing Rule 7.3.8: *Voting exclusion statement***

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

#### 5.4 Director's Recommendation

The directors of the Company recommend that shareholders approve the proposed Resolution 4 to approve the issue of shares to Phillip Hains and/or his nominee.

### 6. Resolution 5 – Approval of Issue of Shares to RMWise Research Pty Ltd ACN 128 531 779

#### 6.1 General

The Company proposes to issue RMWise Research Pty Ltd ACN 128 531 779 (and/or its nominee) 2,333,333 fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 6.3 below. The shares proposed to be issued to RMWise Research Pty Ltd are in consideration of research services provided to the Company by RMWise Research Pty Ltd to the value of \$35,000.

#### 6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

#### 6.3 Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided

- (a) **ASX Listing Rule 7.3.1:** *Maximum number of securities to be issued pursuant to Resolution 5*

2,333,333 fully paid ordinary shares in the Company.

- (b) **ASX Listing Rule 7.3.2 and 7.3.7:** *Date by which securities will be issued and allotted*

If shareholder approval is obtained, the issue and allotment of the shares to RMWise Research Pty Ltd ACN 128 531 779 and/or its nominee will occur on a date which is not later than three months after the date of the Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

- (c) **ASX Listing Rule 7.3.3:** *Issue price of securities*

The shares will not be issued for cash consideration.

- (d) **ASX Listing Rule 7.3.4:** *Name of allottees*

RMWise Research Pty Ltd ACN 128 531 779 and/or its nominee.

- (e) **ASX Listing Rule 7.3.5:** *Terms of securities*

The Company will apply to ASX to have the shares issued to RMWise Research Pty Ltd ACN 128 531 779 and/ or its nominee quoted and these shares will rank equally with all other shares of the Company on issue. Once the shares are issued to RMWise Research Pty Ltd ACN 128 531 779 and/or

its nominee, the rights and entitlements of RMWise Research Pty Ltd ACN 128 531 779 and/or its nominee as shareholder of the Company will be identical to the rights and entitlements of the holders of issued shares in the Company.

(f) **ASX Listing Rule 7.3.6:** *Intended use of the funds raised*

No funds will be raised from the issue of shares to RMWise Research Pty Ltd and/or its nominee as the shares are being issued in consideration of research services provided to the Company by RMWise Research Pty Ltd to the value of \$35,000.

In determining the number and terms of the shares to be issued to RMWise Research Pty Ltd and/or his nominee, consideration was given to the value of the services provided to the Company and the current market price of the Company's shares.

(g) **ASX Listing Rule 7.3.8:** *Voting exclusion statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

#### **6.4 Director's Recommendation**

The directors of the Company recommend that shareholders approve the proposed Resolution 5 to approve the issue of shares to RMWise Research Pty Ltd ACN 128 531 779 and/or its nominee.

## **7. Resolution 6 – Approval of Issue of Shares to Fortbridge Consulting Pty Ltd ACN 126 433 430**

### **7.1 General**

The Company proposes to issue Fortbridge Consulting Pty. Ltd. ACN 126 433 430 (and/or its nominee) 333,333 fully paid ordinary shares in the Company on the terms and conditions set out in paragraph 7.3 below. The shares proposed to be issued to Fortbridge Consulting Pty. Ltd. Are in consideration of public relations services provided to the Company by Fortbridge Consulting Pty. Ltd to the value of \$5,000.

### **7.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exceptions that are not relevant to the Company's present circumstances).

### **7.3 Technical Information required by ASX Listing Rule 7.3**

In compliance with ASX Listing Rule 7.3, the following information is provided

(a) **ASX Listing Rule 7.3.1:** *Maximum number of securities to be issued pursuant to Resolution 6*

333,333 fully paid ordinary shares in the Company.

- (b) **ASX Listing Rule 7.3.2 and 7.3.7: *Date by which securities will be issued and allotted***

If shareholder approval is obtained, the issue and allotment of the shares to Fortbridge Consulting Pty. Ltd. ACN 126 433 430 and/or its nominee will occur on a date which is not later than three months after the date of the Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

- (c) **ASX Listing Rule 7.3.3: *Issue price of securities***

The shares will not be issued for cash consideration.

- (d) **ASX Listing Rule 7.3.4: *Name of allottees***

Fortbridge Consulting Pty. Ltd. ACN 126 433 430 and/or its nominee.

- (e) **ASX Listing Rule 7.3.5: *Terms of securities***

The Company will apply to ASX to have the shares issued to Fortbridge Consulting Pty. Ltd. ACN 126 433 430 and/ or its nominee and these shares will rank equally with all other shares of the Company on issue. Once the shares are issued to Fortbridge Consulting Pty. Ltd. ACN 126 433 430 and/or its nominee, the rights and entitlements of Fortbridge Consulting Pty. Ltd. ACN 126 433 430 and/or its nominee as shareholder of the Company will be identical to the rights and entitlements of the holders of issued shares in the Company.

- (f) **ASX Listing Rule 7.3.6: *Intended use of the funds raised***

No funds will be raised from the issue of shares to Fortbridge Consulting Pty. Ltd. and/or its nominee as the shares are being issued in consideration of public relations services provided to the Company by Fortbridge Consulting Pty. Ltd to the value of \$5,000.

In determining the number and terms of the shares to be issued to Fortbridge Consulting Pty. Ltd. and/or his nominee, consideration was given to the value of the services provided to the Company and the current market price of the Company's shares.

- (g) **ASX Listing Rule 7.3.8: *Voting exclusion statement***

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

#### **7.4 Director's Recommendation**

The directors of the Company recommend that shareholders approve the proposed Resolution 6 to approve the issue of shares to Fortbridge Consulting Pty. Ltd. ACN 126 433 430 and/or its nominee.

## 8. Resolution 7 – Ratification of Previous Issue of Shares and Options to Queensland M M Pty Ltd ACN 010 552 066

### 8.1 General

The Company proposes to ratify the issue of 900,000 fully paid ordinary shares in the Company and 900,000 options to acquire fully paid ordinary shares in the Company to Queensland M M Pty Ltd ACN 010 552 066. The shares and options were issued to Queensland M M Pty Ltd (as one of Peregrine Corporate Ltd's ACN 062 478 997 nominees) on conversion of convertible notes to the value of \$9,000 issued by the Company in consideration of a cancellation fee payable to Peregrine Corporate Ltd ACN 062 478 997 under a convertible note facility agreement with Peregrine Corporate Ltd ACN 062 478 997 signed by the Company on 31 July 2007, which the Company has now terminated.

### 8.2 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 may be treated as having been made with approval if the issue did not breach ASX Listing Rule 7.1 and the shareholders subsequently approve the issue.

In compliance with ASX Listing Rule 7.5, the following information is provided:

(a) *Date of allotment and issue of securities*

12 December 2007.

(b) *Number of securities allotted and issued*

900,000 fully paid ordinary shares in the Company and 900,000 options to acquire fully paid ordinary shares in the Company.

(c) *Price at which securities were allotted and issued*

The shares and options were not issued for cash consideration.

(d) *Terms of securities*

The shares issued to Queensland M M Pty Ltd rank equally in all respects with the existing ordinary shares on issue of the Company.

Each option entitles Queensland M M Pty Ltd to subscribe for one fully paid ordinary share in the Company which expires on 20 October 2010 (**Expiry Date**). The options are exercisable at an exercise price of \$0.01 at any time on or before the Exercise Date and are otherwise issued on the terms and conditions set out in Annexure B.

(e) *Name of allottee*

The shares and options were issued to Queensland M M Pty Ltd ACN 010 552 066.

(f) *Use of funds raised*

No funds were raised pursuant to the issue of shares and options as they were issued on conversion of convertible notes to the value of \$9,000 issued by the

Company in consideration of a cancellation fee payable under a facility agreement with Peregrine Corporate Ltd ACN 062 478 997.

In determining the number and terms of shares and options issued to Queensland M M Pty Ltd ACN 010 552 066, consideration was given to the dollar value of the cancellation fee payable by the Company and the current market price of the Company's shares.

(g) *Voting Exclusion Statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

### **8.3 Director's Recommendation**

The Directors of the Company recommend that shareholders approve the proposed Resolution 7.

## **9. Resolution 8– Ratification of Previous Issue of Shares and Options to Darontack Pty. Ltd ACN 007 031 085**

### **9.1 General**

The Company proposes to ratify the issue of 640,000 fully paid ordinary shares in the Company and 640,000 options to acquire fully paid ordinary shares in the Company to Darontack Pty. Ltd ACN 007 031 085. The shares and options were issued to Darontack Pty. Ltd (as one of Peregrine Corporate Ltd's ACN 062 478 997 nominees) on conversion of convertible notes to the value of \$6,400 issued by the Company in consideration of a cancellation fee payable to Peregrine Corporate Ltd ACN 062 478 997 under a convertible note facility agreement with Peregrine Corporate Ltd ACN 062 478 997 signed by the Company on 31 July 2007, which the Company has now terminated.

### **9.2 ASX Listing Rule 7.4**

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 may be treated as having been made with approval if the issue did not breach ASX Listing Rule 7.1 and the shareholders subsequently approve the issue.

In compliance with ASX Listing Rule 7.5, the following information is provided:

(a) *Date of allotment and issue of securities*

12 December 2007.

(b) *Number of securities allotted and issued*

640,000 fully paid ordinary shares in the Company and 640,000 options to acquire fully paid ordinary shares in the Company.

(c) *Price at which securities were allotted and issued*

The shares and options were not issued for cash consideration.

(d) *Terms of securities*

The shares issued to Darontack Pty. Ltd rank equally in all respects with the existing ordinary shares on issue of the Company.

Each option entitles Darontack Pty. Ltd to subscribe for one fully paid ordinary share in the Company which expires on 20 October 2010 (**Expiry Date**). The options are exercisable at an exercise price of \$0.01 at any time on or before the Exercise Date and are otherwise issued on the terms and conditions set out in Annexure B.

(e) *Name of allottee*

The Shares were issued to Darontack Pty. Ltd ACN 007 031 08.

(f) *Use of funds raised*

No funds were raised pursuant to the issue of shares and options as they were issued on conversion of convertible notes to the value of \$6,400 issued by the Company in consideration of a cancellation fee payable under a facility agreement with Peregrine Corporate Ltd ACN 062 478 997.

In determining the number and terms of shares and options issued to Darontack Pty. Ltd ACN 007 031, consideration was given to the dollar value of the cancellation fee payable by the Company and the current market price of the Company's shares.

(g) *Voting Exclusion Statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

### **9.3 Director's Recommendation**

The directors of the Company recommend that shareholders approve the proposed Resolution 8.

## **10. Resolution 9 – Ratification of Previous Issue of Shares and Options to Lampam Pty. Ltd. ACN 006 457 576**

### **10.1 General**

The Company proposes to ratify the issue of 460,000 fully paid ordinary shares in the Company and 460,000 options to acquire fully paid ordinary shares in the Company to Lampam Pty. Ltd ACN 006 457 576. The shares and options were issued to Lampam Pty. Ltd (as one of Peregrine Corporate Ltd's ACN 062 478 997 nominees) on conversion of convertible notes to the value of \$4,600 issued by the Company in consideration of a cancellation fee payable to Peregrine Corporate Ltd ACN 062 478 997 under a convertible note facility agreement signed by the Company on 31 July 2007, which the Company has now terminated.

### **10.2 ASX Listing Rule 7.4**

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 may be treated as having been made with approval if the issue did not breach ASX Listing Rule 7.1 and the shareholders subsequently approve the issue.

In compliance with ASX Listing Rule 7.5, the following information is provided:

(a) *Date of allotment and issue of securities*

12 December 2007.

(b) *Number of securities allotted and issued*

460,000 fully paid ordinary shares in the Company and 460,000 options to acquire fully paid ordinary shares in the Company.

(c) *Price at which securities were allotted and issued*

The shares and options were not issued for cash consideration.

(d) *Terms of securities*

The shares issued to Lampam Pty. Ltd rank equally in all respects with the existing ordinary shares on issue of the Company.

Each option entitles Lampam Pty. Ltd to subscribe for one fully paid ordinary share in the Company which expires on 20 October 2010 (**Expiry Date**). The options are exercisable at an exercise price of \$0.01 at any time on or before the Exercise Date and are otherwise issued on the terms and conditions set out in Annexure B.

(e) *Name of allottee*

The shares and options were issued to Lampam Pty. Ltd. ACN 006 457 576.

(f) *Use of funds raised*

No funds were raised pursuant to the issue of shares and options as they were issued on conversion of convertible notes to the value of \$4,600 issued by the Company in consideration of a cancellation fee payable under a convertible note facility agreement with Peregrine Corporate Ltd ACN 062 478 997.

In determining the number and terms of shares and options issued to Lampam Pty. Ltd ACN 006 457 576, consideration was given to the dollar value of the cancellation fee payable by the Company and the current market price of the Company's shares.

(g) *Voting Exclusion Statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

### **10.3 Director's Recommendation**

The directors of the Company recommend that shareholders approve the proposed Resolution 9.

## 11. Resolution 10– Ratification of Previous Issue of Options to Superstructure International Pty Ltd

### 11.1 General

The Company proposes to ratify the issue of 40,000,000 options to acquire fully paid ordinary shares in the Company to Superstructure International Pty Ltd ACN 108 507 151. The options were issued to Superstructure International Pty Ltd ACN 108 507 151 under the replacement prospectus issued by the Company and dated 11 February 2008 in consideration of consultancy services provided to the Company by Superstructure International Pty Ltd to the value of \$80,000.

### 11.2 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 may be treated as having been made with approval if the issue did not breach ASX Listing Rule 7.1 and the shareholders subsequently approve the issue.

In compliance with ASX Listing Rule 7.5, the following information is provided:

(a) *Date of allotment and issue of securities*

17 March 2008.

(b) *Number of securities allotted and issued*

40,000,000 options to acquire fully paid ordinary shares in the Company.

(c) *Price at which securities were allotted and issued*

The options were not issued for cash consideration.

(d) *Terms of securities*

Each option entitles Superstructure International Pty Ltd to subscribe for one fully paid ordinary share in the Company which expires on 31 December 2011 (**Expiry Date**). The options are exercisable at an exercise price of \$0.02 at any time on or before the Exercise Date and are otherwise issued on the terms and conditions set out in Annexure A.

(e) *Name of allottee*

The options were issued to Superstructure International Pty Ltd ACN 108 507 151.

(f) *Use of funds raised*

No funds were raised pursuant to the issue of shares and options as they were issued in consideration of a consultancy services provided to the Company by Superstructure International Pty Ltd ACN 108 507 151 to the value of \$80,000.

In determining the number and terms of shares issued to Superstructure International Pty Ltd ACN 108 507 151, consideration was given to the value of consultancy services provided to the Company and the current market price of the Company's shares.

(g) *Voting Exclusion Statement*

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

### **11.3 Director's Recommendation**

The directors of the Company recommend that shareholders approve the proposed Resolution 10.

## **12. Resolution 11 - To repeal the existing constitution of the Company and replace it with a new constitution**

### **12.1 General**

It is proposed that the Company's Constitution be repealed and replaced with the Constitution tabled at the Extraordinary General Meeting and signed by the Chairman. The proposed new Constitution has been brought up to date to include many of the features of a current best practice Constitution for an Australian listed public company.

### **12.2 Material Amendments**

The proposed new Constitution also takes into account amendments to both the Corporations Act and ASX Listing Rules. As the changes affect numerous provisions in the Constitution, rather than amending the current Constitution, it is proposed that a new Constitution be adopted. The changes introduced under the new Constitution are mostly of an administrative nature and the Company believes that they will not have a significant impact on shareholders. The more significant of the changes are:

(a) **Electronic notices of meetings**

The new Constitution will explicitly permit the Company to provide notices of general meetings to shareholders by electronically to shareholders who elect to receive notices in this manner in future to reduce costs.

(b) **Period of nomination of Directors**

The period in which a nominee (other than a retiring director) seeking reelection as a director must lodge their nomination documents with the Company has been extended to 35 days from 15 business day before the relevant general meeting.

(c) **Retirement by rotation**

The Listing Rules require directors to retire at the third annual general meeting after their appointment or after three years, whichever is longer. It is proposed to remove the requirement in the current Constitution for one-third of the directors to retire each year, which is consistent with common corporate practice.

(d) **Circular Resolution of Directors**

For convenience, the new Constitution will provide that a resolution which has been signed by a majority of the directors for the time being entitled to vote in relation to the resolution is as valid and as effectual as if it had been passed at a duly convened meeting of directors.

(e) **Indemnity and insurance provided to Directors**

The new Constitution will ensure consistency with any future legislation which may restrict how the Company indemnifies officers by ensuring that the indemnity and insurance provisions in the Constitution are restricted to those which are permitted by law from time to time.

(f) **Sale of Unmarketable Parcels**

In line with current common practice, the new Constitution will provide the Company with the flexibility to introduce a facility whereby the Company may require the sale of unmarketable parcels of Company shares. This requirement may be applied to a shareholder holding less than a marketable parcel of shares (which is currently parcels of \$500 or less)

(g) **Proportional takeover provisions**

The new Constitution contains provisions which prohibit the registration of any transfer of Shares giving effect to an offer made under a proportional takeover bid until the persons holding Shares in a class for which the Offer under the takeover bid was made have passed a resolution approving the bid. The bidder and any associate of the bidder are excluded from voting on that resolution. To remain effective, these provisions must be renewed by the Company in its general meeting every three years.

A copy of the proposed new Constitution may be obtained for review from the Company's website [www.primabiomed.com.au](http://www.primabiomed.com.au) or in paper form by contacting the Company's Secretary on (03) 9824 5254.

### **12.3 Director's Recommendations**

The directors of the Company recommend that shareholders approve the proposed Resolution 11 to repeal the existing constitution of the Company and replace it with a new constitution.

## Attachment A

### Terms and Conditions of Options Expiring on 31 December 2011

- (a) Each option entitles the holder to subscribe in cash for 1 fully paid ordinary share in the capital of the Company at an exercise price of 2 cents per option.
- (b) The options are exercisable at any time prior to 5:00 pm Perth, WA, time on 31 December 2011 (**Expiry Date**) by completing the option exercise form 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 option that has not been exercised prior to the Expiry Date automatically lapses.
- (c) The Company will apply for official quotation on ASX of the options, subject to obtaining sufficient spread pursuant to ASX Listing Rules.
- (d) Subject to the Corporations Act, ASX Listing Rules, and the Constitution of the Company, options are freely transferable.
- (e) Shares issued upon the exercise of options will rank *pari passu* with the Company's fully paid ordinary shares and will have the same voting and other rights as the existing shares of the Company, which are set out in the Company's Constitution, ASX Listing Rules and the Corporations Act.
- (f) The Company will apply for official quotation by ASX of all shares issued upon exercise of options, subject to any restriction obligations imposed by ASX.
- (g) The options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant options.
- (h) There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. The Company will ensure that option holders will be allowed at least 7 business days notice to allow for the conversion of options prior to the record date in relation to any offers of securities made to shareholders.
- (i) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the rights attaching to the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction

## **Attachment B**

### **Terms and Conditions of Options Expiring on 20 October 2010**

- (a) Each option entitles the holder to subscribe for 1 fully paid ordinary share in the Company.
- (b) The options expire at 4.00pm (Melbourne, Victoria Time) on 20 October 2010.
- (c) The share allotted on exercise of an option shall be issued at the exercise price of 1 cent per share.
- (d) The issue price of a share the subject of an option shall be payable in full on exercise of the option by the eligible person (or, if applicable, his or her nominee).
- (e) The options shall be capable of assignment.
- (f) The instrument of assignment shall be duly stamped and shall be lodged at the registered office of the Company together with such other information as the Company may reasonably require with respect to the assignment, and the Company shall enter the name of the assignee in a register of options as the holder of the relevant options.
- (g) The Company shall not be bound to recognise the assignment until a copy of the duly executed instrument of assignment is lodged with the Company.
- (h) The Company will apply for official quotation on ASX of the options, subject to obtaining sufficient spread pursuant to ASX listing rules.
- (i) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to exercise all or a specified number of options, accompanied by the relevant option Certificate (if any) and a cheque made payable to the Company for the subscription price for the Shares.
- (j) An exercise of only some options shall not affect the rights of the option holder under the balance of the options held by him or her as appropriate
- (k) The Company shall allot the resultant Share and deliver notification of share holdings within five business days of the exercise of an option.
- (l) Shares allotted pursuant to an exercise of options shall rank from the date of allotment, equally with existing Shares of the Company in all respects.
- (m) The Company shall in accordance with the ASX Listing Rules make application to have shares allotted pursuant to an exercise of options listed for official quotation by the ASX.
- (n) The option holder will be permitted to participate in any new pro-rata issue of securities of the Company subject to the prior exercise of the options, in which case the option holder will be notified by the Company of the proposed pro-rata issue at least 9 business days before the books closing date (to determine entitlements to the issue) and afforded that period to exercise the options.
- (o) In the event of any reorganisation (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the rights of an option holder will be changed to the extent necessary to comply with the listing rules of the ASX applying to a reorganisation of capital at the time of the reorganisation.

- (p) The options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant options.

## Proxy Form

The Company Secretary  
Prima Biomed Ltd  
c/- The CFO Solution  
Suite 1, 1233 High Street  
ARMADALE VIC 3143  
Facsimile: (03) 9822 7735

I/We

of

being a member/(s) of Prima Biomed Ltd (Company) holding \_\_\_\_\_ ordinary shares appoint

Name of Proxy

Address of Proxy

or failing the person named, or if no person is named, the Chairman, as proxy to vote on my/our behalf at the Extraordinary General Meeting of the Company to be held at Suite 1705, 109 Pitt Street, Sydney on Wednesday, 4 June 2008 at 11am, and at any adjourned meeting.

### Proxy Instructions

If you wish to direct your proxy how to vote with respect to the proposed resolution, please indicate the manner in which your proxy is to vote by placing an "X" in the appropriate box below, otherwise your proxy may vote as they think fit.

Resolution	For	Against	Abstain
1. Approval of issue of options to Ata Gokyildirim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of issue of options to Richard Hammel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of issue of options to Martin Rogers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of issue of shares to Phillip Hains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of issue of shares to RMWise Research Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of issue of shares to Fortbridge Consulting Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification of previous issue of shares and options to Queensland M M Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Ratification of previous issue of shares and options to Darontack Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Ratification of previous issue of shares and options to Lampam Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Ratification of previous issue of options to Superstructure International Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. To repeal the existing constitution of the Company and replace it with a new constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If you have not named a person to act as your proxy, the Chairman will be appointed as your proxy, and will vote all undirected proxies in favour of all the Resolutions. If the Chairman 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 the box, you acknowledge that the Chairman may exercise your proxy even if that person has an interest in the outcome of the resolution and votes cast 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 Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

**Signing Instructions**

You must sign this form as follows in the space provided below:

**Individuals and joint holders:** where the holding is in one name, the holder must sign. Where the holding is in more than one name, all of the shareholders should sign.

**Power of Attorney:** to sign under Power of Attorney, you must attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a sole director or a sole director and secretary, this form must be signed by that person. Otherwise, this form must be signed by two directors or a director and a secretary.  
Individuals and Joint Holder

**Individuals and joint holders**

**Companies**

Signature  Director

Signature  Director / Secretary

Date \_\_\_\_\_

Daytime Contact Number \_\_\_\_\_

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged:

(a) by posting it to c/- The CFO Solution, Suite 1, 1233 High St, Armadale, VIC, 3143

(b) by faxing it to (03) 9822 7735,

by 11.00am (Melbourne, Victoria time), 2 June 2008, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.