



**ECO QUEST LIMITED
ACN 104 037 372
NOTICE OF GENERAL MEETING**

**A General Meeting will be held at 1/66 Mill Point Road, South Perth,
Western Australia on Friday, 22 October 2010 at 11.00am (WST).**

**Shareholders are urged to attend or vote by lodging the proxy form
attached to this Notice.**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9481 1535.

ECO QUEST LIMITED
ACN 104 037 372
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Eco Quest Limited ("**Company**") will be held at 1/66 Mill Point Road, South Perth, Western Australia on Friday, 22 October 2010 at 11.00am (WST) ("**Meeting**").

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 20 October 2010 at 5.00pm (WST).

Terms and abbreviations used in this Notice of Meeting and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

ORDINARY BUSINESS

1. Resolution 1 – Ratification of Share Issue

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

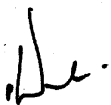
“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,875,000 Shares at an issue price of \$0.08 each to raise \$630,000 (before costs) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

For the purposes of listing Rule 7.5, the Company will disregard any votes cast on this Resolution 1 by a person who participated in the Placement, or an associate of those persons. However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 22 September 2010
By Order of the Board



Peter Webse
Company Secretary

ECO QUEST LIMITED
ACN 104 037 372
EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at a General Meeting to be held at 1/66 Mill Point Road, South Perth, Western Australia on Friday, 22 October 2010 at 11.00am (WST).

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. Resolution 1 – Ratification of Share Issue

1.1 General

On 17 September 2010, the Company announced the completion of a placement of 7,875,000 Shares at \$0.08 each to raise \$630,000 before raising costs (**Placement**). Resolution 1 seeks Shareholder approval for the ratification of the prior Placement of 7,875,000 Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the company's shareholders subsequently approve it.

Accordingly, the Company is seeking approval for, and ratification of, the issue of the securities in Resolution 1 in accordance with Listing Rule 7.4.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- 1.2.1 on 9 September 2010 6,625,000 Shares were allotted and issued and on 17 September 2010 1,250,000 Shares were allotted and issued;
- 1.2.2 the issue price was \$0.08 per Share;
- 1.2.3 the Shares were issued to sophisticated and professional investors who are not related parties to the Company;
- 1.2.4 the Shares issued pursuant to the Placement are fully paid ordinary shares in the capital of the Company; and
- 1.2.5 the funds raised by the Placement were directed towards continuing with production of the Company's Little Takas 90% biodegradable nappy and for working capital requirements.

Enquiries

Shareholders should contact the Company Secretary on (+61 8) 9481 1535 if they have any queries in respect of the matters set out in these documents.

Schedule 1 - Definitions

In this Explanatory Memorandum, Notice of Meeting and Proxy Form:

"ASX" means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited.

"Board" means the board of Directors.

"Company" means Eco Quest Limited ACN 104 037 372.

"Director" means a director of the Company.

"Explanatory Memorandum" means the explanatory memorandum to the Notice of Meeting.

"General Meeting" means the meeting convened by the Notice of Meeting.

"Listing Rules" means the Listing Rules of ASX.

"Meeting" has the meaning given in the introductory paragraph of the Notice of Meeting.

"Notice of Meeting or Notice of General Meeting" means this notice of general meeting including the Explanatory Memorandum.

"Placement" has the meaning in Section 1.1 of the Explanatory Memorandum.

"Proxy Form" means the proxy form attached to the Notice of Meeting.

"Resolution" means the resolution contained in this Notice of Meeting.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a shareholder of the Company.

"WST" means Western Standard Time, being the time in Perth, Western Australia.

**PROXY FORM
APPOINTMENT OF PROXY
ECO QUEST LIMITED
ACN 104 037 372**

GENERAL MEETING

I/We

of

being a member of Eco Quest Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 1/66 Mill Point Road, South Perth, Western Australia, on Friday, 22 October 2010 at 11.00am (WST), and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of the Resolution.

If the Chair of the General 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 **Resolution 1** please place a mark in this box.

Voting on Business of the General Meeting

FOR AGAINST ABSTAIN

Resolution 1 – Ratification of Share Issue

Please note: If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s):

Date:

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

ECO QUEST LIMITED
ACN 104 037 372

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney to the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Eco Quest Limited, PO Box 1221, SOUTH PERTH, WA, 6951; or
 - (b) facsimile to the Company on facsimile number +61 8 9277 7472,

so that it is received not later than 11.00am (WST) on Wednesday, 20 October 2010.

Proxy forms received later than this time will be invalid.