



7 October 2010

Dear Shareholder

Invitation to Participate in Eco Quest Limited's Shareholder Share Purchase Plan

The Board of Directors of Eco Quest Limited ("Eco Quest" or "Company") is pleased to extend an invitation to Eco Quest shareholders to participate in its Share Purchase Plan ("SPP"). The SPP will enable existing eligible shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of ordinary fully paid shares in the Company ("Shares"), free of all brokerage, commissions and stamp duty. The Shares offered pursuant to the SPP are at \$0.08 per Share, the same price as the placements announced by the Company on 31 August 2010 and 6 September 2010.

This letter, together with the enclosed documents "*Shareholder Share Purchase Plan Terms and Conditions*" and personalised "*Application Form*", sets out the terms and conditions of the offer of Shares to shareholders ("Offer") and how to apply for Shares should you wish to participate. By accepting the Offer and applying for Shares, you agree to be bound by these terms and conditions.

Participation by Shareholders

The right to participate in this Offer under the SPP is only available to persons who are registered as holders of fully paid ordinary Shares in the Company at 5:00pm (WST) on the record date of 6 October 2010 and whose registered address is in Australia or New Zealand. The Offer does not extend to shareholders who hold Shares in the Company on behalf of another person who resides outside Australia or New Zealand.

Eligible shareholders are entitled to apply for a minimum of \$1,000 worth of Shares and a maximum of \$15,000 worth of Shares under the SPP, or for a specified quantity outlined below of Shares between the minimum and maximum numbers.

If you wish to participate in the SPP, you may apply for Shares to the value of any one of the following amounts:

- | | | |
|---------|---|--|
| Offer A | - | \$15,000 for 187,500 Shares (maximum amount) |
| Offer B | - | \$10,000 for 125,000 Shares |
| Offer C | - | \$5,000 for 62,500 Shares |
| Offer D | - | \$2,500 for 31,250 Shares |
| Offer E | - | \$1,000 for 12,500 Shares (minimum amount) |

The offer to acquire Shares under the SPP will close at 5:00pm (WST) on **27 October 2010** ("Closing Date").

The SPP will also enable shareholders who do not hold a marketable parcel of at least \$500 worth of Shares in the Company to increase their shareholding to greater than a marketable parcel, again without brokerage and other charges.

Purchase Price of Shares to be Issued under the SPP

As an incentive for shareholders, the purchase price of the new Shares to be offered under the SPP will be set at \$0.08 each, the same issue price that was paid by investors under the placements announced by the Company on 31 August 2010 and 6 September 2010. The issue price of \$0.08 for each Share represents a 16.7% discount to the 5 day volume weighted average Share price of the Shares on ASX in the 5 days prior to the announcement of the SPP, on 7 October 2010, in which trades in the Shares occurred.

The SPP provides shareholders with an exclusive opportunity to top up their shareholding at a discount to the market and without brokerage or other costs.

The number of Shares that may be issued by the Company under the SPP cannot exceed 27,715,383 ordinary fully paid Shares (being 30% of the number of fully paid ordinary Shares already on issue). The Board reserves its discretion to scale back applications received under the SPP. Should this happen, you may be allocated Shares to a value which is less than the parcel you have applied for and the difference will be refunded to you.

The Board intends to treat Applications under the SPP on a first come - first served basis up to the maximum amount permissible.

Shareholder Approvals

Listing Rule 7.1 provides that, subject to certain exceptions, a company must not without shareholder approval issue equity securities greater than 15% of the company's issued ordinary securities in any 12 month period. Listing Rule 10.11 provides that, subject to certain exceptions, an entity must not issue equity securities to a related party without prior shareholder approval. The Shares issued under the SPP are exempt from the requirement to obtain shareholder approval for the purposes of either Listing Rule 7.1 or Listing Rule 10.11.

Risk Factors

Owning Shares in a company like Eco Quest is considered a speculative investment and the future price of the Company's Shares can rise or fall depending on a number of variables and fluctuations on the stock market generally. We encourage you to seek your own professional advice regarding your participation in the SPP.

Shareholders should note that the Offer of Shares is not made under a Prospectus or other disclosure document and does not require the type of disclosure usually required under the Corporations Act 2001. Accordingly, shareholders should read all information in relation to the SPP carefully, including any previous disclosures made by the Company on ASX before deciding whether to participate in the SPP. The Company is not providing investment advice or making any recommendation in relation to the SPP. Any decision to participate in the SPP should be made after considering your own objectives, financial circumstances and needs. If you are in any doubt as to the action you should take, you should consult your professional adviser when deciding whether or not to accept the Offer and participate in the SPP.

Additional Information

If you would like to participate in the SPP, please return your completed personalised Application Form together with a cheque for the amount of Shares you wish to acquire in the enclosed reply paid envelope addressed to our share registry **on or before the Closing Date, being 5:00pm (WST) on 27 October 2010**. If you would like to pay electronically, please follow the BPAY instructions on the Application Form.

Please note that participation is entirely at your election. The offer is non-renounceable which means it cannot be transferred to anyone else.

Shares allotted under the SPP will be issued on or about 7 business days after the Closing Date.

If you have any questions on the proposed SPP, please call the Company Secretary, Mr Peter Webse, on 08 9481 1535 during normal business hours.

Yours sincerely



Sylvia Tulloch
Chairman

ECO QUEST LIMITED
ABN 98 104 037 372
("Eco Quest")

SHAREHOLDER SHARE PURCHASE PLAN ("SPP") TERMS & CONDITIONS

1. Eligible Shareholders

You are eligible to participate in the SPP if you were the registered holder of one or more fully paid ordinary shares in Eco Quest ("Shares") at 5:00pm (WST time) on 6 October 2010 with an address as recorded in Eco Quest's register of ordinary shareholders in Australia or New Zealand, unless you hold the Shares on behalf of another person who resides outside Australia or New Zealand ("Eligible Shareholder").

Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the declaration and acknowledgement made in clause 16 is taken to be made by all of them.

If a trustee or nominee is expressly noted on the Share register as holding Shares on behalf of another person ("the Beneficiary"), the Beneficiary is taken to be the registered holder of the Shares for the purpose of the SPP and any application by the trustee or nominee is taken to be an application and certification made by the Beneficiary (although a Beneficiary who is resident outside Australia or New Zealand is not eligible to participate in the SPP).

2. The SPP

The SPP enables Eligible Shareholders to purchase up to \$15,000 of ordinary shares in Eco Quest, without being required to pay brokerage fees or incurring additional transaction costs.

3. Participation in the SPP

Participation in the SPP is optional. However, the offer under the SPP is non-renounceable. This means that you cannot transfer your right to purchase Shares under the SPP to another person or entity. Nothing in these terms and conditions or any other documentation provided to Eligible Shareholders in respect of the SPP confers the right to receive any Shares.

4. Indicative Dates*

Record date to determine entitlements (5.00pm WST)	6 October 2010
Announcement of SPP	7 October 2010
SPP opens	7 October 2010
Closing date for application for shares (5.00pm WST)	27 October 2010
Date of allotment and despatch of uncertified statements to shareholders	Within 7 business days of the closing of the SPP

*The Company has the discretion to alter the key dates under the indicative timetable, subject to compliance under the Listing Rules.

5. Issue Price and Variation in Market Price

The issue price for each Share has been determined by the Directors and is set at \$0.08 each, the same issue price that was paid by investors under the placements announced by the Company on 31 August 2010 and 6 September 2010. Shares issued under the SPP are issued at a discount to the market price. The issue price of \$0.08 for each Share represents a 16.7% discount to the 5 day volume weighted average Share price of the Shares on ASX in the 5 days prior to the announcement of the SPP, on 7 October 2010, in which trades in the Shares occurred.

The market price of the Shares on the ASX may rise and fall between the Opening Date, the Closing Date and the date when Eco Quest allots the Shares to you under the SPP ("Allotment Date"). This means that the price you pay under the SPP offer may exceed the price at which Shares are trading on the ASX at the time the Shares are allotted to you under the SPP. Accordingly, you should seek your own financial advice in relation to this SPP offer and your participation in the SPP.

The Company recommends you monitor its announcements and share prices, which can be found on the Company's website at www.ecoquestltd.com and on the ASX website at www.asx.com.au (ASX code: ECQ). The share price can also be found in the financial pages of major Australian metropolitan newspapers.

6. Opening & Closing Dates of the SPP

The SPP offer opens on 7 October 2010 ("Opening Date") and closes at 5:00pm (WST time) on 27 October 2010 ("Closing Date"), unless it is extended by Eco Quest in accordance with the Listing Rules. Eco Quest reserves the right to change at any time the Closing Date or the proposed Allotment Date, by making an announcement to the ASX. Eco Quest also reserves the right to terminate the SPP at any time prior to the issue of Shares under the SPP. If Eco Quest terminates the SPP, it will refund any money paid by Eligible Shareholders under the SPP. Interest will not be paid on any money refunded under this clause.

7. Amount of Shares Eligible Shareholders can Apply for Under the SPP

You may apply for a dollar amount of Shares under the SPP, not a number of Shares.

You may apply for Shares to the value of any one of the following amounts:

Offer A	-	\$15,000 for 187,500 shares (maximum amount)
Offer B	-	\$10,000 for 125,000 shares
Offer C	-	\$5,000 for 62,500 shares
Offer D	-	\$2,500 for 31,250 shares
Offer E	-	\$1,000 for 12,500 shares (minimum amount)

The Company will divide the dollar amount you have applied for by the Issue Price then round up the result to the nearest whole number, in order to determine the number of Shares you have applied for.

The Company reserves the right to scale back allocations under the SPP in its sole discretion. Any necessary refund will be paid by the Company to Eligible Shareholders shortly after the Closing Date of the SPP or the date to which it may be extended. No interest will be paid on any money refunded.

If you are an Eligible Shareholder and have received more than one offer under the SPP (for example because you are the joint holder of shares or hold more than one shareholding under separate share accounts), you may not apply for Shares with an aggregate value exceeding \$15,000 under the SPP. Eco Quest reserves the right (exercisable at its sole discretion) to reject any application for Shares where it believes this requirement has not been met. Any necessary refund will be paid by Eco Quest to Eligible Shareholders shortly after the Closing Date or the date upon which the Closing Date is extended. Interest will not be paid on any money refunded under this clause.

8. Acceptance & Payment

If you wish to apply for Shares under the SPP, please complete the Application Form and return it with the appropriate payment to the address set out in the Application Form. A reply paid facility is available for the convenience of Australian shareholders.

Applications together with the appropriate payment must be received by Eco Quest's Share Registry by the Closing Date, currently 5:00pm (WST time) on 27 October 2010. Applications received after the Closing Date will not be accepted.

If the payment received is not for the exact amount required to buy the number of Shares the Eligible Shareholder elected to purchase under the SPP, Eco Quest reserves the right to round down your application to the closest number of shares by dividing your payment by the Issue Price. In these circumstances Eco Quest will amend the Eligible Shareholder's Application Form for the number of Shares applied for.

If your Application Form is incomplete, contains errors or is otherwise invalid or defective, the Company may, in its sole discretion, accept, reject, correct or amend your application, issue such number of Shares to you as it considers appropriate, refund your application money, or take any

combination of these actions. Any necessary refund will be paid to you shortly after the Closing Date. No interest will be paid on any refund.

Should your cheque for payment of the Shares not clear, your application for Shares under the SPP will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.

You will not be able to withdraw or revoke your Application Form once you have sent it in.

9. Allotment Date

It is anticipated that the Shares will be allotted under the SPP on or around 7 business days after the Closing Date of the SPP and application for quotation of your Shares on the ASX will be made at the same time. You should receive your allotment statement, or confirmation advice, shortly after this date.

10. What Rights Attach to the Shares?

Shares issued under the SPP will rank equally with existing fully paid ordinary shares in Eco Quest and will carry the same voting rights, dividend rights and other entitlements as at the date of allotment.

11. Modification, Waiver, Suspension and Termination of the SPP

The Directors of Eco Quest may resolve to change the terms and conditions of this SPP from time to time. The Company reserves the right to issue fewer Shares than an Eligible Shareholder applied for under the SPP (or none at all) if it believes that the allotment of the Shares would contravene any law or rules of any stock exchange on which Eco Quest's Shares are listed.

In addition, the Company reserves the right to waive compliance with any provision of the terms and conditions of the SPP and suspend, withdraw or terminate the SPP at any time.

Any amendment, variation, suspension, withdrawal or termination of the SPP will be binding on all Eligible Shareholders even where the Company does not notify the Eligible Shareholders of that event.

The Company is not liable for any exercise of its discretions under the terms and conditions of the SPP. Any refund made to you is dispatched at your own risk.

If and to the extent to which the total applications for Shares under the SPP exceeds 27,715,383 Shares the Company reserves its right to scale back applications. If this occurs, you may be allocated Shares to the value which is less than you applied for. Any determination by the Board in respect of any scaling back will be final. If a scale-back occurs the Company will refund your excess application money to you (without interest).

If the Company terminates the SPP, it will notify ASX and refund any application money (without interest).

12. ASIC Class Order [CO09/425] Compliance

This SPP is made subject to and in accordance with the requirements of ASIC Class Order CO09/425. The Class Order grants relief from the requirement to prepare a prospectus or disclosure document for the offer of Shares under the SPP.

13. Dispute Resolution

Eco Quest may settle in any manner it thinks fit any disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application for shares. The decision of Eco Quest will be conclusive and binding on all Eligible Shareholders and any other persons to whom the decision relates. Eco Quest reserves the right to waive compliance with any provision of the SPP terms and conditions, subject to compliance with the Corporations Act, the ASX Listing Rules and ASIC Class Order CO09/425.

14. Further Information

If you have any questions in relation to the Terms and Conditions of the SPP or how to make an application, you may phone the Company Secretary, Mr Peter Webse, on 08 9481 1535. Eco Quest will not provide financial, investment or taxation advice.

15. Independent Financial or Investment Advice Recommended

We recommend that you contact your stockbroker, accountant or professional adviser before investing in Eco Quest Shares under the SPP.

16. Declaration & Acknowledgement

By forwarding and completing an application for shares under the SPP and by making payment, each Eligible Shareholder:

- (a) acknowledges that he/she has read, understands and agrees to be bound by the terms and conditions of the SPP;
- (b) certifies that (except where Shares are held as trustee or nominee on account of a beneficiary which is expressly noted on the Company's register of members) the aggregate of the application price for:
 - (i) the Shares or interests the subject of the application; and
 - (ii) any other Shares or interests in the class applied for by or on behalf of the Shareholder under the SPP or any similar plan operated by the Company in the 12 months prior to the application,

does not exceed \$15,000;

- (c) certifies that where Shares are held as trustee or nominee on account of a beneficiary which is expressly noted on the Company's register of members ("Beneficiary") the aggregate of the application price for:
 - (i) the Shares or interest the subject of the application; and
 - (ii) any other Shares or interest in the class applied for by, or on behalf of, the Beneficiary under the SPP or any similar plan operated by the Company in the 12 months prior to the application,

does not exceed \$15,000.

17. Governing Law

The terms and conditions of the SPP are governed by the laws in place in Western Australia.

SHARE PURCHASE PLAN APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
UNIT 1
66 MILL STREET
SOUTH PERTH WA 6151
AUSTRALIA

ECO QUEST LIMITED

ABN: 98 104 037 372

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

Record Date:

NON-RENOUNCEABLE SHARE OFFER CLOSING AT 5.00PM WST ON 27 OCTOBER 2010

(1) I/We, the above mentioned, wish to apply for the number of Fully Paid Ordinary Shares which will be issued in accordance with the Share Purchase Plan (SPP) and the Constitution of the Company as stated below: *(please mark "X" to indicate one choice only)*

		TOTAL SUBSCRIPTION AMOUNT @ \$0.08 PER SHARE	NUMBER OF SHARES
OFFER A - maximum amount	<input type="checkbox"/>	<input type="text" value="\$15,000.00"/>	<input type="text" value="187,500"/>
OFFER B	<input type="checkbox"/>	<input type="text" value="\$10,000.00"/>	<input type="text" value="125,000"/>
OFFER C	<input type="checkbox"/>	<input type="text" value="\$5,000.00"/>	<input type="text" value="62,500"/>
OFFER D	<input type="checkbox"/>	<input type="text" value="\$2,500.00"/>	<input type="text" value="31,250"/>
OFFER E	<input type="checkbox"/>	<input type="text" value="\$1,000.00"/>	<input type="text" value="12,500"/>



- (2) I/We have enclosed/made payment for the amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the New Securities allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company and the terms of the SPP.
- (5) I/We hereby agree to accept any lesser number of new Shares applied for.
- (6) I/We hereby certify that the amount of Shares subscribed for by me/us pursuant to the SPP (being a maximum of \$15,000.00 worth of Shares) does not exceed \$15,000.00 taking into account the Shares the subject of this application and any other Shares applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including other beneficial interests. **Limit on Participation and Custodian Certification- see overleaf for details.**
- (7) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER
()

EMAIL ADDRESS

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

<p>PAYMENT INFORMATION - Please also refer to payment instructions overleaf.</p>		<p>REGISTRY DATE STAMP</p>
	<p>Billers Code: 117226</p> <p>Ref: <input type="text"/></p> <p>BPAY® this payment via internet or phone banking. Your BPAY® reference number is unique to this offer and is not to be used for any other offer.</p>	<p> CHEQUE/MONEY ORDER</p> <p>All cheques (expressed in Australian currency) are to be made payable to ECO QUEST LIMITED and crossed "Not Negotiable".</p>
		<p>E & O.E.</p>

PAYMENT INSTRUCTIONS



Biller Code: 117226

BPAY® this payment via internet or phone banking. Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.



CHEQUE/MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.

CERTIFICATION

By making payment for the application monies, I/we hereby:

1. Acknowledge that I/we have read and understood the Terms of the SPP;
2. Agree to be bound by the Terms of the Constitution of the Company and the SPP;
3. Agree to accept any lesser number of new Securities than the number of Securities applied for; and
4. (If not a Custodian as defined in ASIC Class Order 09/425) Certify that the amount of Securities subscribed for by me/us pursuant to the SPP does not exceed the maximum amount taking into account the Securities the subject of this application and any other Securities applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including joint and other beneficial interests.

LIMITATION ON PARTICIPATION

The maximum subscription limitation of \$15,000.00 will apply even if an eligible Holder has received more than one form (whether in respect of a joint holding or because the eligible Holder has more than one holding under separate Security accounts).

CUSTODIAN CERTIFICATION

If you are a Custodian (as defined in ASIC Class Order 09/425), you must submit a custodian certificate to ECO QUEST LIMITED. If you did not receive a custodian certificate, contact Security Transfer Registrars Pty Limited. If you need further information to determine whether you are a Custodian, refer to the terms and conditions of the Plan which accompany this Share Purchase Plan Application Form or contact Security Transfer Registrars Pty Limited.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them at the address on this form.