



**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, 6 May 2011 at 11.00 am (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, 6 May 2011 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, 4 May 2011 at 5.00pm (WST).

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

AGENDA

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 10,427,000 Shares at an issue price of \$0.05 each to raise \$521,350 (before costs) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 1 by a person who participated in the Placement, and 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.

2. Resolution 2 – Ratification of Employee Option 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 ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Employee Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 2 by the Company's Sales and Marketing Manager and any Associate of that person. 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.

3. Resolution 3 – Ratification of Option 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 ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 500,000 Options on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 3 by Mr Peter Webse and any of his Associates. 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.

4. Resolution 4 – Issue of Shares to Ms Sylvia Tulloch

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

"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 200,000 Shares at an issue price of \$0.05 each to Ms Sylvia Tulloch (or her nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 4 by Ms Sylvia Tulloch and any of her Associates. 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.

5. Resolution 5 – Issue of Shares to Mr Michael Greenup

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

"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 200,000 Shares at an issue price of \$0.05 each to Mr Michael Greenup (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 5 by Mr Michael Greenup and any of his Associates. 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.

6. Resolution 6 – Issue of Shares to Mr Matthew Hiscox

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

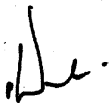
"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 200,000 Shares at an issue price of \$0.05 each to Mr Matthew Hiscox (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 6 by Mr Matthew Hiscox and any of his Associates. 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 6 April 2011
By Order of the Board



Peter Webse
Company Secretary

ECO QUEST LIMITED

ACN 104 037 372

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Meeting to be held at 1/66 Mill Point Road, South Perth, Western Australia on Friday, 6 May 2011 at 11.00 am (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 Resolutions in the Notice of Meeting.

1. Resolution 1 – Ratification of Share Issue

1.1 General

On 17 March 2011, the Company announced the completion of a placement of 10,427,000 Shares at \$0.05 each to raise \$521,350 before raising costs (Placement).

Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the ratification of the prior Placement of 10,427,000 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 17 March 2011 10,427,000 Shares were allotted and issued;
- 1.2.2 the issue price was \$0.05 per Share;
- 1.2.3 the Shares were issued to sophisticated and professional investors and investors under section 708(1) of the Corporations Act and 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 production of the Company's Little Takas range of products and for general working capital.

2. Resolution 2 – Ratification of Employee Option Issue

2.1 General

On 30 November 2010 the Company announced the issue of 2,000,000 Employee Options to the Company's Sales and Marketing Manager - Australia.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 of the prior issue of those 2,000,000 Employee Options.

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 ordinary securities 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 ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX 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 2 in accordance with ASX 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.

2.2 Information required by Listing Rule 7.5

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

- (a) on 30 November 2010 2,000,000 Employee Options were allotted and issued;
- (b) the issue price per Employee Option was nil;
- (c) the terms of the Employee Options are set out in Schedule 2;
- (d) the Employee Options were issued to the Company's Sales and Marketing Manager - Australia; and
- (e) no funds were raised from this issue as the Employee Options were issued for nil consideration.

3. Resolution 3 – Ratification of Option Issue

3.1 General

On 28 March 2011 the Company announced the issue of 500,000 Options to the Company Secretary or his nominee.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 of the issue of those 500,000 Options.

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 ordinary securities 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 ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX 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 3 in accordance with ASX 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.

3.2 Information required by Listing Rule 7.5

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

- (a) on 23 March 2011 500,000 Options were allotted and issued;
- (b) the issue price per Option was nil;
- (c) the terms of the Options are set out in Schedule 3;
- (d) the Options were issued to the Company Secretary; and
- (e) no funds were raised from this issue as the Options were issued for nil consideration.

4. Resolutions 4 to 6 – Issue of Shares to Related Parties

4.1 General

As announced to the ASX on 17 March 2011, the Company undertook a capital raising (Placement) which raised \$521,350 before costs. In conjunction with that Placement, the Company announced that it intended to give the Directors the opportunity to participate in a capital raising on the same terms as the Placement. However, pursuant to the ASX Listing Rules and the Corporations Act, the Company cannot issue or offer to issue Shares to the Directors without prior Shareholder approval.

Pursuant to Resolutions 4 to 6, each of the Directors ("Related Parties") are now seeking the approval of Shareholders to issue Shares to the Directors on the same terms as the recently completed Placement, being at 5 cents per Share.

If any of Resolutions 4 to 6 are not passed, the Director to whom that Resolution relates will not be able to participate in the capital raising.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The issue of the Shares to the Related Parties requires the Company to obtain Shareholder approval because the grant of Shares constitutes giving a financial benefit and as Directors, Ms Sylvia Tulloch, Mr Michael Greenup and Mr Matthew Hiscox are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares to the Related Parties.

4.2 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- (a) the Related Parties are Ms Sylvia Tulloch, Mr Michael Greenup and Mr Matthew Hiscox and they are related parties by virtue of being Directors;
- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 200,000 Shares to Ms Sylvia Tulloch;
 - (ii) 200,000 Shares to Mr Michael Greenup; and
 - (iii) 200,000 Shares to Mr Matthew Hiscox;
- (c) the Shares will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Shares will be issued for \$0.05 each and if all of the Shares are issued, the Company will raise an additional \$30,000. Any funds raised from the issue will be allocated towards the Company's working capital;
- (e) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Ms Sylvia Tulloch	375,000	500,000 ¹
Mr Michael Greenup	706,250	1,000,000 ²
Mr Matthew Hiscox	400,000	2,000,000 ³

¹ 500,000 options exercisable at \$0.20 each on or before 15 December 2012.

² 1,000,000 options exercisable at \$0.20 each on or before 15 December 2012.

³ Refer to Schedule 2 for details of the options.

- (f) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Party	Financial Year 2011	Financial Year 2010
Ms Sylvia Tulloch	\$75,000	\$104,459 ¹
Mr Michael Greenup	\$191,333	\$335,673 ²
Mr Matthew Hiscox	\$162,888 ⁴	\$28,984 ³

¹ Includes \$57,000 in remuneration in relation to the issue of options.

² Includes \$114,000 in remuneration in relation to the issue of options.

³ Commenced employment on 19 April 2010.

⁴ Includes \$21,188 remuneration in relation to the issue of options.

- (g) if Shareholders approve the issue of the Shares to Ms Sylvia Tulloch, the effect will be to dilute the shareholding of existing Shareholders by approximately 0.17%;
- (h) if Shareholders approve the issue of the Shares to Mr Michael Greenup, the effect will be to dilute the shareholding of existing Shareholders by approximately 0.17%;
- (i) if Shareholders approve the issue of the Shares to Mr Matthew Hiscox, the effect will be to dilute the shareholding of existing Shareholders by approximately 0.17%;
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.125	12 April 2010
Lowest	\$0.050	3 March 2011
Last	\$0.053	1 April 2011

- (k) the primary purpose of the grant of Shares to the Related Parties is to enable the Directors to participate in the capital raising activities and growth of the Company in a manner that satisfies the requirements of the ASX Listing Rules and the Corporations Act. The Directors note that the price of the Shares was set in order to be consistent with the price at which the Placement was recently completed;
- (l) Ms Tulloch declines to make a recommendation to Shareholders in relation to Resolution 4 due to her material personal interest in the outcome of Resolution 4. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Board (other than Ms Tulloch) is 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 4;
- (m) Mr Greenup declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of Resolution 5. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board (other than Mr Greenup) is 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 5.
- (n) Mr Hiscox declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of Resolution 6. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than Mr Hiscox) is 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 6.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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:

“**Associate**” has the meaning given to that term in the *Corporations Act*.

“**ASX**” means ASX Limited (ACN 008 624 691).

“**ASX Listing Rules**” means the ASX Listing Rules of ASX.

“**Board**” means the board of Directors.

“**Company**” means Eco Quest Limited ACN 104 037 372.

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

“**Director**” means a director of the Company.

“**Employee Option**” means an option to acquire an unissued Share on the terms and conditions set out in Schedule 2.

“**Explanatory Memorandum**” means the explanatory memorandum to 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.

“**Option**” means an option to acquire an unissued Share on the terms and conditions set out in Schedule 3.

“**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 a 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.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 2- Terms and Conditions of Employee Options

(a) Entitlement

The Employee Options entitle the holder to subscribe for one (1) Share upon the exercise of each Employee Option. To obtain the right given by each Employee Option, the Employee Option holder must exercise the Employee Option in accordance with the terms and conditions of the Employee Options.

(b) Expiry Date

The expiry date of Employee Options is 31 October 2012.

(c) Number and Exercise Price of the Employee Options

The number and exercise price of each tranche of Employee Options is set out in the following table:

Tranche	Number of Options	Exercise Price
A	500,000	\$0.20
B	500,000	\$0.30
C	500,000	\$0.40
D	500,000	\$0.70

(d) Vesting Conditions

The Employee Options vest as follows:

- (i) Tranche A upon achievement of Board set sales and marketing targets for the period from commencement of employment to 31 October 2010;
- (ii) Tranche B upon achievement of Board set sales and marketing targets for the period from 1 November 2010 to 30 April 2011;
- (iii) Tranche C upon achievement of Board set sales and marketing targets for the period from 1 May 2011 to 31 October 2011; and
- (iv) Tranche D upon achievement of Board set sales and marketing targets for the period from 1 November 2011 to 30 April 2012.

(e) Exercise Period

The Employee Options are exercisable at any time prior to the Expiry Date subject to the Vesting Conditions. Employee Options not exercised on or before the Expiry Date will automatically lapse.

(f) Cancellation of Employee Options

If the Employee Option holder ceases to be an employee of the Company (for any reason whatsoever), all Employee Options that, as at that date, have not vested, immediately lapse and will be cancelled on that date by the Company.

(g) Notice of Exercise

The Employee Options, once vested, may be exercised wholly or in part by notice in writing to the Company and payment of the Exercise Price for each Employee Option being exercised. Any notice of exercise of Employee Options received by the Company will be deemed to be a notice of the exercise of those Employee Options as at the date of receipt. A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(h) Shares Issued on Exercise

Shares issued on exercise of the Employee Options rank equally with the Shares of the Company.

(i) Timing of issue of Shares

After Employee Options are validly exercised, the Company must as soon as possible:

(i) issue the Shares; and

(ii) do all such acts matters and things to obtain

(A) the grant of quotation for the Shares on ASX no later than 10 business days from the date of exercise of the Employee Options; and

(B) receipt of cleared funds equal to the sum payable on the exercise of the Employee Options.

(j) Participation in New Issues

There are no participation rights or entitlements inherent in the Employee Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Employee Options the opportunity to exercise their Employee Options prior to the date for determining entitlements to participate in any such issue.

(k) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Employee Option will be increased by the number of Shares which the Employee Option holder would have received if the Employee Option holder had exercised the Employee Options before the record date for the bonus issue; and

(ii) no change will be made to the Employee Option Exercise Price.

(l) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Employee Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O= the old Exercise Price of the Employee Option.

E= the number of underlying Shares into which one (1) Employee Option is exercisable.

P= average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S= the subscription price of a Share under the pro rata issue.

D= the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N= the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(m) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Employee Option holder will be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation of Employee Options

The Employee Options will be unlisted Employee Options. No application for quotation of the Employee Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for quotation of the Employee Options and the ASX accepts the application for quotation of the Employee Options then the Employee Options will be listed options from the time that the ASX accepts such application.

(o) Employee Options Not Transferable

The Employee Options are not transferable, except with the prior written consent of the Company.

(p) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Employee Options with the appropriate remittance should be lodged at the Company's share registry.

Schedule 3- Terms and Conditions of Options

(a) Entitlement

The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option. To obtain the right given by each Option, the Option holder must exercise the Option in accordance with the terms and conditions of the Options.

(b) Exercise Price

The exercise price of each Option is \$0.20.

(c) Expiry Date

The expiry date of the Options is 30 November 2013.

(d) Number of Options

The number of Options is 500,000.

(e) Exercise Period

The Options are exercisable at any time prior to the Expiry Date.

(f) Notice of Exercise

The Options may be exercised wholly or in part by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(g) Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company.

(h) Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(i) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

(i) issue the Share; and

(ii) do all such acts matters and things to obtain:

(A) the grant of quotation for the Share on ASX no later than 5 business days from the date of exercise of the Option; and

(B) receipt of cleared funds equal to the sum payable on the exercise of the Option.

(j) Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of the Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(k) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Incentive Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O= the old Exercise Price of the Incentive Option.

E= the number of underlying Shares into which one (1) Option is exercisable.

P= average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S= the subscription price of a Share under the pro rata issue.

D= the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N= the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(m) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder will be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation of Options

The Options will be unlisted Options. No application for quotation of the Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for quotation of the Options and the ASX accepts the application for quotation of the Options then the Options will be listed options from the time that the ASX accepts such application.

(o) Options Transferable

The Options are transferable.

(p) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

**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, 6 May 2011 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 **Resolutions 4 to 6** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 4 to 6 and that votes cast by the Chair of the General Meeting for Resolutions 4 to 6 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 Chair will not cast your votes on Resolutions 4 to 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 4 to 6.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of Employee Option Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of Option Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Shares to Ms Sylvia Tulloch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Shares to Mr Michael Greenup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Shares to Mr Michael Hiscox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 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) by hand to Eco Quest Limited, 1/66 Mill Point Road, SOUTH PERTH, WA, 6151; or
 - (b) post to Eco Quest Limited, PO Box 1221, SOUTH PERTH, WA, 6951; or
 - (c) facsimile to the Company on facsimile number +61 8 9277 7472,

so that it is received not later than 11.00am (WST) on Wednesday, 4 May 2011.

Proxy forms received later than this time will be invalid.