



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

**A General Meeting will be held at 1/66 Mill Point Road, South Perth,
Western Australia on Thursday, 11 August 2011 at 11.00 am (WST).**

**Shareholders are urged to attend or vote by lodging the Proxy Form
attached to this Notice of Meeting.**

***This Notice of Meeting and Explanatory Memorandum 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 or
Explanatory Memorandum 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 Thursday, 11 August 2011 at 11.00 am (WST) ("**Meeting**").

The Explanatory Memorandum should be read in conjunction with this Notice of Meeting and 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 Tuesday, 9 August 2011 at 5.00 pm (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, Shareholder approval is given to ratify the prior issue of 8,500,000 Shares at an issue price of \$0.04 per Share to raise \$340,000 (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 any person who participated in the issue the subject of Resolution 1, and any 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 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, Shareholder approval is given to ratify the prior issue of 2,000,000 Shares at an issue price of \$0.05 per Share in lieu of a manufacturing deposit 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 any person who participated in the issue the subject of this Resolution 2, and any 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.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

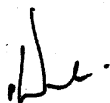
The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

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.

Dated 11 July 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 Thursday, 11 August 2011 at 11.00 am (WST).

The Explanatory Memorandum should be read in conjunction with the Notice of Meeting. 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 23 June 2011, the Company announced the placement of 8,500,000 Shares at \$0.04 each to raise \$340,000 before costs (“**Share Placement**”).

Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the ratification of the prior issue of the 8,500,000 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 of securities by a company 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 issue did not breach Listing Rule 7.1 and 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:

- (a) on 29 June 2011 8,500,000 Shares were allotted and issued;
- (b) the issue price was 4 cents per Share;
- (c) the Shares issued pursuant to the Share Placement are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to investors as either sophisticated or professional investors under sections 708(8) and 708(11) of the Corporations Act and who are not related parties to the Company; and
- (e) the funds raised by the Share Placement were directed towards production of the Company’s “Little Takas” range of products and for general working capital.

2. Resolution 2 – Ratification of Share Issue

2.1 General

On 23 June 2011, the Company announced that it had reached an agreement with Hong Kong based Carmelton Enterprises, manufacturer of its 90% biodegradable nappy range, to issue 2,000,000 Shares at a deemed issue price of 5 cents per Share in lieu of the manufacturing deposit of \$100,000 for the period April 2011 to March 2012 (“**Deposit Placement**”).

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the ratification of the prior issue of the 2,000,000 Shares to Carmelton Enterprises nominee, Mr Kwok Ming Li.

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 of securities by a company 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 issue did not breach Listing Rule 7.1 and 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 29 June 2011 2,000,000 Shares were allotted and issued;
- (b) the issue price was 5 cents per Share;
- (c) the Shares issued pursuant to the Deposit Placement are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to Carmelton Enterprises nominee, Mr Kwok Ming Li, who is a sophisticated investor under section 708(8) of the Corporations Act and who is not a related party to the Company; and
- (e) the Shares were issued in lieu of the \$100,000 manufacturing deposit that the Company was required to pay to Carmelton Enterprises for the period April 2011 to March 2012.

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**” or “**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).

“**Deposit Placement**” has the meaning in Section 2.1 of the Explanatory Memorandum.

"**Director**" means a director of the Company.

"**Explanatory Memorandum**" means the explanatory memorandum accompanying this Notice of Meeting.

"**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.

"**Proxy Form**" means the proxy form accompanying 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.

“**Share Placement**” has the meaning in Section 1.1 of the Explanatory Memorandum.

"**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 Thursday, 11 August 2011 at 11.00 am (WST), and at any adjournment thereof.

If no directions are given, the Chair will vote undirected proxies in favour of the Resolutions.

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 Share Issue	<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 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) 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 11.00 am (WST) on Tuesday, 9 August 2011.

Proxy forms received later than this time will be invalid.