



---

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

---

**A General Meeting will be held  
at Level 1, 68 South Terrace, South Perth, Western Australia on  
Thursday, 4 March 2010 at 3.00pm (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.***

For personal use only

---

**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 Level 1, 68 South Terrace, South Perth, Western Australia on Thursday, 4 March 2010 at 3.00pm (WST) ("**Meeting**").

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

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, 2 March 2010 at 4.00pm (WST).

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

---

**AGENDA**

---

**ORDINARY BUSINESS**

**1. Resolution 1 – Ratification of Option Issue**

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

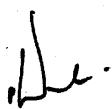
*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 6,000,000 Options on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution 1 by a person who participated in the Option Issue, 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 1 February 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 Level 1, 68 South Terrace, South Perth, Western Australia on Thursday, 4 March 2010 at 3.00pm (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 Option Issue**

### **1.1 General**

On 18 January 2010, the Company announced the issue of 6,000,000 Options to Mr Stewart Pyrah, an external consultant, pursuant to the terms and conditions of a marketing consultancy agreement.

The subscriber pursuant to this issue was not a related party of the Company.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of those 6,000,000 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 securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

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 6,000,000 Options were allotted and issued;
- 1.2.2 the issue price per Option was nil;
- 1.2.3 the terms of the Options are set out in Schedule 2;
- 1.2.4 the Options were issued on 18 January 2010 to Mr Stewart Pyrah, an external consultant, pursuant to a marketing consultancy agreement; and

1.2.5 no funds were raised from this issue as the Options were issued in consideration for services to be provided by Mr Stewart Pyrah.

### **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.

For personal use only

## Schedule 1 - Definitions

In this Explanatory Memorandum, Notice and Proxy Form:

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

**"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.

**"Options"** means an Option granted on the terms and conditions set out in Schedule 2.

**"Explanatory Memorandum"** means the explanatory memorandum to the Notice.

**"Listing Rules"** means the Listing Rules of ASX.

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

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

**"Option Issue"** means the issue of Options notified to the ASX on 18 January 2010.

**"Proxy Form"** means the proxy form attached to the Notice.

**"Resolution"** means the resolution contained in this Notice.

**"Schedule"** means a schedule to this Notice.

**"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.

## Schedule 2 – 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) **Expiry Date**

The Options will expire at 5.00 pm WST on 29 July 2012 (**Expiry Date**).

(c) **Number and Exercise Price of the Options**

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

Tranche	Number of Options	Exercise Price
A	1,000,000	\$0.20
B	2,000,000	\$0.30
C	1,000,000	\$0.40
D	2,000,000	\$0.70

(d) **Vesting Conditions**

The Options vest as follows:

- (i) Tranche A on the date upon the Company's 30 day Volume Weighted Average Price (**VWAP**), between the date of issue of the Options and 29 July 2012, equalling or exceeding \$0.20;
- (ii) Tranche B on the date upon the Company's 30 day VWAP, between the date of issue of the Options and 29 July 2012, equalling or exceeding \$0.30;
- (iii) Tranche C on the date upon the Company's 30 day (VWAP), between the date of issue of the Options and 29 July 2012, equalling or exceeding \$0.40; and
- (iv) Tranche D on the date upon the Company's 30 day (VWAP), between the date of issue of the Options and 29 July 2012, equalling or exceeding \$0.70.

(e) **Exercise Period**

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

(f) **Notice of Exercise**

The 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 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 other 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 the grant of quotation for the Share on ASX no later than 10 business days after the date of the allotment of those Shares.

(j) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and the 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 6 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 or a bonus issue) the Exercise Price of an 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 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 may 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 time to 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.

For personal use only

This Page Has Been Left Blank Intentionally

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 upstairs at Level 1, 68 South Terrace, South Perth, Western Australia, on Thursday, 4 March 2010 at 3.00pm (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 Option 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):** \_\_\_\_\_

For personal use only

**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 with 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 3.00pm (WST) on Tuesday, 2 March 2010.

**Proxy forms received later than this time will be invalid.**

For personal use only