piquant blue Limited

ABN 19 104 555 455

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Wednesday, 14 June 2006

Time of Meeting

10.00 am (WST)

Place of Meeting

Level 1
189 Hay Street
Subiaco, Western Australia

NOTICE OF GENERAL MEETING

A General Meeting of Piquant Blue Limited (**PQB** or **Company**) is to be held on Wednesday, 14 June 2006 at Level 1, 189 Hay Street, Subiaco, WA, commencing at 10.00am (WST).

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

BUSINESS

Resolution 1 – Issue of Options

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 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders approve the issue to Timbercorp Limited an aggregate of 3,000,000 options to subscribe for fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement that forms part of this Notice".*

***Short Explanation**: Under ASX Listing Rule 7.1, a company may seek shareholder approval prior to an issue of securities to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.*

***Voting Exclusion**: The Company will in accordance with section 224 of the Corporations Act and the Listing Rules, disregard any votes cast on Resolution 1 by the intended allottee of the options the subject of Resolution 1 and any associate of that allottee. 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 a 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.

Resolution 2 – Ratification of the Issue of Shares

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

> *"For the purposes of Listing Rule 7.4 of the Listing Rules of the ASX, shareholders ratify and approve the issue of 10,000,000 fully paid ordinary shares made on 25 January 2006 to the parties and on the terms and conditions set out in the Explanatory Memorandum that forms part of this Notice."*

***Short Explanation**: Under ASX Listing Rule 7.4, a company may seek shareholder approval to ratify an issue of securities provided that the issue does not fall within one of the exceptions of Listing Rule 7.1 and did not breach the 15% restriction contained in Listing Rule 7.1. This resolution if approved will allow the Company to have the flexibility to make future issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.*

***Voting Exclusion:** The Company will in accordance with section 224 of the Corporations Act and the Listing Rules, disregard any votes cast on Resolution 2 by any of the persons who participated in the issue the subject of Resolution 2 and any associate of any 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 a 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 THIS 11th DAY OF MAY 2006
BY ORDER OF THE BOARD

Kim Hogg
Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member. A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg "the Company Secretary").

2. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.

3. A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at Level 1, 189, Subiaco, Western Australia or by fax to (61 8) 9382 1322. Alternatively, you may photocopy the enclosed form.

4. A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, not less than 48 hours before the time for commencement of the meeting. Please send by post to PO Box 8210, Subiaco East, Western Australia 6008 or by fax to (61-8) 9382 1322.

5. The Company will accept proxy appointments by a corporate member executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the Corporations Act.

6. The time nominated by the Board for the purpose of determining the voting entitlements at the meeting is 5:00pm WST on 12 June 2006.

7. The Explanatory Memorandum attached to this Notice forms part of this Notice.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the General Meeting of Piquant Blue Limited ("Company").

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Resolution 1 – Issue of Options

Timbercorp Limited (Timbercorp) became a substantial shareholder in Piquant Blue in May 2004. Since that time, it has been the principal supplier of premium extra virgin olive oil to Piquant Blue. Piquant Blue and Timbercorp value their relationship which encompasses both an investment and a supplier relationship.

Timbercorp is Australia's largest producer of olive oil with some 1,000,000 trees planted in Victoria. In recognition for the past association and the continuing support of Timbercorp to Piquant Blue's activities, the Company proposes to issue an aggregate of 3,000,000 options to Timbercorp comprising:

Number of options	Exercise Price per option	Expiry Date
1,500,000	$0.40	30 April 2009
1,500,000	$0.45	30 April 2010

These options will not be quoted on ASX.

Resolution 1 seeks shareholder approval to issue these options.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, during any 12-month period issue any equity or other securities with rights of conversion to equity 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.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting.

The proposed issue of the options is placed before shareholders to allow this number of securities to be excluded from the calculation set out in ASX Listing Rule 7.1.

For the purpose of Listing Rule 7.3, the following information is provided:

1. A total of 3,000,000 options are to be issued;
2. the Company will issue the options noted above within 3 months of the date of the Meeting (or such other date as extended by ASX) and it is anticipated that all of those options will be issued on one date;
3. The options will be issued on the same terms and conditions as existing options save for the exercise prices and expiry dates noted above;
4. The options will be issued for nil consideration to Timbercorp Limited.

Resolution 2 – Ratification of the Issue of Shares

On 25 January 2006, the Directors of the Company issued a total of 10,000,000 fully paid ordinary shares at an issue price of $0.30 each to certain institutional and sophisticated investors.

The Company seeks that shareholders ratify the issue of shares pursuant to ASX Listing Rule 7.4. Listing Rule 7.4 enables the shareholders of a company to ratify an issue of securities provided that the issue does not fall within one of the exceptions of Listing Rule 7.1 and did not breach the 15% restriction contained in Listing Rule 7.1.

If the issue is ratified by this resolution then the Company will be entitled to issue further securities in accordance with the terms and restrictions of ASX Listing Rule 7.1.

For the purpose of Listing Rule 7.5, the following information is provided:

1. A total of 10,000,000 fully paid ordinary shares were issued;

2. The shares were issued at $0.30 each;

3. The shares issued were ordinary fully paid shares and rank equally in all respects with the existing ordinary fully paid shares issued in the capital of the Company;

4. The securities issued under the placement were issued to sophisticated investors in accordance with section 708(8) of the Corporations Act, professional investors within the meaning of sections 9 and 708(11) of the Corporations Act, and persons coming under categories described in section 708(10) of the Corporations Act;

5. The issue of the 10,000,000 shares raised $3,000,000 to be applied to building inventory and developing markets in selected regions of the United States for its Red Island brand of premium Australian extra virgin olive oil. The fresh capital will also be applied to the launch and accompanying inventory build-up of new products in the Australian market.

PROXY FORM

(*Name of member/s*)

of

(*Address of member/s*)

Appointment of Proxy

I/We being a member/s of Piquant Blue Limited and entitled to attend and vote hereby appoint

☐ the Chairman of the Meeting (mark with an 'X')

If you are appointing **someone other than** the Chairman of the Meeting, write here the name of the company or person you are appointing

or, failing a company or person named, or if no company or person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if not directions have been given, as the proxy sees fit) at the General Meeting of Piquant Blue Limited to be held at Level 1, 189 Hay Street, Subiaco, Western Australia on Wednesday, 14 June 2006 commencing at 10.00 am and at any adjournment of that meeting.

Important Note:

☐ If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on the resolutions below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes the resolutions and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

Voting directions to your proxy – please mark ☒ to indicate your directions

		FOR	AGAINST	ABSTAIN*
1.	Issue of Options	☐	☐	☐
2.	Ratification of issue of Shares	☐	☐	☐

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy

☐ Mark with an 'X' if you wish to appoint a second proxy **AND** ☐ **%** **OR** ☐ State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Individual/ Sole Director and Sole Company Secretary	Director	Director/ Company Secretary

Contact Name	Contact Daytime Telephone	Date

HOW TO COMPLETE THE PROXY FORM

1. **Appointment of a Proxy**

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the company or person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that company or person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with a corporate representative form free of charge. Please contact the Company Secretary if you require a corporate representative form.

2. **Votes on Items of Business**

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3. **Appointment of a Second Proxy**

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

(a) indicate that you wish to appoint a second proxy by marking the box.
(b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
(c) return both forms together in the same envelope.

4. **Signing Instructions**

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting at 10.00am (WST) on Wednesday, 14 June 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by posting, delivery or facsimile to Piquant Blue Limited:-

PO Box 8210
Subiaco East WA 6008

Fax: (61-8) 9382 1322