Level 14, Central Plaza One
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Inc. in Queensland

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ARIADNE AUSTRALIA LIMITED
A.C.N. 010 474 067 A.B.N. 50 010 474 067

17 October 2003

Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

DESPATCH OF NOTICE OF ANNUAL GENERAL MEETING, PROXY FORM AND DIVIDEND REINVESTMENT PLAN

Ariadne commenced despatching the 2003 financial report and documents regarding the Annual General Meeting on or about 13 October 2003, to the holders of Ariadne's ordinary shares. The Annual General Meeting is being held at the Grand Ballroom, Stamford Plaza Brisbane, Corner of Edward and Margaret Streets, Brisbane at 10am on Thursday 13 November 2003.

Attached are copies of the following documents:
- Notice of annual general meeting
- Proxy form
- Dividend Reinvestment Plan

Dividend Reinvestment Plan Application Forms and Dividend Direct Credit Forms were despatched to shareholders. Additional copies can be obtained from Ariadne's share registry Computershare Investor Services Pty Limited, telephone (07) 3237 2100 or 1300 552270.

Yours faithfully

CHRISTINE RECK
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Ariadne Australia Limited will be held in The Grand Ballroom, Stamford Plaza Brisbane, Corner Edward and Margaret Streets, Brisbane, on Thursday, 13 November 2003 at 10.00am Brisbane time.

Business

1. Financial report

To receive and consider the financial report, the directors' report and the auditors' report for the financial year ended 30 June 2003.

2. Election of directors

To consider the election of directors b fill the vacancies arising from the retirement by rotation of 2 of the existing directors.

John Clifford Tormey retires by rotation in accordance with Article 60 of the Company's Constitution and being eligible, offers himself for re-election as a director of the company.

Kevin Will Seymour retires by rotation in accordance with Article 60 of the Company's Constitution and being eligible, offers himself for re-election as a director of the company.

3. Amendment of Article 109 of the Constitution (elimination of unmarketable parcels)

To consider, and if thought fit, pass the following resolution as a **special resolution**:

That Article 109 of the Company's Constitution be amended by changing the definition of 'relevant date' to read as follows:

"relevant date" means the later of (i) the date on which this Article was adopted or (ii) the date 12 months after the directors last sent a sale notice pursuant to sub-Article 109.4.

4. Dividend Reinvestment Plan

To consider, and if thought fit, pass the following resolution:

That the terms of the Ariadne Australia Limited Dividend Reinvestment Plan, as set out in the booklet accompanying the notice of the annual general meeting for 2003, be approved.

5. Increase aggregate annual limit of non-executive directors' remuneration

To consider, and if thought fit, pass the following resolution:

That for the purposes of Article 64 of the Company's Constitution the total amount payable to the directors of the Company (in their capacity as directors) for their services to the Company be increased from $250,000 per year to $350,000 per year, an increase of $100,000 per year.

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting and shareholders should read this document in full.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum accompanies and forms part of the Notice of Annual General Meeting for the Ariadne Australia Limited Annual General Meeting to be held on Thursday 13 November 2003.

Proxies
A Member who is entitled to attend and vote at the meeting has a right to appoint a proxy. The proxy need not be a member of the Company. If a member is entitled to cast 2 or more votes at the meeting, that member may appoint 2 proxies and may specify the proportion of votes each proxy is appointed to exercise. Where 2 proxies are appointed, but the appointments do not specify the proportion of votes which each proxy may exercise, each proxy may exercise half of the votes (fractions being disregarded).

If you sign and return the proxy form provided by the Company and either do not insert the name of a proxy in that form or your nominated proxy does not attend the meeting, the Chairman of the meeting will act as your proxy. The Chairman of the Board, Dr Gary Weiss, will act as Chairman of the meeting unless he is prevented from attending because of illness or some other reason. If any proxy lodged in favour of the Chairman does not contain a direction as to how to vote, Dr Weiss intends to vote in favour of each of the resolutions.

A Proxy Form accompanies this Notice and to be valid must be received at the Company's share registry:

Computershare Investor Services Pty Limited
GPO Box 523
Brisbane Qld 4001
Australia

or by facsimile (07) 3229 9860

and in either case no later than 10am Brisbane time on Tuesday 11 November 2003.

Voting
In accordance with the Corporations Act and Regulations, the directors have determined that all shares in the Company are to be taken, for the purposes of the meeting, as being held by the persons who held them at 7pm Brisbane time on 11 November 2003.

Notes on item 3 – Amendment to Article 109 of the Constitution (elimination of unmarketable parcels)
When Article 109 of the Company's Constitution was first adopted the ASX Listing Rules required annual renewal of such a provision. Since that time the Listing Rules have been amended to remove the need for annual renewal, although retaining the requirement that the Constitution restrict use of the procedure to once in any 12 month period.

In order to bring the Constitution into line with the change to the Listing Rules, it is proposed to amend Article 109 to eliminate the need for annual re-adoption of the Article. This is being done by amending the definition which, effectively, required that to occur. The provision of Article 109 which limits its use to once in any 12 month period will remain in force.

The directors of Ariadne recommends shareholders vote in favour of the proposed special resolution.

Notes on item 4 – Dividend Reinvestment Plan
The terms and conditions of Ariadne Australia's Dividend Reinvestment Plan are set out in the booklet called "Ariadne Australia Limited Dividend Reinvestment Plan" (the "Plan") accompanying this Explanatory Memorandum.

The Plan is designed to provide shareholders with an opportunity to acquire further shares in the Company, at a discount to the current market price and without incurring stamp duty or brokerage, by reinvesting dividends payable to them. Participating in the Plan is optional.

As required by ASX Listing Rule 7.8 the Plan provides that all shares issued under the Plan will rank equally with existing ordinary shares (ignoring the fact that they do carry any right to participate in a current offer) and allows shareholders to choose whether to participate for part or all of each holding.

If the Plan is approved the directors will be entitled, under current law, to issue shares pursuant to it without the need for any subsequent approval from shareholders and without the need to consider the extent of any proportionate increase in the voting power of any person.

EXPLANATORY MEMORANDUM (continued)

Notes on item 4 – Dividend Reinvestment Plan (continued)
An issue of shares under a dividend reinvestment plan is an exception to the restriction in ASX Listing Rule 7.1 (generally limiting issues without shareholder approval to 15% of the Company's shares in any 12 month period) and Listing Rule 10.11 (which restricts the issue of shares to directors and other related parties).

Under Chapter 6 of the Corporations Act, dealing with takeovers, specific procedures must be adopted in connection with an acquisition of shares that results in the voting power of any relevant person breaching a 20% threshold or increasing beyond that threshold. However, an issue of shares to an existing holder under a dividend reinvestment plan is exempt from those restrictions provided the plan facility is available to all members (disregarding any unavailability to foreign holders).

Under current law, the Company will not be required to provide Participants in the Plan with a prospectus or other disclosure document in connection with the issue of shares under the Plan.

The directors of Ariadne recommends shareholders vote in favour of the proposed resolution.

Note 5 – Increase the aggregate annual limit of non-executive directors' remuneration
Under Article 64.1 of the Company's Constitution, the amount payable to the directors of the Company as remuneration for their services to the Company (in their capacity as directors) is a fixed sum determined from time to time by the Company in general meeting. This amount is exclusive of the remuneration of executive directors. Under Article 85 the salary and other benefits of executive directors are determined by the board.

Currently, the limit on the directors fees under Article 64.1 is $250,000 per year. During the last financial year the amount paid to directors under Article 64.1 was $232,382.

It is proposed that the applicable amount under Article 64.1 be increased by $100,000 to $350,000 per year.

The current limit of directors' fees was established at the annual general meeting held in 1988, some 15 years ago. Since then the responsibilities and duties imposed on directors by changes in corporate governance have increased significantly. In addition, real value of the amount has been reduced by inflation. Increasing the amount will deal with those issues and also provide the Company with additional flexibility to attract and retain high calibre directors.

All of the directors have an interest in the outcome of this resolution. Accordingly, directors and their associates will be treated as not being entitled to vote on the resolution. The Company will disregard any votes cast on the resolution by a director, or an associate of any director, except –

(i) votes cast by such a person as proxy for a person entitled to vote, in accordance with the directions on the proxy form; or

(ii) votes cast by the chairman of the meeting as proxy for a person entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides, for this purpose.

The directors of Ariadne recommends shareholders vote in favour of the proposed resolution.

By order of the Board:

Christine Reck
Company Secretary
Brisbane, 6 October 2003

ARIADNE AUSTRALIA LIMITED
ABN 50 010 474 067

PROXY FORM

All correspondence to:
Ariadne Australia Limited
c/- Computershare Investor Services Pty Limited
GPO Box 523
Brisbane Qld 4001 Australia

Telephone: 1300 552 270
Facsimile: (07) 3229 9860

To Appoint a Proxy
Insert the name of the person you wish to appoint as proxy. Shareholders cannot appoint themselves.
OR
If you wish to appoint the Chairman to act as your proxy, leave this blank.

APPOINTS AS PROXY ____________ __ ___(Name of proxy)
or failing the person named, the Chairman of the Meeting to attend and vote for me, at the Annual General Meeting of the Company to be held on 13 November 2003.

Any person who is a joint holder of shares may appoint a proxy and if more than one of such joint holders appoints a proxy or seeks to vote at the meeting, then the person whose name is first on the Register will be the person entitled to vote.

If you do **not** wish to direct your proxy how to vote, please place a mark in the box. ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If any proxy lodged in favour of the Chairman does not contain a direction as to how to vote, the Chairman, Dr Gary Weiss intends to vote in favour of each of the resolutions.

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

Proxy Voting instructions (optional)
If you **do** wish to direct your proxy how to vote, please mark one box.
If you do not mark a box, your proxy may vote as he/she thinks fit.

BUSINESS	For	Against	Abstain
1. Receive financial statements and reports	☐	☐	☐
2. Election of directors			
John Clifford TORMEY	☐	☐	☐
Kevin Will SEYMOUR	☐	☐	☐
3. Amend Article 109 of the Constitution	☐	☐	☐
4. Approving the terms of the Dividend Reinvestment Plan	☐	☐	☐
5. Increase aggregate annual limit of non-executive director's remuneration	☐	☐	☐

This Proxy Form must be signed by the shareholder or by the shareholder's attorney, or if a corporation, in accordance with the Corporations Act or its constitution by authorised officers or attorney. If this Proxy Form is signed by a person who is not the registered shareholder, then the relevant authority under which it is signed must accompany this form, or be produced to the Company prior to the last date for lodgement of proxies, unless previously produced to the Company.

A shareholder who is entitled to cast two or more votes may appoint up to two persons (whether shareholders or not) to attend the meeting and vote. If you appoint a second proxy, state below the proportion of your voting rights given to the proxy appointed on this form (an additional proxy will be supplied on request). If you don't specify a proportion or number, each proxy can exercise half of your voting rights.

Pursuant to the Corporations Act, the Directors have determined that for the purpose of ascertaining the voting entitlements for the Annual General Meeting the shareholding of each shareholder will be as it appears in the Share Register at 7pm Brisbane time on 11 November 2003.

% or number: ____________

PLEASE SIGN HERE **This section *must* be signed in accordance with the instructions to enable your directions to be implemented.**

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

This completed proxy must be received at the share registry, Computershare Investor Services Pty Limited, GPO Box 523, Brisbane Qld 4001, Australia or by facsimile (07) 3229 9860 and in either case no later than 10am Brisbane time on Tuesday 11 November 2003 in order to be valid.

ARIADNE AUSTRALIA LIMITED

ABN 50 010 474 067

Dividend Reinvestment Plan

Operation of the Plan

Details of the Dividend Reinvestment Plan are set out in the Terms and Conditions commencing on page 3.

Eligibility
All Shareholders having a registered address in Australia or in such other countries as are approved by the Directors from time to time are eligible to participate in the Plan.

How to participate
To join the Plan all you have to do is complete and sign the Application Form and return it to the Share Registry. An Application Form is included in your Shareholder pack, or you can obtain one by contacting the Share Registry.

Participation
Participation is entirely at the option of the Shareholder.

Participants have the following options:

- *Full Participation*
  The Plan will apply to all cash dividends payable on all the Participant's Shareholding from time to time, including Shares acquired by the Participant less Shares disposed of by the Participant since full participation commenced.

- *Partial Participation*
  The Plan will apply to all cash dividends payable only on the number of Shares specified by the Participant. The dividend on the remaining (Non-participating) Shares will be paid as directed by the Shareholder.

Variation to the level of participation or withdrawal from the Plan
You may vary your level of participation or withdraw from the Plan from time to time by completing a Notice of Variation or Termination form and returning it to the Share Registry.

Shares issued under the Plan
Shares issued under the Plan will rank equally in every respect with existing issued fully-paid ordinary Shares in Ariadne, except that they will not rank in respect of any offer by Ariadne current at the date of issue.

Issue price
Shares will be issued at a discount of 2.5% on the weighted average sale price of Ariadne's Shares sold on the Australian Stock Exchange Limited (on an Ex-dividend basis) during a 5 trading day period close to the Record Date for the relevant dividend. Shares will be issued fully-paid.

Cost of participation
No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares issued under the Plan.

Sale of Shares
If you are participating in the Plan and you sell any of your Shares, the Shares will automatically be withdrawn from the Plan when Ariadne receives a valid transfer form.

Terms and Conditions

1. Definitions and interpretation

1.1 In these terms and conditions, unless the context otherwise requires:

"**Ariadne**" means Ariadne Australia Limited (ABN 50 010 474 067);

"**Application**" means an Application by a Shareholder to become a Participant;

"**Application Form**" means a written Application to participate in the Plan in a form prescribed or approved by the Directors from time to time, signed by the Shareholder;

"**ASX**" means the Australian Stock Exchange Limited;

"**Directors**" means the Directors of Ariadne;

"**Due Date**" means in respect of a dividend, 7pm on the date that is 7 days prior to the payment date;

"**Non-participating Shares**" means all Shares held by the Participant other than Participating Share;

"**Participant**" means a Shareholder whose Application to participate in the Plan has been accepted by Ariadne;

"**Participating Shares**" means Shares which are subject to the Terms and Conditions of the Plan;

"**Payment Date**" means in respect of a dividend, the date on which Ariadne first makes any payment (including by despatching a cheque) in respect of that dividend;

"**Plan Statement**" means a Plan Statement which complies with clause 10.1;

"**Record Date**" means 7.00pm on the date specified by Ariadne, as the date by which Ariadne will identify the persons on the Share Register entitled to the benefit of the dividend;

"**Shareholder**" means a person (including a corporation) registered as holding Shares;

"**Shares**" means fully paid ordinary shares in the capital of Ariadne;

"**Share Register**" means the Register of Members kept by Ariadne pursuant to the Corporations Act;

"**Share Registry**" means Computershare Investor Services Pty Ltd or Ariadne's Share Registry from time to time;

"**Terms and Conditions**" means these terms, provisions and conditions of the Plan with such modifications, variations and amendments as are effected from time to time; and

"**the Plan**" means the Ariadne Australia Limited Dividend Reinvestment Plan and the Terms and Conditions relating thereto.

1.2 Words importing the singular shall include the plural and vice versa; words importing gender shall include all genders.

2. Participation in the Plan

2.1 Participation in the Plan is governed by these Terms and Conditions.

2.2 Participation in the Plan is optional.

2.3 Subject to clause 2.4, all Shareholders who have a registered address in Australia, or in such other countries as the Directors may from time to time designate, may participate in the Plan in accordance with the Terms and Conditions. Any such designation is at the absolute discretion of the directors.

2.4 Despite any other provision of the Terms and Conditions, the Directors are entitled to exclude a Shareholder from being a Participant in respect of any dividend if under the laws of any country or place outside Australia it would be necessary to register the Shares to be issued or to provide, lodge or file a prospectus, registration statement or other disclosure documents or carry out any other formality.

2.5 Where a Shareholder, whose registered address is in a country or place other than Australia, wishes to participate in the Plan, the Directors may, before making any issue of Shares, require that Shareholder to produce evidence to satisfy the Directors that participation in the Plan by that Shareholder or the issues of Shares to that Shareholder pursuant to the Plan does not contravene either the laws of Australia or the laws of the country or place shown as the registered address of the Shareholder.

3. Application to participate

3.1 A Shareholder who is eligible to participate in the Plan may apply to Ariadne to participate by completing and duly signing an Application Form in accordance with the Terms and Conditions.

3.2 Where a Shareholder has more than one allocated Shareholding on the Share Register, the Shareholder must complete a separate Application Form for each separate holding.

3.3 An Application by joint holders of Shares must be signed by all Shareholders.

3.4 An Application by a company must be signed in accordance with the company's Constitution, or as permitted by the Corporations Act, or under a power of attorney.

4. Degrees of participation

4.1 Participation in the Plan may be full or partial.

4.2 In the case of full participation, all Shares registered in the Participant's name from time to time, will be subject to the Plan.

4.3 In the case of partial participation, only the number of Shares specified by the Participant in the Application, or in any subsequent notice under clause 8.1, will be subject to the Plan. An Applicant or Participant may not specify a percentage, only a number.

4.4 A Shareholder eligible to participate in the Plan shall specify on the Application Form the degree of participation by either:
(a) placing a tick in the box marked full participation; or
(b) by specifying the number of Shares to be subject to the Plan.

4.5 If an Application Form received by Ariadne does not indicate the degree of participation it shall be deemed to be an Application for full participation.

4.6 If a conflict appears in the Application Form such that it is not clear whether a Shareholder requires partial participation or full participation, the Application Form will be treated as ineffective.

5. Operation of the Plan

5.1 A Participant will be regarded as having;

(a) directed Ariadne to apply the cash dividend (net of withholdings, if any) that is available for payment in relation to the Participating Shares as payment for Shares to be issued pursuant to the Terms and Conditions.

(b) applied for the issue to the Participant of the number of Shares to be issued in respect of the dividend under the Plan at the issue price and otherwise in accordance with the Terms and Conditions of the Plan; and

(c) agreed to be bound by the Constitution of Ariadne in respect of all Shares issued under the Plan.

5.2 Ariadne will in respect of each dividend payable to a Participant:

(a) determine the amount of dividend (net of withholdings, if any) payable to the Participant in respect of Participating Shares;

(b) determine the number of Shares to be issued in respect of that amount in accordance with clause 5.3 and where the number so ascertained results in a fraction the number shall be rounded up to the nearest whole number;

(c) issue that number of Shares to the Participant.

5.3 Shares to be issued to Shareholders participating in the Plan will be calculated by reference to the following formula:

$$\frac{S \times D}{I}$$

where:

S is the number of Participating Shares held by the Participant

D equals the amount of dividend (net of withholdings, if any) payable to the Participant in respect of Participating Shares held by the Participant

I is the issue price, being 97.5% of;

1. the weighted average market price of all Shares in Ariadne sold on the ASX during the first 5 trading days on which, in respect of the relevant dividend, the Shares trade "Ex Dividend", rounded to two decimal places;

or

2. if there is no trading in Ariadne Shares on any of those days, the weighted average market price of all Ariadne Shares sold on the last 5 trading days on which, in respect of the relevant dividend, the Shares trade "Cum Dividend", rounded to two decimal places, after deducting, the amount per share of the relevant dividend.

The issue price will be determined by Ariadne from information supplied to it by the ASX.

5.4 Shares issued under the Plan shall be issued at the issue price and credited as fully-paid.

6. Shares issued under the Plan

6.1 Shares issued under the Plan will be issued in accordance with the Listing Rules of the ASX, no later than 7 days after the date on which Ariadne pays the relevant dividend.

6.2 Shares issued under the Plan will rank equally in all respects with existing issued fully-paid ordinary Shares in Ariadne, except that they will not rank in respect of any offer by Ariadne current at the date of issue.

7. Cost to Participants

7.1 No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares issued under the Plan.

8. Variation and termination of participation

8.1 A Participant may at any time give notice to Ariadne to:
(a) increase or decrease the number of Participating Shares; or
(b) terminate participation in the Plan.

9. Alteration or termination of participation where no notice is given

9.1 Where Participation is partial in relation to any applicable holding of Shares:
(a) any disposal of Shares will be regarded as relating first to Non-participating Shares;
(b) changes in that holding will not affect the number of Participating Shares unless the holding is reduced below the number specified as Participating Shares;
(c) where the holding is reduced below the number specified as Participating Shares, the number of Participating Shares will be revised to that lower number and will remain at that lower number despite subsequent additions to the holding unless the Participant gives a notice under clause 8 increasing the number.

9.2 Participation in the Plan ceases automatically upon:
(a) a Participant ceasing to hold any shares; or
(b) Ariadne being notified of the death, bankruptcy or winding up of the Participant.

10 Plan Statement

10.1 Ariadne will from time to time send to each Participant a Plan Statement providing, at the relevant date, full details of the Participant's transactions pursuant to the Plan.

11. Applications and notices by Shareholders

11.1 Application and notices by Shareholders for the purposes of the Plan shall be in writing and in such form as Ariadne may from time to time require. In the case of joint holdings, all joint holders must sign. If signed by an attorney power of attorney or notarised copy must accompany the application or notice, unless previously produced to Ariadne.

11.2 Applications and notices by Shareholders will be effective on receipt by Ariadne subject to:
(a) these Terms and Conditions;
(b) in the case of Applications, acceptance by Ariadne.

Application and notices received after the Due Date for a dividend will not be effective in relation to that dividend, but will be effective for subsequent dividends.

12. Stock exchange listing

12.1 Ariadne will apply promptly for Shares issued under the Plan to be listed for quotation on the official lists of the ASX.

13. Amendment, suspension and termination of the Plan

13.1 The Directors may at any time modify, vary, supplement or substitute all or any of these Terms and Conditions.

13.2 The Directors may suspend, reinstate or terminate the Plan at any time and from time to time. Otherwise, the Plan continues indefinitely.

14. Taxation

14.1 Ariadne makes no representation or warranties in respect of, and accepts no liability for, the liability of Participants to pay income tax in respect of any issue, payment or other transaction pursuant to this Plan.

15. General

15.1 The Plan, its operations and the Terms and Conditions shall be governed by, and construed in accordance with, the laws of Queensland.

15.2 Participants shall be bound by the Terms and Conditions as they exist from time to time.

15.3 All notices to be given to Participants may be given in the manner provided in the Constitution for giving notices to Shareholders.

15.4 Any disputes or disagreements arising under or in relation to the Plan or the Terms and Conditions may be settled by the Directors in any way the Directors consider appropriate, and any determination by them shall be final and binding.

15.5 The Directors may delegate any power or discretion under the Plan or the Terms and Conditions to the Managing Director (if any) or the Chief Executive Officer of Ariadne.

15.6 Unless the Directors otherwise determine (in their absolute discretion), a Participant may not participate in the Plan where, in accordance with Ariadne's Constitution or any law, the Directors are entitled to retain all or part of any dividend payable in respect of the Participant's Participating Shares, or Ariadne is entitled to a charge over any such dividend.

15.7 The Plan will not operate in relation to any dividend to the extent that the issue of Shares pursuant to it would result in a contravention by Ariadne or its Directors of any applicable law or the Listing Rules of ASX or any other stock exchange on which any Shares are listed for quotation.

15.8 If you have a query regarding any aspect of the operation of the Plan please contact:

Computershare Investor Services Pty Limited
GPO Box 523
Brisbane Qld 4001
Phone: 1300 552 270
Facsimile: (07) 3229 9860

or

The Company Secretary
Ariadne Australia Limited
GPO Box 286
Brisbane Qld 4001
Phone: (07) 3220 1111
Facsimile: (07) 3220 1211