



21 February 2012

Dear Shareholder

In an announcement to the Australian Securities Exchange (**ASX**) on 6 February 2012, the Company advised that it had reached agreement with Forrest Capital Pty Ltd (**Forrest**) to place 115 million shares at \$0.005 per share with a 1:1 free attaching option, exercisable at \$0.01 on or before 31 December 2014 (**Placement**).

The Placement is conditional upon approval by Eco Quest shareholders and, if approved, will raise approximately \$575,000 before costs.

In addition, it was advised that Forrest would fully underwrite a proposed 1:2 rights issue to Eco Quest shareholders at \$0.005 per share and which will also come with a 1:1 free attaching option, exercisable at \$0.01 on or before 31 December 2014 (**Rights Issue**). The Record Date for the Rights Issue is proposed to be late March/early April 2012. Application will be made for the quotation of the options on the ASX.

It is proposed that that the Placement shares will participate in the Rights Issue.

The Rights Issue will raise approximately \$675,000 before costs.

Subject to completion of the capital raisings outlined above, a representative of Forrest will be invited to join the Board of Eco Quest.

Forrest has undertaken, in consultation with the Board and other Eco Quest advisors, to identify appropriate assets to be acquired by Eco Quest in due course. The Board of Eco Quest has also retained the right to deal with third parties with respect to a potential acquisition of an asset. Shareholders will be informed of developments regarding any potential acquisition in due course.

You will find enclosed a Notice of General Meeting, Explanatory Statement and Proxy Form for a meeting of shareholders to be held at the Colonial Conference Room, The Melbourne Hotel, 942 Hay Street, Perth, Western Australia at 11.00 am WST on Friday, 23 March 2012

Approval is being sort at the General Meeting for the issue of the Placement shares and options and also for the issue, as previously advised to market, of 11,194,029 shares to Mariner Corporation Limited (**Mariner**) at \$0.0067 per share in consideration for the provision by it of Mr Darren Olney-Fraser's services as Acting Managing Director. It is proposed that the shares to be issued to Mariner will participate in the Rights Issue.

The resolutions to be put to the General Meeting affect your shareholding and your vote is important.

Yours faithfully

**Sylvia Tulloch**  
Chairman

# ECO QUEST LIMITED

ABN 98 104 037 372

## NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

**TIME:** 11.00 am WST

**DATE:** Friday, 23 March 2012

**PLACE:** Colonial Conference Room,  
The Melbourne Hotel  
942 Hay Street, Perth, Western Australia

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 8643 4922.

---

## **CONTENTS PAGE**

---

Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	4
Glossary	6
Schedule 1 – Terms and Conditions of Options	7
Proxy Form	8

---

## **IMPORTANT INFORMATION**

---

### **TIME AND PLACE OF MEETING**

---

Notice is given that the General Meeting of the Shareholders of Eco Quest Limited (“**Company**”) to which this Notice of Meeting relates will be held at 11.00 am on Friday, 23 March 2012 at:

Colonial Conference Room  
The Melbourne Hotel, 942 Hay Street  
Perth, Western Australia

### **YOUR VOTE IS IMPORTANT**

---

The business of the General Meeting affects your shareholding and your vote is important.

### **VOTING ELIGIBILITY**

---

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 11.00 am on Wednesday, 21 March 2012.

### **VOTING IN PERSON**

---

To vote in person, attend the General Meeting at the time, date and place set out above.

### **VOTING BY PROXY**

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out in the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member’s votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

---

## BUSINESS OF THE MEETING

---

### AGENDA

---

#### ORDINARY BUSINESS

---

##### 1. RESOLUTION 1 – PLACEMENT OF SHARES AND 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 ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 115,000,000 Shares and 115,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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, 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 – ISSUE OF SHARES TO MARINER CORPORATION LIMITED

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 7.1 and for all other purposes, approval is given for the Directors to allot and issue 11,194,029 Shares to Mariner Corporation Limited on the terms and conditions as set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mariner Corporation Limited and any of its associates. However, unless otherwise restricted by the Corporations Act, the Company need not disregard a vote if 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 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.

**BY ORDER OF THE BOARD**

**Adrian Olney**  
**Company Secretary**  
21 February 2012

---

## EXPLANATORY STATEMENT

---

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

---

### 1. RESOLUTION 1 – PLACEMENT OF SHARES AND OPTIONS

#### 1.1 General

On 6 February 2012, the Company announced that it had reached an agreement with Forrest Capital Pty Ltd (**Forrest**) to place 115,000,000 fully paid ordinary shares (**Placement Shares**) at \$0.005 per Share with a 1:1 free attaching option (**Option**) with an exercise price of 1 cent on or before 31 December 2014 (**Placement**). In addition, it was announced that Forrest would fully underwrite a proposed non-renounceable 1:2 rights issue to Shareholders at \$0.005 per Share with a 1:1 free attaching Option with an exercise price of 1 cent on or before 31 December 2014 (**Rights Issue**). The record date for the Rights Issue is proposed to be shortly after the issue of the Placement Shares, to enable participants in the Placement to also be able to participate in the Rights Issue. It is intended to apply for official quotation of the Options issued pursuant to the Placement and the Rights Issue on ASX.

Resolution 1 seeks Shareholder approval for the allotment and issue of up to 115,000,000 Shares at an issue price of \$0.005 per Share, to raise up to \$575,000. Resolution 1 also seeks approval for the issue of up to 115,000,000 free attaching Options for all Shares issued pursuant to the Placement.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The issue of the Shares and Options pursuant to the Placement exceeds the Company's 15% placement capacity.

The effect of Resolution 1 will be to allow the Directors to issue the Shares and Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by the ASX).

#### 1.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 115,000,000 and the maximum number of Options to be issued is 115,000,000;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the allotment of the Shares and the Options will occur progressively;
- (c) the issue price will be \$0.005 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (d) the Shares and Options will be allotted and issued to nominees of Forest Capital Limited who will be sophisticated and professional investors who will not be related parties to the Company;

- (e) the Shares issued will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the Placement to assist in the consideration of potential acquisition opportunities and also for ongoing working capital requirements.

---

## **2. Resolution 2 – ISSUE OF SHARES TO MARINER CORPORATION LIMITED**

### **2.1 General**

In October 2011, the Company announced that it had appointed Mr Darren Olney-Fraser to the position of Acting Managing Director and that a fee of \$75,000 would be paid to Mariner Corporation Limited (**Mariner**) for the provision of Darren's services over a three month period (Darren is an executive director of Mariner Corporation Limited). It was advised that the Mariner fee would be paid by way of the issue of 11,194,029 Shares at \$0.0067 per Share, subject to receiving Shareholder approval.

Resolution 2 seeks Shareholder approval for the issue of the Shares to Mariner.

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.

The issue of the Shares to Mariner exceeds the Company's 15% placement capacity.

The effect of Resolution 2 will be to allow the Directors to issue the Shares to Mariner during the period of 3 months after the Meeting (or a longer period, if allowed by the ASX).

### **2.2 Information required for the purposes of ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares:

- (a) the number of Shares to be issued is 11,194,029 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the allotment of the Shares will occur on the one date;
- (c) the issue price will be \$0.0067 per Share;
- (d) the Shares will be allotted and issued to Mariner who is not a related party to the Company;
- (e) the Shares issued will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Shares issued are in satisfaction of the payment of the fee of \$75,000 payable to Mariner as set out above.

---

## GLOSSARY

---

In this Explanatory Statement, Notice and Proxy Form:

“\$” means Australian dollars.

“ASX” means ASX Limited.

“ASX Listing Rules” means the listing rules of ASX.

“Board” means the current board of Directors of the Company.

“Business Day” means Monday to Friday inclusive, except New Year’s Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

“Company” means Eco Quest Limited ABN 98 104 037 372.

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

“Director” means a director of the Company.

“Explanatory Statement” means the explanatory statement accompanying the Notice.

“General Meeting” or “Meeting” means the meeting convened by the Notice.

“Notice” or “Notice of Meeting” or “Notice of General Meeting” means this notice of general meeting including the Explanatory Statement and the Proxy Form.

“Option” means an option to acquire a Share with the terms and conditions set out in Schedule 1.

“Optionholder” means a holder of an Option.

“Proxy Form” means the proxy form accompanying this Notice.

“Resolutions” means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

“Share” means a fully paid ordinary share in the capital of the Company.

“Shareholder” means a holder of a Share.

“WST” means Western Standard Time, being the time in Perth, Western Australia.

---

## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

---

The Options entitle the holder (**Optionholder**) to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00 pm (WST) on 31 December 2014 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are freely transferrable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for official quotation of the Options on ASX.
- (k) The Company will apply for official quotation by the ASX of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those new Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Optionholders 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 5 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) Subject to paragraph (l), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

---

## PROXY FORM

---

**APPOINTMENT OF PROXY  
ECO QUEST LIMITED  
ABN 98 104 037 372**

### 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 The Colonial Conference Room, The Melbourne Hotel, 942 Hay Street, Perth, Western Australia on Friday, 23 March 2012 at 11.00 am (WST), and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

---

#### Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Placement of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Issue of Shares to Mariner Corporation Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that 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**

**ABN 98 104 037 372**

**Instructions for Completing 'Appointment of Proxy' Form**

---

1. **(Appointing a Proxy):** A member entitled to attend and vote at the 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 and, 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.

If a representative of a corporate security holder or proxy is to attend the Meeting, the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate can be obtained from the Company's share registry.
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 hand: Eco Quest Limited  
Level 4 Podium  
120 Collins Street  
Melbourne VIC 3000

By mail: Eco Quest Limited  
PO Box 18235,  
Collins Street East  
Melbourne, Victoria 8003

By facsimile: +61 3 8643 4911

so that it is received not later than 11.00 am (WST) on Wednesday, 21 March 2012.

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