



**Fortescue Metals Group Ltd**  
**ABN 57 002 594 872**

**NOTICE OF ANNUAL GENERAL MEETING**  
**EXPLANATORY STATEMENT**

Please read the Notice and Explanatory Memorandum carefully

If you are not able to attend the Annual General Meeting of Shareholders, please complete and return the Proxy Form in accordance with the specified directions.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Fortescue Metals Group Ltd (ABN 57 002 594 872) ("the Company") will be held in the Freshwater Bay Room, at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Thursday, 8 November 2007 at 2.00 pm (WST).

If you are unable to attend the Meeting, you are encouraged to complete and return the proxy form attached to this Notice. The completed proxy form must be received at the office of Computershare by no later than 48 hours prior to the time of the meeting or any adjournment thereof.

### Date for determining voting entitlements

The Directors have determined that for purposes of the Corporations Act, the persons eligible to vote at the Meeting will be those persons who are registered Shareholders at 5.00 pm (WST) on Tuesday, 6 November 2007. Accordingly, transfers of Shares registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### Appointment of Proxies

Each Shareholder is entitled to appoint a proxy. The proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion of votes each proxy is entitled to exercise. If a Shareholder appoints two proxies, each proxy may exercise half of the Shareholder's votes if no proportion or number of votes is specified.

**A proxy form accompanies this Notice and to be effective must be completed and received at the office of Computershare as detailed below:**

**Mail to:**

Share Registry  
Computershare Investor Services Pty Ltd  
GPO Box 242  
MELBOURNE VIC 3001

**Deliver to:**

Share Registry  
Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

**or by facsimile on:**

(08) 9323 2033

**by no later than 2.00 pm (WST) on Tuesday, 6 November 2007.**

### Corporate Representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

1. a letter or certificate executed in accordance with the Corporations Act authorising that person as the corporate Shareholder's representative at the Meeting; or
2. a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

## AGENDA

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

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary of Terms as contained in the Explanatory Statement.

### 1. FINANCIAL REPORTS

To receive and consider the financial report and the reports of the Directors and the auditors of the Company and its controlled entities for the year ended 30 June 2007.

### 2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

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

*"That the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2007 be approved and adopted."*

### 3. RESOLUTION 2 - APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, subject to BDO receiving consent from ASIC to resign as the auditors of the Company, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Kendalls, having been nominated for appointment and consented in writing to act as auditors, be appointed as the auditors of the Company to replace BDO with effect from the later of the date of this Meeting and the date BDO receives consent from ASIC to resign as the auditors of the Company."*

### 4. RESOLUTION 3 - RE-ELECTION OF MR GEOFF BRAYSHAW

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

*"That, Mr Geoff Brayshaw, who was appointed by the Board pursuant to Rule 17.2(1) of the Constitution, retires in accordance with Rule 17.3(9) of the Constitution and, being eligible for re-election, be re-elected as a Director of the Company."*

### 5. RESOLUTION 4 - RE-ELECTION OF MR RUSSELL SCRIMSHAW

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

*"That, Mr Russell Scrimshaw, who retires in accordance with Rule 17.3(3) of the Constitution and, being eligible for re-election, be re-elected as a Director of the Company."*

### 6. RESOLUTION 5 - RE-ELECTION OF MR KEN AMBRECHT

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

*"That, Mr Ken Ambrecht, who retires in accordance with Rule 17.3(3) of the Constitution and, being eligible for re-election, be re-elected as a Director of the Company."*

**7. RESOLUTION 6 - RATIFICATION OF ISSUE OF SHARES**

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the allotment and issue of 14,000,000 Shares on 24 July 2007 at an issue price of \$36.00 per Share to the Placement Investors pursuant to the Placement on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by a Placement Investor and by an Associate of a Placement Investor. However, the Company need not disregard a vote if it is cast by a Placement Investor as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a representative of a Placement Investor 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.

**8. RESOLUTION 7 - APPROVAL TO INCREASE NON EXECUTIVE DIRECTORS' REMUNERATION**

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

*"That, pursuant to Rule 17.5(1) of the Constitution and for the purposes of Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration payable by the Company to the Non Executive Directors (as a whole) be increased by \$250,000, from \$500,000 per annum to \$750,000 per annum with effect from 1 July 2007, divided amongst the Non Executive Directors in such proportion and manner as the Directors determine or, until so determined, equally."*

**Voting Exclusion:** In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this resolution by a Director and an Associate of a Director. However, the Company need not disregard a vote if it is cast by a Director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a Director 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 3 October 2007**  
**By Order of the Board.**

**Rod Campbell**  
**Company Secretary**

## EXPLANATORY STATEMENT

This Explanatory Memorandum has been prepared for the information of Shareholders of Fortescue Metals Group Ltd ("**Company**") in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held in the Freshwater Bay Room, at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Thursday, 8 November 2007 at 2.00 pm (WST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

This Explanatory Statement and all attachments are important documents and should be read carefully and in their entirety. If you have any questions regarding the matters set out in this Explanatory Statement or the Notice, please contact the Company or your financial adviser, stockbroker or solicitor.

### 1. FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated financial report of the Company for the year ended 30 June 2007 together with the Director's declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

Shareholders will be provided with a reasonable opportunity at the Annual General Meeting to ask questions about or make comments on the above reports. No resolution is required to be moved in respect of this item.

### 2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

The Annual Report of the Company for the year ended 30 June 2007 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors and specified executives of the Company. A copy of the report is set out on pages 26 to 34 of the Annual Report and can also be found on the Company's website at [www.fmgl.com.au](http://www.fmgl.com.au).

In accordance with the Corporations Act, Shareholders are asked to consider and vote on the Remuneration Report as presented in the Annual Report for the year ended 30 June 2007. The vote on Resolution 1 is advisory only and will not require the Company to alter the arrangements detailed in the Remuneration Report, should Resolution 1 not be passed. Notwithstanding the legislative effect of this requirement, the Board will take the outcome of the vote into consideration when considering the remuneration policy going forward.

### 3. RESOLUTION 2 - APPOINTMENT OF BDO KENDALLS AS AUDITORS

Resolution 2 seeks Shareholder approval to the appointment of BDO Kendalls of 128 Hay Street, Subiaco, Western Australia to the office of auditors of the Company which will become vacant by virtue of the resignation of BDO, the existing auditors of the Company.

As a consequence of BDO recently merging with Horwarth (WA) and the audit practice now being carried on through BDO Kendalls, BDO have provided the Company with written notice of its intention to resign as auditors of the Company (under section 329(5) of the Corporations Act). BDO's resignation is subject to BDO receiving the consent of ASIC to the resignation and the Shareholders passing Resolution 2.

The Company has received a nomination from a Shareholder for BDO Kendalls to be appointed as the Company's auditor under section 328B(1) of the Corporations Act. A copy of this nomination is annexed to this Explanatory Statement as Annexure A. BDO Kendalls has provided the Company with its written consent to act as the Company's auditor.

Subject to ASIC consenting to the resignation of BDO, it is proposed that the Company appoint BDO Kendalls as the auditors of the Company.

The Directors recommend that Shareholders vote in favour of Resolution 2.

#### **4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR**

Mr Geoff Brayshaw was appointed by the Board as a Director pursuant to Rule 17.2(1) of the Constitution. Mr Brayshaw will retire at the Meeting in accordance with Rule 17.3(9) of the Constitution.

Mr Brayshaw, being eligible for re-election pursuant to Rule 17.3(9) of the Constitution, offers himself for re-election as a Director.

Mr Brayshaw was previously an Audit Partner with BDO Accountants and retired from that position in June 2005. Mr Brayshaw is a past National President of the Institute of Chartered Accountants. He is currently involved with a number of organisations including as a non-executive director and audit committee chairman of Fortron Insurance Group, a board member of the Small Business Development Corporation and was formerly the Chairman of a trustee company related to an Aboriginal corporation.

Mr Brayshaw is chairman of the Company's audit committee.

The Directors (other than Mr Brayshaw) recommend that Shareholders vote in favour of Resolution 3.

#### **5. RESOLUTIONS 4 AND 5 - RE-ELECTION OF DIRECTORS**

In accordance with the Director rotation provisions in Rule 17.3(3) of the Constitution, Mr Russell Scrimshaw and Mr Ken Ambrecht retire by rotation at the Meeting.

Mr Scrimshaw and Mr Ambrecht, being eligible for re-election pursuant to Rule 17.3(6) of the Constitution, offer themselves for re-election as a Director.

##### **Resolution 4: Re-Election of Mr Russell Scrimshaw**

Mr Scrimshaw has been a Director since October 2003. He was a Non Executive Director until July 2005 when he joined the executive team in charge of general commercial and marketing affairs. He was previously on both the remuneration and nominations committee and the audit committee but has since retired from both these committees as a result of his executive appointment.

Mr Scrimshaw has extensive experience across a number of disciplines having worked in senior executive positions within the Commonwealth Bank of Australia Ltd and, prior to that, with Optus Ltd. He is an Associate member of the Australian Society of Certified Practising Accountants (CPA).

The Directors (other than Mr Scrimshaw) recommend that Shareholders vote in favour of Resolution 4.

## **Resolution 5: Re-Election of Mr Ken Ambrecht**

Mr Ambrecht has been a Non Executive Director of the Company since October 2003. He currently sits on both the remuneration and nominations committee and the audit committee.

Mr Ambrecht has extensive corporate finance experience having worked in the US capital markets for over 30 years. He has held senior roles in a number investment banks including as a managing director of Lehman Brothers capital markets division, executive director of Royal Bank of Canada and as the managing director of First Albany Capital Inc.

Since retiring from executive roles Mr Ambrecht has taken up a number of directorships including as a non executive director of American Financial Corporation Inc, Great American Financial Resources Inc and Dominion Petroleum Limited.

The Directors (other than Mr Ambrecht) recommend that Shareholders vote in favour of Resolution 5.

## **6. RESOLUTION 6 - RATIFICATION OF PRIOR ISSUE OF SHARES**

### **Background**

On 24 July 2007, the Company completed the allotment and issue of 14,000,000 Shares at \$36.00 per Share to the Placement Investors. The Placement Investors are excluded investors for the purposes of section 708 of the Corporations Act.

### **Listing Rule 7.4**

Listing Rule 7.4 permits a company to subsequently approve an issue of securities made without approval under Listing Rule 7.1. Resolution 6 has been included in this Notice to preserve the Company's ability to issue further securities (if necessary) under Listing Rule 7.1. The outcome of Resolution 6 will have no effect on the issue of the Placement Shares as they have already been issued and the issue was within the 15% limit prescribed by Listing Rule 7.1. However, if Resolution 6 is not approved by Shareholders, it will restrict the ability of the Company to issue securities without Shareholder approval until the Company's 15% capacity is replenished, in accordance with Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of the shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

Listing Rule 7.4 states that an issue of securities 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 shareholders of the Company subsequently approve it.

### **Details of the issue**

In accordance with Listing Rule 7.5, the following information is disclosed to Shareholders for the purposes of Resolution 6:

- (a) 14,000,000 Shares were issued and allotted to the Placement Investors through the Placement on 24 July 2007;

- (b) all the Placement Investors were selected and approved by the Board on the basis that they were excluded investors for the purposes of section 708 of the Corporations Act;
- (c) none of the Placement Investors are Directors or Associates of Directors and none of the Placement Investors are a related party of the Company;
- (d) the issue price of the Shares was \$36.00 per Share which raised a total of \$504,000,000 before expenses of the Placement. The issue price was close to the volume weighted average price of Shares over the preceding 20 trading days up to 18 July 2007;
- (e) the 14,000,000 Shares issued through the Placement are listed on ASX and rank equally in all respects with all other Shares on issue; and
- (f) the funds raised by the issue of the Shares under the Placement will be utilised for general capital expenditure in the optimisation of the Company's Pilbara Iron Ore and Infrastructure Project.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 6 by a Placement Investor and by an Associate of a Placement Investor. However, the Company need not disregard a vote if it is cast by a Placement Investor as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a representative of a Placement Investor chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Accordingly, a Placement Investor and an Associate of a Placement Investor may not vote on Resolution 6.

### **7. RESOLUTION 7 - APPROVAL TO INCREASE NON EXECUTIVE DIRECTORS' REMUNERATION**

The Company had previously in 2005 set a cap for the Non Executive Directors' remuneration under the Constitution at a maximum aggregate of \$500,000 per annum. Resolution 7 seeks Shareholder approval to increase the maximum aggregate remuneration payable by the Company to its Non Executive Directors (as a whole) by \$250,000, from \$500,000 per annum to \$750,000 per annum with effect from 1 July 2007, to be divided amongst the Non Executive Directors as the Directors determine or, until so determined, equally.

Rule 17.5(1) of the Constitution provides that the Company may pay to the Non Executive Directors a maximum total amount of remuneration determined by the Company in general meeting. Further, Listing Rule 10.17 provides that a listed company must not increase the total amount of directors' fees payable by it without the approval of its shareholders.

Currently there are four (4) Non Executive Directors, including the Chairman, on the Board. The maximum aggregate remuneration payable to Non Executive Directors as provided for the Constitution and previously approved by Shareholders at the 2005 annual general meeting, is \$500,000.

It is not intended at the date of this Notice to provide the existing individual Non Executive Directors with an increase in remuneration at any time before 30 June 2008. However, the Company may look to increase the number of Non Executive Directors from the current

number of four to six. Should this increase in the number of Non Executive Directors occur and the two new Non Executive Directors are paid remuneration of a similar level to the Non Executive Directors currently serving on the Board, the total remuneration paid to the Non Executives Directors could exceed the current \$500,000 cap.

Accordingly an increase to \$750,000 is considered prudent and the new limit will provide flexibility should circumstances or the size and composition of the Board change.

Other considerations pursuant to setting the maximum pool remuneration amount are:

- (a) The proposed maximum aggregate level of Non Executive Directors' remuneration of \$750,000 is considered desirable to ensure the Company is able to attract and retain Non Executive Directors whose skills and qualifications are appropriate for a company given the size and nature of the Company's activities.
- (b) The responsibility and obligations of the Non Executive Directors are continually increasing as a result of the growing emphasis in today's corporate environment on corporate governance. Additionally, there have been increases in the general level of remuneration paid to non-executive directors in Australia since 2005.

Pursuant to Rule 17.5(1) of the Constitution and Listing Rule 10.17, the maximum aggregate remuneration to be paid by the Company to its Non Executive Directors (as a whole) may only be increased with Shareholder approval. Accordingly, and on the basis of the above, Shareholders are asked to approve an increase in the maximum aggregate remuneration to be paid by the Company to its Non Executive Directors (as a whole) by \$250,000, from \$500,000 per annum to \$750,000 per annum with effect from 1 July 2007.

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by a Director and an Associate of a Director. However, the Company need not disregard a vote if it is cast by a Director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a Director 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.

Accordingly, a Director and Associates of a Director may not vote on Resolution 7.

## **8. GLOSSARY OF TERMS**

The following terms and abbreviations used in the Notice and this Explanatory Memorandum have the following meanings:

"\$"	means Australian dollars
"ASIC"	means the Australian Securities & Investments Commission.
"Associate"	has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.
"ASX"	means ASX Limited ABN 98 008 624 691.
"BDO"	means BDO, Chartered Accountants & Advisers (Perth).

<b>"BDO Kendalls"</b>	means BDO Kendalls Audit & Assurance (WA) Pty Ltd ABN 79 112 284 787.
<b>"Board"</b>	means the Board of Directors from time to time.
<b>"Chairman"</b>	means the Chairman of the Company.
<b>"Company"</b>	means Fortescue Metals Group Ltd ABN 57 002 594 872.
<b>"Computershare"</b>	means Computershare Investor Services Pty Limited ABN 48 078 279 277.
<b>"Constitution"</b>	means the constitution of the Company from time to time.
<b>"Corporations Act"</b>	means the Corporations Act 2001 (Cth).
<b>"Directors"</b>	means the directors of the Company from time to time.
<b>"Explanatory Memorandum"</b>	means this explanatory memorandum.
<b>"Listing Rules"</b>	mean the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>"Meeting" or "Annual General Meeting"</b>	means annual general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.
<b>"Non Executive Directors"</b>	means the non executive directors of the Company from time to time.
<b>"Notice" or "Notice of Annual General Meeting"</b>	means the notice of annual general meeting which accompanies this Explanatory Memorandum.
<b>"Placement"</b>	means the placement of 14,000,000 Shares on 24 July 2007 at an issue price of \$36.00 per Share to investors as described in section 6 of the Explanatory Memorandum.
<b>"Placement Investors"</b>	means investors who received Shares through the Placement.
<b>"Resolution"</b>	means a resolution referred to in the Notice.
<b>"Share"</b>	means a fully paid ordinary share in the capital of the Company.
<b>"Shareholder"</b>	means a holder of shares in the Company.
<b>"WST"</b>	means Australian western standard time.

28 September 2007

The Company Secretary  
Fortescue Metals Group Ltd  
PO Box 6915  
East Perth WA 6892

Dear Sir

**NOMINATION OF BDO KENDALLS AUDIT & ASSURANCE (WA) PTY LTD  
AS AUDITOR OF LIMITED**

I, Kay Campbell, being a shareholder of Fortescue Metals Group Ltd, hereby nominate BDO Kendalls Audit & Assurance (WA) Pty Ltd of 128 Hay Street, Subiaco, Western Australia 6008 for appointment as auditor of Fortescue Metals Group Ltd at its 2007 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2007 Annual General Meeting of 8 November 2007 as required by section 328B(3) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'KC Campbell', written in a cursive style.

Kay Campbell



# Fortescue Metals Group Ltd

ABN 57 002 594 872

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

# Proxy Form

### All correspondence to:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 557 010  
(outside Australia) 61 3 9415 4000  
Facsimile 61 8 9323 2033  
www.computershare.com



000001 000 FMG  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890

I N D

## Appointment of Proxy

I/We being a member/s of Fortescue Metals Group Ltd and entitled to attend and vote hereby appoint



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

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate 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 no directions have been given, as the proxy sees fit) at the Annual General Meeting of Fortescue Metals Group Ltd to be held at Freshwater Bay Room, Hyatt Regency Hotel, 99 Adelaide Terrace, East Perth, Western Australia on Thursday 8 November 2007 at 2:00PM (WST) and at any adjournment of that meeting.

### IMPORTANT: FOR ITEMS 6 AND 7 BELOW



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 Items 6 and 7 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 on Items 6 and 7 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*		For	Against	Abstain*
Item 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5 Re-election of Mr Ken Ambrecht as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 6 Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Mr Geoff Brayshaw as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 7 Approval to Increase Non Executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Mr Russell Scrimshaw as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

\* 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

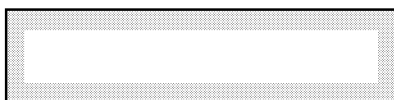


State the percentage of your voting rights or the number of securities for this Proxy Form.

## PLEASE SIGN HERE

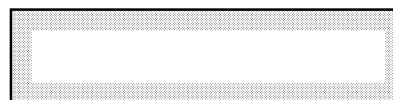
This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



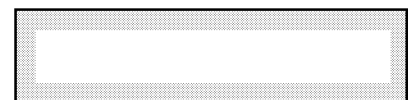
Individual/Sole Director and Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. 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. Do not write the name of the issuer company or the registered securityholder in the space.

## 3 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.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two 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.

## 5 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 a corporate Securityholder or proxy 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 or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 2:00PM (WST) on Thursday 8 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged using the reply paid envelope or:

IN PERSON Share Registry - Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000 Australia  
BY MAIL Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia  
BY FAX 61 8 9323 2033