

28 October, 2009

Dear Shareholder

We are pleased to invite you to attend the Annual General Meeting to be held at the Grace Hotel, 77 York Street, Sydney on Monday 30 November, 2009 at 9.30 a.m.

Attached are :

1. Notice of Annual General Meeting and Explanatory Memorandum;
2. Proxy Form;
3. Financial Statements for 30 June, 2009.

During the last 12 months we have developed a growth strategy in three areas that is now being implemented. The plan is to grow each area to be capable of being a “company maker” in its own right.

The three areas are :

Geothermal

Gullewa Geothermal Pty Ltd, a wholly owned subsidiary of Gullewa Limited, tendered for a Special Prospecting Licence covering a 2,800 km² area of western and northern Tasmania (*Figures 1 and 2*), to facilitate exploration for deep rock geothermal energy.

Deep hot rock geothermal energy is energy derived from the heat generated by chemically special granites buried several kilometres below the surface.

The process of generating geothermal power involves drilling large diameter holes down into the heat sources, developing a reservoir of fractures in the hot rocks, pumping water from surface down into this hot reservoir and extracting the heated water to surface up adjacent drill holes. The hot water is then passed into a binary heat exchanger which produces steam to generate electrical power. Lower temperature waste heat from this process can be used for co generation applications before the cooled water is returned underground to repeat the cycle.

Deep hot rock geothermal energy has an attractive commercial future because of its environmental benefits. It has zero emission of greenhouse gasses, no toxic waste products, small surface footprint and is potentially sustainable and renewable. Once the licence is granted, Gullewa Geothermal plans to identify areas of favourable geology and high geothermal gradients by conducting surveys down existing drill holes and on existing drill cores, ahead of a programme for medium length drill holes designed to identify “hot spots” for more focused deeper drill testing.

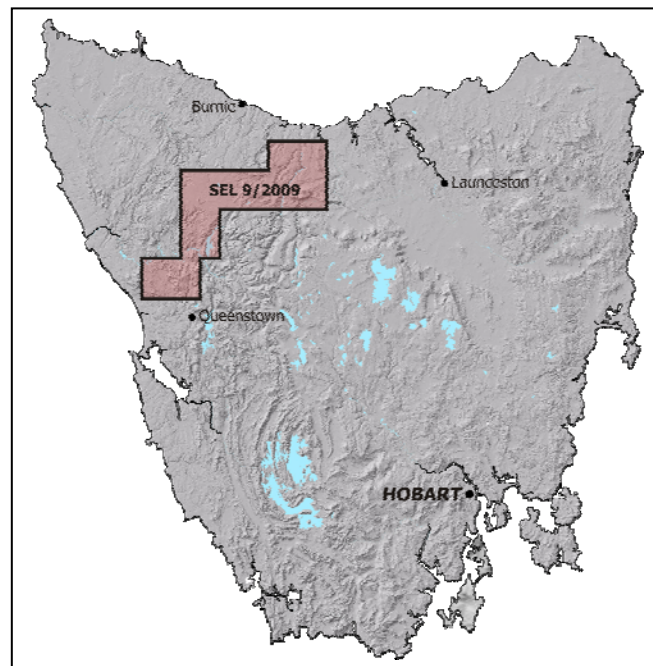


Figure 1 :The Target - Deep hot rock geothermal energy associated with “hot granites” intruded along thin crustal zones.

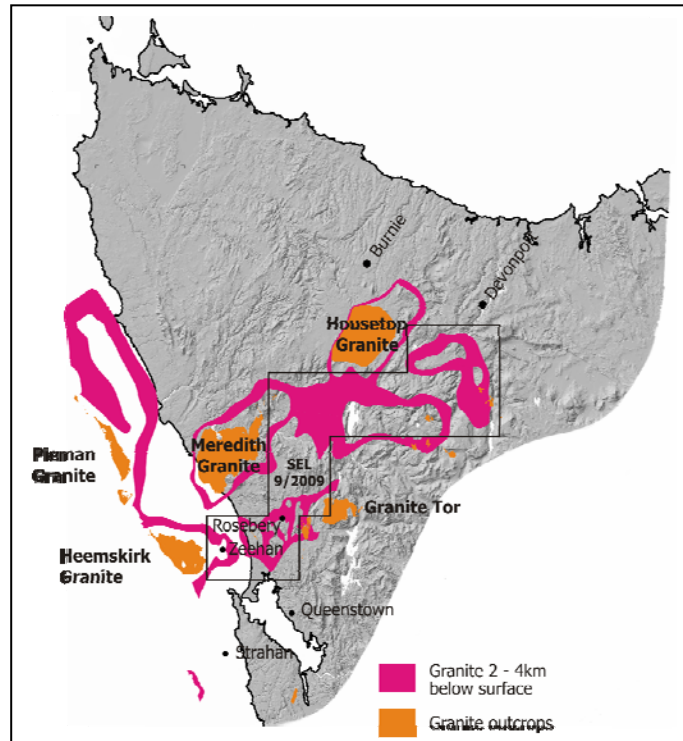


Figure 2 :Known high temperatures in deep mines above these granites.

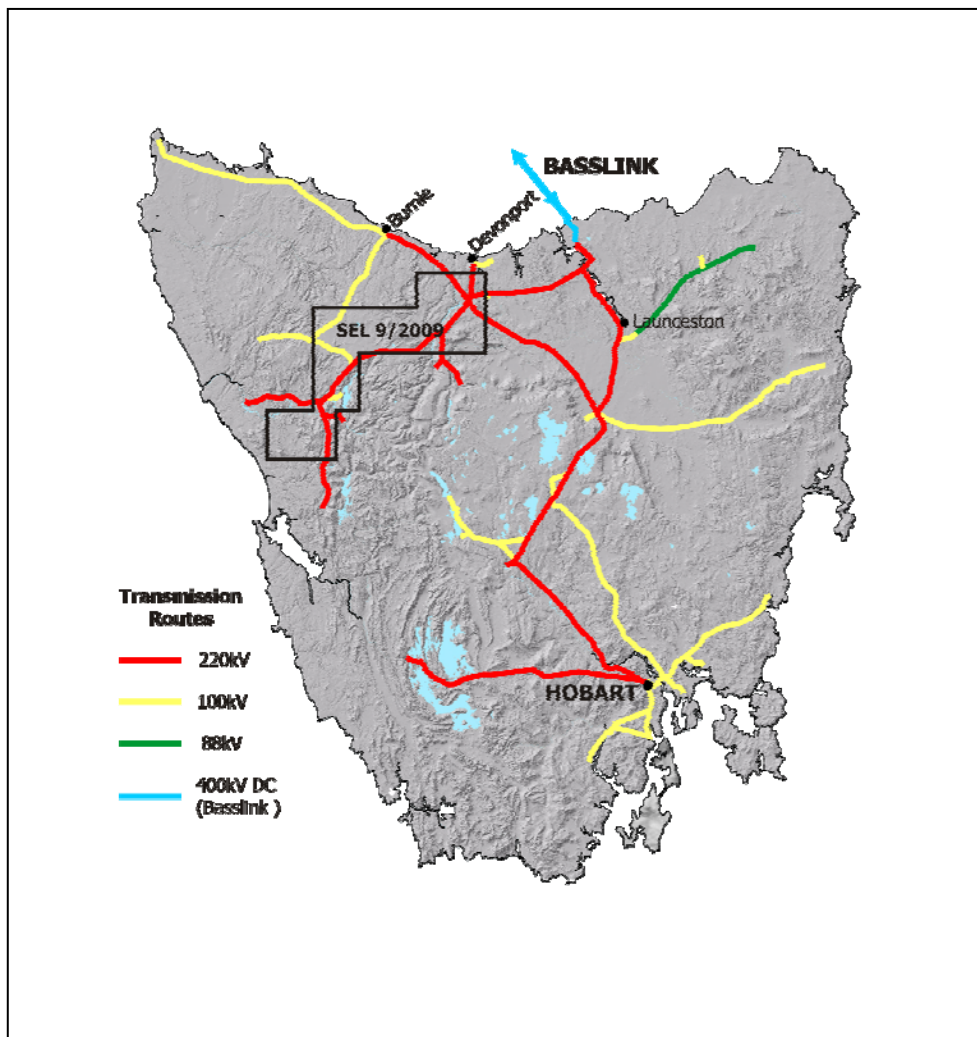


Figure 3 : State Grid already over area. Linked to Basslink

Coal

Gullewa Limited signed an agreement to acquire 80% of the shares in coal explorer Mineral & Coal Investments Pty Ltd subject to a due diligence review. The purchase price is 6,849,315 Gullewa Limited shares.

Mineral & Coal Investments Pty Ltd holds or is acquiring, twelve coal exploration tenements in Queensland targeting coking, PCI and thermal coal.

Tenements are in the Bowen, Surat, Moreton and Laura basins (*Figure 4*). Three tenements have been granted, five tenements are in the process of being granted with a further four applications in progress. Mineral & Coal Investments Pty Ltd is also investigating additional exploration areas.

The Directors and shareholders of Mineral & Coal Investments Pty Ltd are Colin Randall and Tony Howland-Rose and they will continue to manage the company. Colin Randall, through C Randall & Associates, will retain a 20% share of Mineral & Coal Investments Pty Ltd.

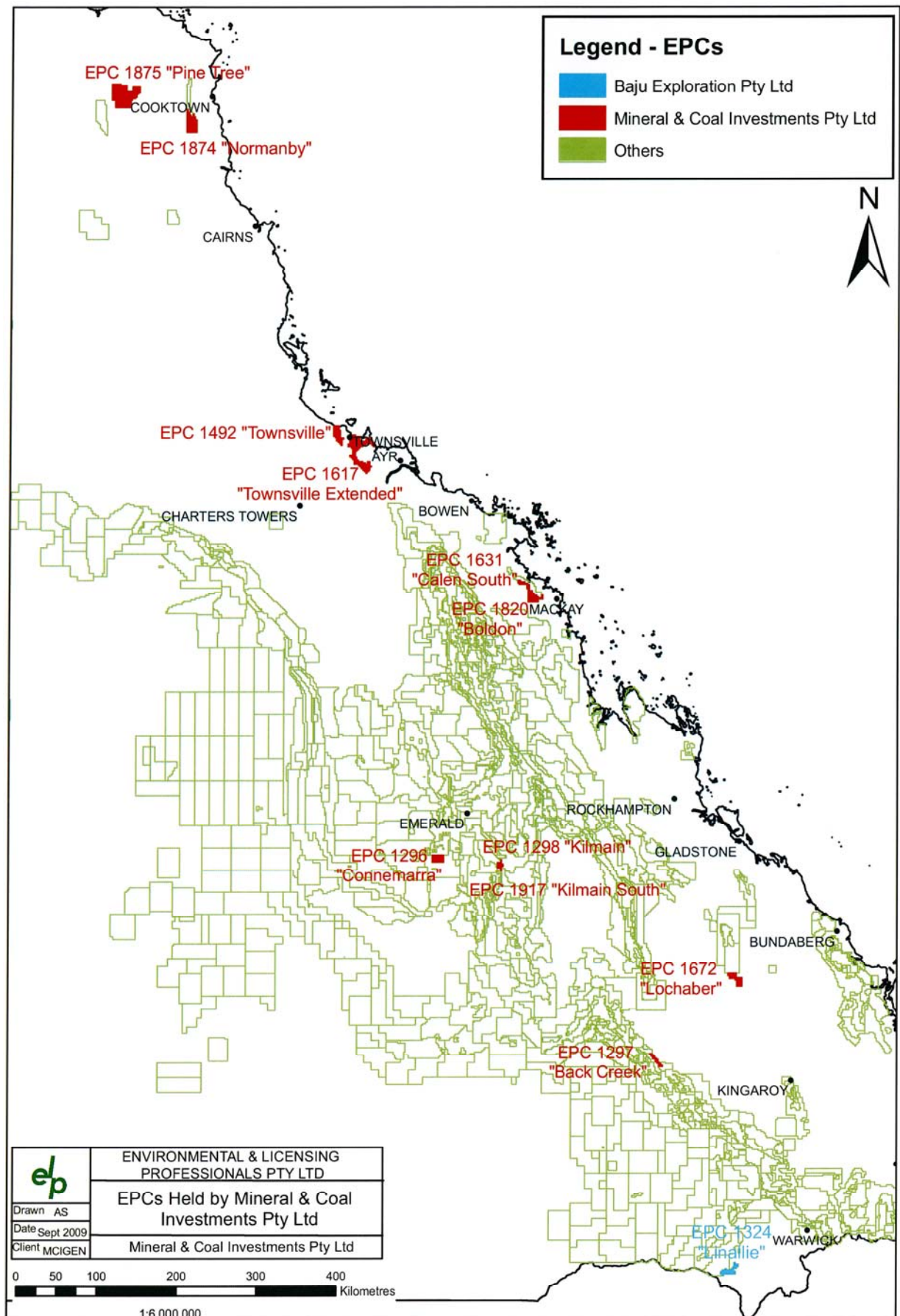


Figure 4

Colin Randall is a graduate mining engineer with over 40 years experience in management and operation of open cut and underground coal mines and in the exploration and development of new coal mines. He has a wide experience in all the aspects of coal transport and infrastructure required to bring coal mines into operation.

Tony Howland-Rose is a qualified geophysicist who has extensive experience in mining exploration and has contributed to many major discoveries in Australia including the Avebury Nickel Project in Tasmania, the Mt Windara and South Mt Keith nickel deposit in Western Australia, the Elura Lead Zinc Deposit in New South Wales and the Sandy Flat Redbank Copper Project.

He was the Executive Chairman of Allegiance Mining NL for over 10 years until its \$850 million takeover in early 2008.

Gold

Dandaloo Project New South Wales (ELs 7022, 7259, 7260 and 7261)

Gullewa Limited is in the early stages of exploring for metallic minerals in the northern part of the exceptionally well mineralised and economically productive geologic unit known as the "Lachlan Fold Belt". Gullewa is carrying out this exploration through its wholly owned subsidiary Claymor Resources Pty Ltd and utilising specialised geochemical exploration technology that was developed in Russia and is being provided in Australia by Interresources Pty Ltd.

Claymor Pty Ltd has acquired Exploration Licences 7022, 7259, 7260 and 7261 for Group 1 Minerals (metallic minerals) in areas west and north-west of Dubbo. Geochemical surveys by Interresources Pty Ltd have found a number of geochemical anomalies that are inferred to reflect the presence of hidden metalliferous mineralisation. The locations of the areas subject to the Exploration Licence held by Claymor Resources Pty Ltd are shown on Figure 1 over page.

The geochemical exploration carried out by Interresources consists of four stages which progressively "zero in" on potential mineralisation which will be further defined by geophysical surveys and eventually tested by drilling. Interresources Pty Ltd has completed Stage 1 over all the Licence areas and has reduced the area initially held under EL 7022. Stage 2 geochemical exploration sampling was carried out in the area in June, 2009. The analysis and interpretation of the results of this work are expected in the current quarter.

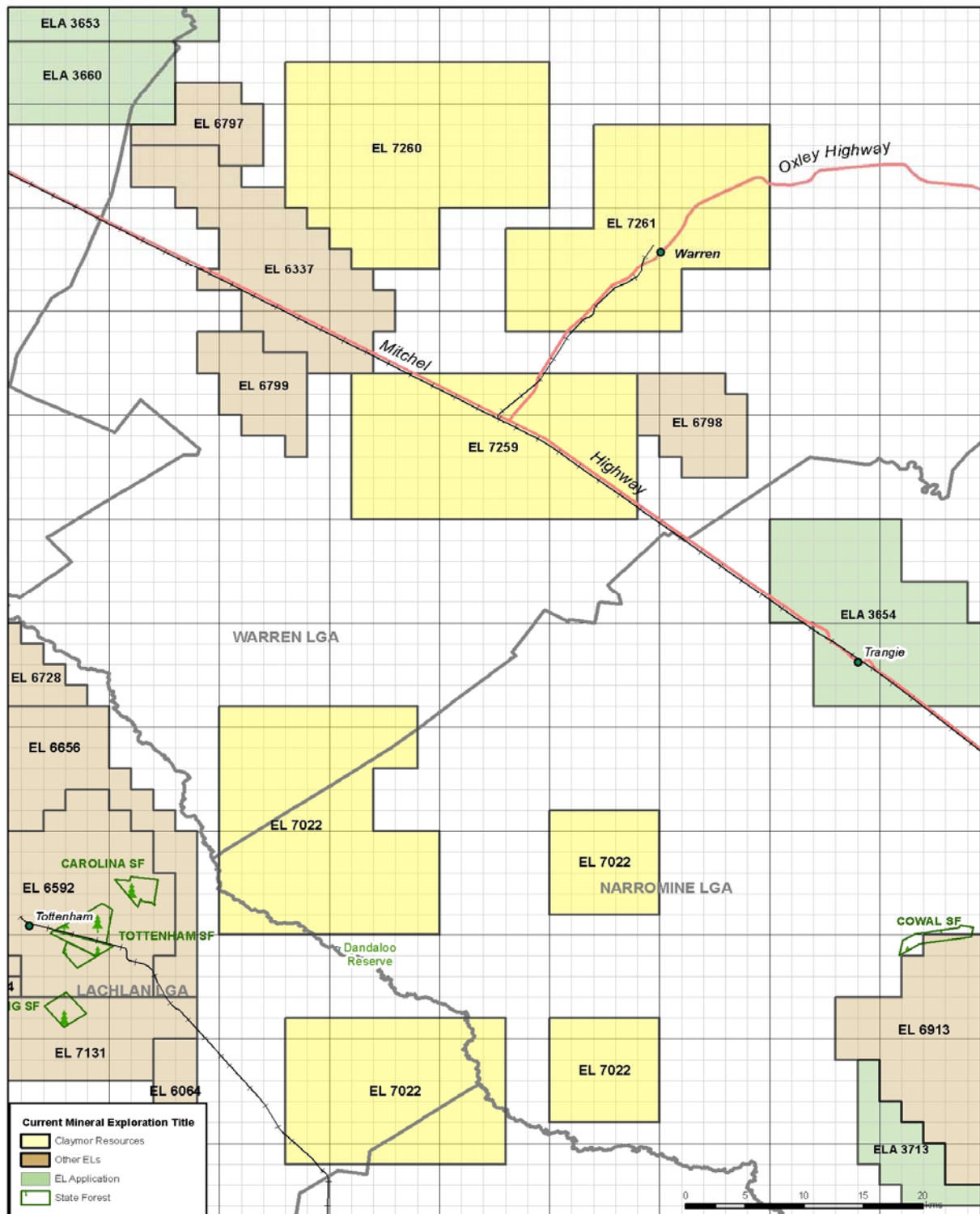


Figure 5 : The locations of the areas subject to Exploration Licences 7022, 7259, 7260 and 7261 held by Claymor are shown in yellow

The experience of the Board, management and consultants (Tony Howland-Rose, Lindsay Newnham and Colin Randall) in discovery and development of projects provide a deep understanding of the ingredients of successful commercial mineral exploration and the associated risks, which is the reason for investing in three diverse areas.

Yours faithfully



David Deitz
Chairman
Attachments

GULLEWA LIMITED

ACN 007 547 480

**Notice of Annual General Meeting
and
Explanatory Memorandum**

Date of Meeting

Monday, 30 November 2009

TIME OF MEETING

9:30 a.m. EDST

PLACE OF MEETING

Balinga 2 Room
Grace Hotel
77 York Street
Sydney NSW 2000

This Notice of Annual General Meeting and Explanatory Memorandum 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.

GULLEWA LIMITED
ACN 007 547 480

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the Annual General Meeting of Gullewa Limited ("**Company**" or "**Gullewa**") to be held in the Balinga 2 Room, Grace Hotel, 77 York Street NSW 2000 on Monday, 30 November 2009 at 9:30 a.m. EDST, for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies and forms part of this Notice of Annual General Meeting.

AGENDA

Accounts and Reports

To receive and consider the annual financial report of the Company for the year ended 30 June, 2009, and accompanying reports of the Directors and auditor of the Company.

Resolution 1 – Adoption of Remuneration Report

To consider and put to a non-binding vote the following resolution as an **ordinary resolution**:

"That the Remuneration Report required by section 300A of the Corporations Act, as disclosed in the report of the Directors for the year ended 30 June 2009, be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Eddie Lee as a Director

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

"That Mr Eddie Lee, who retires by rotation in accordance with the Constitution and who offers himself for re-election, be re-elected a Director of the Company."

Resolution 3 – Approval of Placement of Shares

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

"That, pursuant to Listing Rule 7.1 and for all other purposes, the Company is authorised to allot and issue up to 18,000,000 shares for the purposes, on the terms and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting."

For the purposes of Listing Rule 7.1 the Company will disregard any votes cast on this Resolution 3 by any person who may participate in the issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or any associate of those persons. However, the Company need not disregard a vote if:

- it is cast by a person 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 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.

Resolution 4 – Approval of Issue of Options to Mr David Deitz

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

"That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, and for all other purposes, the Company is authorised to issue and allot up to 4,200,000 Options to Mr David Deitz and/or his nominee(s) for the purposes, on the terms and conditions, and in the manner described in the Explanatory Memorandum."

For the purposes of Listing Rule 10.11 the Company will disregard any votes cast on this Resolution 4 by Mr David Deitz and/or his nominee(s) and any of his associates. However, the Company need not disregard a vote if:

- it is cast by a person 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 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.

Resolution 5 – Approval of Issue of Options to Mr Eddie Lee

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

"That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, and for all other purposes, the Company is authorised to issue and allot up to 640,000 Options to Mr Eddie Lee and/or his nominee(s) for the purposes, on the terms and conditions, and in the manner described in the Explanatory Memorandum."

For the purposes of Listing Rule 10.11 the Company will disregard any votes cast on this Resolution 5 by Mr Eddie Lee and/or his nominee(s) and any of his associates. However, the Company need not disregard a vote if:

- it is cast by a person 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 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.

Resolution 6 – Approval of Issue of Options to Mr David Atkinson

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

"That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, and for all other purposes, the Company is authorised to issue and allot up to 640,000 Options to Mr David Atkinson and/or his nominee(s) for the purposes, on the terms and conditions, and in the manner described in the Explanatory Memorandum."

For the purposes of Listing Rule 10.11 the Company will disregard any votes cast on this Resolution 6 by Mr David Atkinson and/or his nominee(s) and any of his associates. However, the Company need not disregard a vote if:

- it is cast by a person 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 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.

OTHER BUSINESS

To deal with any other business which may be lawfully brought forward.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'David Deitz', with a stylized flourish extending from the end.

David Deitz
Chairman

Dated 29 October, 2009

PROXIES

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and cast 2 or more votes at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- A proxy may, but need not be, a Shareholder.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer(s) or his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed or certified copy of the same) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting.
- The **enclosed** proxy form provides further details on appointing proxies and lodging proxy forms.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

NOTES

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that Shares held at 9.30am EDST on 28 November 2009 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. The entitlement of Shareholders to vote at the Meeting will be determined by reference to that time.

GULLEWA LIMITED
ACN 007 547 480

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting ("**Notice of Meeting**") of Gullewa.

The directors of Gullewa ("**Directors**") recommend Shareholders read this Explanatory Memorandum in conjunction with the Notice of Meeting (of which this Explanatory Memorandum forms a part) in full before making any decision in relation to the Resolutions.

ORDINARY BUSINESS

ANNUAL REPORT

As required under section 317 of the Corporations Act, the Annual Report (which includes the financial report, Directors' report and auditor's report) will be laid before the Annual General Meeting of the Company.

Shareholders at the Meeting will be given a reasonable opportunity to ask questions and make comments about the annual report or the Company generally, but there will be no formal resolution submitted to the Meeting.

Reasonable opportunity will also be given to Shareholders at the Meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (Non-binding vote)

Requirements of Corporations Act

Section 298 of the Corporations Act requires that the annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- (a) discusses the Company's policy and the process for determining the remuneration of its executive officers (there are no executives other than the Directors); and

- (b) sets out remuneration details for each Director named in the Remuneration Report for the financial year ended 30 June 2009.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this resolution is advisory only and does not bind the Board or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

Directors' Recommendation

The Board unanimously recommends that Shareholders adopt the Remuneration Report.

RESOLUTION 2 – RE-ELECTION OF MR EDDIE LEE AS A DIRECTOR

Mr Eddie Lee

Resolution 2 seeks approval for the re-election of Mr Eddie Lee as a Director with effect from the end of the Meeting.

The Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, shall retire from office.

Mr Lee retires from office in accordance with this requirement and submits himself for re-election. His profile is contained in the Annual Report.

Directors' Recommendation

The Directors (other than Mr Eddie Lee) recommend the re-election of Mr Eddie Lee.

RESOLUTION 3 – APPROVAL OF PLACEMENT OF SHARES

Listing Rules Requirements

Resolution 3 has been included so that Shareholders may approve pursuant to Listing Rule 7.1 the proposed issue of up to a maximum of 18,000,000 Shares to persons selected by the Directors in their discretion.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that prior shareholder approval is required for any issue of equity securities if the equity securities, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

The following further information is provided to Shareholders for the purposes of Listing Rule 7.3 and approval is sought from Shareholders for the issue of Shares on the following terms:

- (a) the maximum number of Shares to be issued is 18,000,000;
- (b) the Shares will be issued and allotted progressively but no later than 3 months after the date of the Meeting;
- (c) the Shares will be issued at a minimum issue price which is at least 80% of the average market price of Shares trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed);
- (d) the Shares will be issued to sophisticated and institutional investors. The names of the proposed allottees are unknown at the date of the Notice of Meeting and will be chosen at the discretion of the Directors, but will not be related parties of the Company or their associates;
- (e) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares; and
- (f) the purpose of the placement will be to raise funds to assist in funding the development of the Company's property interests, investments by the Company in listed companies and investments in exploration and mining.

RESOLUTIONS 4 to 6 ISSUE AND ALLOTMENT OF OPTIONS TO DIRECTORS

Background

Resolutions 4 to 6 seek Shareholder approval for the issue of a total of 5,480,000 Options (**Director Options**) to David Deitz, Eddie Lee and David Atkinson, and/or their nominee(s), as follows:

Name	Number of Director Options
Mr David Deitz and/or his nominee(s)	4,200,000
Mr Eddie Lee and/or his nominee(s)	640,000
Mr David Atkinson and/or his nominee(s)	640,000

The terms of the Director Options are set out in Annexure A to this Explanatory Memorandum. The exercise price of the Director Options will be 11.87 cents.

The grant of Director Options is designed to encourage the performance of the Directors. The Directors believe that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to reward Directors for their performance, to provide Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth.

The Director Options will be issued and allotted on a single occasion as soon as possible and, in any event, within one month of the date of the Annual General Meeting.

As the Director Options will be issued for no cash consideration, no cash funds will be raised by the Company from their issue. Any funds received on the exercise of the Director Options will be used for working capital purposes.

The issue of options as part of the remuneration packages of directors is a well established practice of public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding their directors.

The number of Director Options to be granted to Messrs Deitz, Lee and Atkinson and their exercise price and expiry date has been determined based upon the Directors' wish to ensure that the remuneration offered is competitive with market standards and where appropriate, based upon performance hurdles.

The Directors have sought independent advice on market standards from a remuneration consultant for the purposes of considering whether the proposed number of Director Options to be granted will ensure that Messrs Deitz's, Lee's and Atkinson's overall remuneration is in line with market standards.

The Directors believe the packages, including the proposed grant of Director Options are comparable to other remuneration packages for directors of comparable companies. The exercise of the Director Options will provide working capital for the Company at no significant cost. If all Director Options proposed to be issued pursuant to Resolutions 4, 5 and 6 are ultimately exercised, an amount of \$650,476 would be raised.

The Board considers the grant of the Director Options to be reasonable and commercial in light of the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration and development industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves. Accounting standards require that granted options be valued and expensed. The Board does not consider that there are otherwise any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.

Material Personal Interest

Section 195 of the Corporations Act provides, in essence, that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

As each Director may be considered to hold a material personal interest in the consideration of the issue of the Director Options pursuant to Resolutions 4, 5 and 6, a quorum cannot be formed to consider the matter at Board level. However by reason of section 195(4) of the Corporations Act, the Directors are permitted in such instances to put the matter before Shareholders to consider and resolve.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act and have resolved to place the proposed issue of Director Options pursuant to Resolutions 4, 5 and 6 to Shareholders to consider and resolve upon.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, the Directors are each a related party of the Company.

Resolutions 4, 5 and 6 provide for the grant of Director Options to the Directors which is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders:

- (a) The related parties to whom the proposed resolution would permit the financial benefit to be given are as follows:

Name	Number of Director Options
Mr David Deitz and/or his nominee(s)	4,200,000
Mr Eddie Lee and/or his nominee(s)	640,000
Mr David Atkinson and/or his nominee(s)	640,000

- (b) The nature of the financial benefit proposed to be given is the grant of the Director Options for no consideration on the terms and conditions set out in Resolutions 4, 5 and 6 and Annexure A to this Explanatory Memorandum.

On the basis of the Director Option value, as detailed in paragraph (d)(ii) below, the value of the Director Options proposed to be issued to each of the Directors, is as follows:

Name	Role	Value of Director Options (\$)
David Deitz	Chairman	130,031
Eddie Lee	Director	20,672
David Atkinson	Director	20,672

- (c) As all Directors and/or their respective nominee(s) are participating in the proposed issue of Director Options, each of the Director express no opinion and makes no recommendation in respect of the grant of the Directors Options proposed by Resolution 4, 5 and 6 as they consider that they have a material personal interest in the outcome of these Resolutions.
- (d) Other information (apart from that as set out throughout this Notice of Meeting) that is reasonably required by Shareholders to make a decision whether it is in the interests of the Company to pass Resolutions 4, 5 and 6 that is known to the Company or any of its Directors is as follows:
- (i) The proposed resolution would have the effect of giving power to the Directors to grant up to 5,480,000 Director Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has 125,957,029 listed Shares, and 23,256,756 unlisted options on issue.
- (ii) The Company's advisers have valued the Director Options using the Black-Scholes Option Pricing Model ("**BSModel**"), which is the most widely used and recognised model for pricing options, and which ASIC has indicated as acceptable. The value of an option calculated by the BSModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. Their assessment of the value of the Director Options has been prepared using the following variables:
- the price of the underlying Share is 9.5 cents;
 - the exercise price is 11.87 cents;
 - the Director Option term is 5 years;
 - a price volatility factor of 58.31%;
 - the average risk free interest rate of 4.20%, as at 20 October 2009; and

In deriving the valuation the BSModel relies upon the following assumptions:

- that the Director Options are American call options (ie. they can be exercised at any time during the period);
- there are no transaction costs, options and shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract; the underlying shares do not pay a dividend; and
- share prices behave in a manner consistent with a random walk in continuous time.

Any change in the variables applied in the BSModel between the date of the valuation and the date the Director Options are granted would either increase or decrease their value.

- (iii) If any Director Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing Shareholders. Based on the securities of the Company on issue as at 20 October 2009, and assuming that no other Options are exercised and no other Shares are issued except Shares issued upon exercise of the Director Options) the effect of the exercise of the Director Options will be that the shareholding of existing Shareholders would be diluted by 4.35%.

The market price of the Company's Shares during the period of the Director Options will normally determine whether or not option holders exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Company's Shares may be trading on ASX at a price which is higher than the exercise price of the Director Options.

The following table gives details of the highest, lowest and latest price of the Company's Shares trading on ASX over the past 12 months ending on 20 October 2009:

Security	Highest Price		Lowest Price		Latest Price on 20/10/09
Ordinary Shares	\$0.12		\$0.026		\$0.096

- (iv) As at the date of this Notice, the Directors and their associates have relevant interests in securities in the Company as follows:

Name	Number of Shares	Number of options	Exercise Price	Expiry Date
David Deitz	17,862,137	7,500,000	3.25 cents	5.12.10
		7,000,000	7.25 cents	30.11.11
Eddie Lee	0	2,378,378	3.25 cents	5.12.10
		2,000,000	7.25 cents	30.11.11
David Atkinson	0	2,378,378	3.25 cents	5.12.10
		2,000,000	7.25 cents	30.11.11

- (v) Based on the Director Option values set out in paragraph (d)(ii) above the Directors will be receiving the following remuneration for their roles as Directors, plus compulsory superannuation contributions in accordance with the Superannuation Guarantee legislation in the next financial year if Resolutions 4, 5 and 6 are passed:

Name	Role	Cash salary and fees (\$)	Value of Director Options (\$)	Total Remuneration (p.a) (\$)
David Deitz	Chairman	72,349	130,031	202,380
Eddie Lee	Director	25,006	20,672	45,678
David Atkinson	Director	24,960	20,672	45,632

The Directors receive no other remuneration for their roles as Directors.

- (vi) The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Director Options pursuant to the Resolutions other than:
- (A) the potential dilution of Shareholding of Shareholders set out in paragraph (d)(iii) above, and

- (B) the possibility that, if the Director Options are exercised at a time when the market price of Shares is greater than the exercise price of the Director Options, there will be a detriment insofar as the Company will be required to issue Shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised.
- (vi) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions, other than as set out throughout this Notice of Meeting.
- (vii) The Board acknowledges the grant of Director Options to Messrs Deitz, Lee and Atkinson is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However the Board considers the grant to Messrs Deitz, Lee and Atkinson reasonable in the circumstances for the reasons set out above.

Listing Rule 10.11

If Resolutions 4, 5 and 6 are passed, securities may be issued to Messrs Deitz, Lee and Atkinson and/or company(ies) controlled by these persons who are related parties of the Company for the purposes of the Corporations Act and Listing Rules.

Accordingly, approval for the issue of Directors Options to Messrs Deitz, Lee and Atkinson and/or their respective nominee(s) is also required pursuant to Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 Exception 14, the approval of the holder of ordinary securities pursuant to the Listing Rule 7.1 is not required in order to issue the Director Options to Messrs Deitz, Lee and Atkinson and/or their respective nominee(s) if such approval is obtained under Listing Rule 10.11. Shareholders should note that the issue of Directors Options to Messrs Deitz, Lee and Atkinson and/or their respective nominee(s), will not be included in the 15% calculation for the purposes of Listing Rule 7.1. For the purposes of Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Director Options will be granted to Mr David Deitz, Mr Eddie Lee and Atkinson, who are all directors of the Company, and/or their respective nominee(s);

- (b) the maximum number of Director Options to be granted is 5,480,000 and the maximum number of Director Options which could be issued to each Director, and/or their respective nominee(s), is as follows:

<u>Name</u>	<u>Director Options</u>
David Deitz, and/or his nominee(s)	4,200,000
Eddie Lee, and/or his nominee(s)	640,000
David Atkinson, and/or his nominee(s)	640,000

- (c) the Director Options will be granted on a date which will be no later than 1 month after the date of this Meeting;
- (d) the Director Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Director Options; and
- (f) the terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

GLOSSARY

In the Notice of Meeting, the following terms have the following meanings unless the context otherwise requires:

Annual Report	means the Company's report including the reports of the Directors and auditor of the Company and the financial statement of the Company for the year ended 30 June 2009.
Annexure	means an annexure to this Explanatory Memorandum.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) and the market operated by it, as the context requires.
Board	means the board of Directors.
Company	means Gullewa Limited (ACN 007 547 480).
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Director Option	means an option to acquire a Share on the terms and conditions set out in Annexure A to this Explanatory Memorandum.
EDST	means Eastern Daylight Saving Time.
Gullewa	means the Company.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the entity is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Meeting or Annual General Meeting	means the annual general meeting of the Company to be held on 30 November, 2009 at 10:00am (EDST), convened by this Notice.

Notice of Meeting or Notice	means the notice of annual general meeting which accompanies and includes this Explanatory Memorandum.
Remuneration Report	means that section of the Director's report under the heading 'Remuneration Report' set out in the Annual Report.
Resolution	means a resolution proposed pursuant to the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.

Annexure A

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The terms and conditions of the Directors' Options the subject of Resolutions 4, 5 and 6 are:

1. Each option shall be issued for no consideration.
2. Each option entitles the holder to subscribe for one ordinary share in the capital of Gullewa Limited ACN 007 547 480 ("**Company**") upon the payment of 11.87 cents per share subscribed for.
3. The options will lapse at 5.00 pm, Eastern Daylight Saving Time on 30 November 2014 ("**Expiry Date**").
4. The options are not transferable and will not be listed for official quotation on the ASX.
5. There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
6. Optionholders have the right to exercise their options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the options, and will be granted a period of at least 10 business days before books closing date to exercise the options.
7. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the options may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the option.

O = the old exercise price of the option.

E = the number of underlying securities in the Company into which one option is exercisable.

- P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The options shall be exercisable at any time before the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him.
10. The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of the receipt of a properly executed Notice and payment of the requisite exercise price.
11. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects. The Company will apply for admission to quotation by the ASX of the shares issued upon the exercise of options within 3 business days after the date of allotment of those shares.

12. The Company will, at least 20 business days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of options held, the number of shares to be issued on exercise of the options, the exercise price, the due date for payment of the exercise price and the consequences of non-payment.

GULLEWA LIMITED ACN 007 547 480

PROXY FORM

The Company Secretary, Gullewa Limited

Registered Office Address: Level 8 Quantum House, 49-51 York Street, SYDNEY NSW 2000.

Facsimile: (02) 9397 7575

I/We (name of shareholder)

of (address)

being a member/members of Gullewa Limited (**Company**) HEREBY APPOINT

(name)

of (address)

and/or failing him (name)

of (address)

or failing the person named, or if no person is named, the Chair of the Annual General Meeting as my/our proxy to act generally at the Annual General Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given vote on my/our behalf) at the Annual General Meeting of the Company to be held at **the Grace Hotel, (Balinga 2 Room) 77 York Street, Sydney NSW 2000** on **Monday, 30 November 2008** at **9:30 a.m. EDST** and at any adjournment of that Meeting.



IMPORTANT: FOR RESOLUTIONS 4, 5 AND 6 BELOW

If the Chairperson of the Meeting is appointed as, or may be appointed by default as, your proxy and you do not wish to direct your proxy how to vote as your proxy on Resolutions 4, 5 and 6, please place an 'X' in this box. By marking this box you acknowledge that the Chairperson of the Meeting may exercise your proxy even if the Chairperson has an interest in the outcome of Resolutions 4, 5 and 6 and that votes cast by the Chairperson, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairperson of the Meeting will not cast your votes on Resolutions 4, 5 and 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 4, 5 and 6. The Chairperson intends to vote undirected proxies in favour of Resolutions 4, 5 and 6 and in favour of all other Resolutions.

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain*
1 Adoption of Remuneration Report	☐	☐	☐
2 Re-election of Mr Eddie Lee as a Director	☐	☐	☐
3 Approval of Placement of Shares	☐	☐	☐
4 Approval of Issue of Options to David Deitz	☐	☐	☐
5 Approval of Issue of Options to Eddie Lee	☐	☐	☐
6 Approval of Issue of Options to David Atkinson	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. 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.

***This Proxy is appointed to represent _____ % of my voting right, or if 2 proxies are appointed
Proxy 1 represents _____ % and Proxy 2 represents _____ % of my total votes
My total voting right is _____ shares***

If the shareholder(s) is an individual:

Name:

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Dated:

Director/Secretary

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

Contact Name

Contact Daytime Telephone

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. A shareholder entitled to attend and cast 2 or more votes at this Annual General Meeting is entitled to appoint not more than 2 proxies to attend and vote at this Annual General Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded. 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.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer, or officers of the company (as the case may be) or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting (that is, by 9:30 a.m. EDST on 28 November 2008), by person, post, courier or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
 - (b) 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;
 - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way; and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.