TRANSERV AUSTRALIA LIMITED

ABN 68 079 432 796

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
AND
PROXY FORM

For the Annual General Meeting to be held on
Tuesday, 20 December 2005 at 10.30am (WST) at
45 Ventnor Ave,
West Perth WA 6005

This is an important document. Please read it carefully.

If there is any matter that you do not understand, you should contact your financial adviser, stockbroker or solicitor.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the Shareholders of TranServ Australia Limited will be held at:

45 Ventnor Ave	**Commencing at**
West Perth	**10:30am (WST)**
Western Australia 6005	**on Tuesday, 20 December 2005**

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10:30am (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice as soon as possible and either:

(a) send the proxy form by facsimile to the Company on facsimile number (02) 9567 5940 (International: + 61 2 9567 5940); or

(b) deliver or post the proxy form to the Company's registered office at Suite 2, 289 Bay Street, Brighton Le Sands NSW 2216,

(c) deliver the proxy form to the Company's Share Registry, Computershare Investor Services Pty Ltd, Level 2 Reserve Bank Building, 45 St Georges Terrace, Perth, Western Australia on facsimile number (08) 9323 2033 (International: + 61 8 9323 2033).

so that it is received not later than 10:30am (WST) on 18 December 2005.

Your proxy form is enclosed.

TRANSERV AUSTRALIA LIMITED
ABN 68 079 432 796

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of TranServ Australia Limited (**Transerv** or **Company**) will be held at 45 Ventnor Ave, West Perth Western Australia 6005, at 10:30am (WST) on 20 December 2005.

AGENDA

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered as ordinary and special business. Terms and abbreviations used in this Notice and the Explanatory Statement are defined in the Glossary.

ORDINARY BUSINESS

Financial Report

To receive the financial statements of the Company for the year ended 30 June 2005 together with the Directors' Declaration, the Directors' Report and the Auditors' Report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

> *"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report."*

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Jesse Taylor

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

> *"That, Mr Jesse Taylor who retires in accordance with the Company's Constitution and, being eligible, be re-elected as a Director."*

Short Explanation: Clause 13.4 of the Company's Constitution provides that a director appointed under the casual vacancy provisions must retire and offer himself for re-election at the next general meeting of the Company.

Resolution 3 – Re-election of Mr Robert Gould

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

> *"That, Mr Robert Gould who retires by rotation in accordance with the Company's Constitution and, being eligible, be re-elected as a Director."*

Short Explanation: Clause 13.2 of the Company's Constitution provides that 1/3 of the Directors must retire from office at each Annual General Meeting. A retiring Director is eligible for re-election.

SPECIAL BUSINESS

Resolution 4 – Approval for the allotment and issue of Securities

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 7.1 of the ASX Listing Rules and for all other purposes, approval is given for the Company to allot and issue up to 20,000,000 Shares at an issue price of $0.05 each and 20,000,000 free attaching Options on the terms and conditions set out in the Explanatory Statement."*

Short Explanation: Under ASX Listing Rule 7.1, the Company must not issue more than 15% of its ordinary share capital in any 12 month rolling period without Shareholder approval (unless an exception in ASX Listing Rule 7.2 applies). Shareholder approval is being sought for the purposes of ASX Listing Rule 7.1 to enable the Company to issue more than 15% of its ordinary share capital.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed 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, and any associates of those persons.

Resolution 5 – Approval for the allotment and issue of Securities

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 7.1 of the ASX Listing Rules and for all other purposes, approval is given for the Company to allot and issue up to 3,000,000 Shares at an issue price of $0.05 each and 3,000,000 free attaching Options on the terms and conditions set out in the Explanatory Statement."*

Short Explanation: Under ASX Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12 month rolling period without Shareholder approval. Shareholder approval is being sought for the purposes of ASX Listing Rule 7.1 to enable the Company to issue these securities without using its 15% placement capacity.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed 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, and any associates of those persons.

Resolution 6 – Approval for the Satisfaction of a Debt

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 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Company to allot and issue 4,000,000 Shares at a deemed issue price of $0.05 each and 4,000,000 free attaching Options to Change Holdings Pty Ltd in satisfaction of a debt owed by the*

Company to Change Holdings Pty Ltd for consultancy services on the terms and conditions set out in the Explanatory Statement."

Short Explanation: Under ASX Listing Rule 10.11, the Company must not issue or agree to issue equity securities to a related party without the approval of holders of ordinary securities (unless an exception in Listing Rule 10.12 applies). The Shares and Options are to be issued to Change Holdings Pty Ltd, which is a related party of the Company.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Change Holdings Pty Ltd and any of its associates.

DATED THIS 14 DAY OF NOVEMBER 2005
BY ORDER OF THE BOARD

STEPHEN L LAW
COMPANY SECRETARY

NOTES:

A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.

Where a voting exclusion applies, 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.

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. This date is close of business on 18 December 2005.

EXPLANATORY STATEMENT

This Explanatory Statement is an important document. It should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for Shareholders in connection with the 2005 Annual General Meeting of the Company to be held on 20 December 2005.

2. BUSINESS OF THE MEETING

2.1 Resolution 1 – Remuneration Report

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

(a) board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;

(b) discussion of the relationship between such policy and the Company's performance; and

(c) the prescribed details in relation to the remuneration of each Director and certain executives.

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

2.2 Resolutions 2 and 3 – Re-election of Directors

Mr Taylor was appointed to fill a vacancy on the Board on 14 December 2004 and, in accordance with the Company's Constitution, holds office only until the next general meeting. He offers himself for election as a Director.

Mr Gould retires by rotation in accordance with the Company's Constitution and offers himself for re-election.

Background details of each of the Directors are set out in the 2005 Annual Report.

2.3 Resolution 4 – Approval for the Allotment and Issue of Shares

Background

The Company proposes making an offer of up to 20,000,000 Shares at an issue price of $0.05 per Share to raise up to $1,000,000 together with 20,000,000 free attaching Options by way of a prospectus or excluded offer placement (or both) (**Capital Raising**).

As disclosed in a letter to ASX dated 31 October 2005, the Company has embarked upon a 2 stage capital raising programme to restore its working capital requirements to more satisfactory levels and to compensate for the loss of $1,697,000 incurred for the 2005 financial year. The first stage, comprising a raising of $150,000 has been completed and the proposed issue of 20,000,000 Shares to raise $1,000,000, if approved by Shareholders, will constitute the second stage.

In the interim, as previously disclosed, Directors are conducting negotiations for the acquisition of another enterprise to enlarge the Company's business base such that revenues from operations will support the overheads associated with being a listed entity.

ASX Listing Rule 7.1

Under ASX Listing Rule 7.1, the Company must not issue more than 15% of its ordinary share capital in any 12 month rolling period without Shareholder approval (unless an exception in ASX Listing Rule 7.2 applies). Shareholder approval is being sought for the purposes of ASX Listing Rule 7.1 to enable the Company to issue more than 15% of its ordinary share capital.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

(a) the Shares will be issued at an issue price of $0.05 per Share. The Options are free attaching;

(b) the maximum number of securities to be issued is 20,000,000 Shares and 20,000,000 free attaching Options;

(c) the Shares and free attaching Options will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

(d) the Shares issued will rank equally with the existing Shares on issue;

(e) the Options will be issued on the terms set out in Section 2.4.1 of this Explanatory Statement;

(f) it is intended that the allotment of the Shares and Options will occur on one date;

(g) the offer of the Shares and free attaching Options will be made by a prospectus or excluded offer placement (or both). The identity of the allottees of the Shares and Options is not yet known. None of the allottees will be related parties or associates of the Company. The offer will be underwritten by Kirke Securities Ltd; and

(h) the Company intends to use the funds raised from the issue of the Shares and free attaching Options for the following purposes:

(i) firstly, to pay costs associated with the Capital Raising, including underwriting fees equal to 6% of the funds raised; and

(ii) secondly, to repay existing debt and replenish working capital.

2.4 Resolution 5 – Approval for the Allotment and Issue of Securities

Background

As announced to ASX on 28 October 2005, the Company has agreed to make a private placement of 3,000,000 Shares and 3,000,000 free attaching Options to raise additional working capital and repay existing debts. These Shares and Options have not been issued as at the date of this Notice but it is expected that the Shares will be issued before the Meeting and the Options will be issued after the Meeting.

ASX Listing Rule 7.1

Under ASX Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12 month rolling period without Shareholder approval. Shareholder approval is being sought for the purposes of ASX Listing Rule 7.1 to enable the Company to issue these securities without using its 15% placement capacity.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

(a) the Shares will be issued at an issue price of $0.05 per Share and the Options will be issued for free on a one-for-one basis;

(b) the maximum number of Shares to be issued is 3,000,000 and the maximum number of free attaching Options to be issued is 3,000,000;

(c) the Shares and Options will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is anticipated that the Shares will be issued prior to the date of the Annual General Meeting and the Options will be issued after the date of the Annual General Meeting;

(d) the Shares issued will rank equally with the existing Shares on issue;

(e) the Options will be issued on the terms and conditions set out in section 2.4.1 below;

(f) it is intended that the allotment of the Shares will occur on one date and that the allotment of the Options will occur on one date (following the allotment of the Shares);

(g) the Shares and Options will be issued to the following entities, none of which is a related party of the Company:

Allottee	No. of Shares	No. of Options
Monacan Nominees Pty Ltd	1,500,000	1,500,000
Pillage Investments Pty Ltd	750,000	750,000
Hillside Investments (WA) Pty Ltd	750,000	750,000

(h) the Company intends to use the funds raised from the issue of the Shares ($150,000) to replenish working capital and discharge existing debt (refer to Section 2.3).

2.4.1 Terms and Conditions of Options

The terms and conditions of the Options are as follows:

(a) the Options shall expire at 5.00pm (WST) three years after their date of issue (**Expiry Date**);

(b) the amount payable on the exercise of the Options will be $0.05 for each Option exercised;

(c) the Options may be exercised wholly, or in part, by notice in writing to the Directors of the Company given prior to or on the Expiry Date. Any notice of exercise of an Option will be deemed to be dated as at the last day of the month on which the Company receives the notice;

(d) an Option may be transferred at any time prior to the Expiry Date;

(e) there are no participating rights or entitlements inherent in the Options to participate in any new issue or bonus issue of securities which may be offered to the Shareholders of the Company from time to time prior to the expiry date. Option holders will have the right to exercise their Options prior to the date of determining entitlement to any capital issue made to the then existing shareholders of the Company made during the currency of the Options. In this regard, Option holders will be given at least 10 business days before the book closing date (to determine entitlements to this issue) to exercise the Options;

(f) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on Option holders which are not conferred on Shareholders; and (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital) in all other respects the terms for the exercise of Options will remain unchanged;

(g) Options not exercised by the Expiry Date will automatically expire; and

(h) if any Options are exercised within 12 months of their date of issue then on exercise of each such Option, the holder will receive an additional free Option on the same terms and conditions as the Option exercised, except that the amount payable on the exercise of the additional free Option will be 15 cents for each Option exercised.

2.5 Resolution 6 – Satisfaction of a Debt

Background

As disclosed in the Company's IPO prospectus, the Company entered into a consultancy agreement with Change Holdings Pty Ltd (**Change Holdings**) (an entity associated with Mr Kim Gardner, a Director) pursuant to which Mr Kim Gardner was engaged as Chief Executive Officer and as an executive Director of the Company (**Agreement**). Change Holdings is owed in excess of $200,000 in consultancy fees pursuant to the terms of the Agreement (**Change Debt**). Change Holdings has agreed with the Company that the Change Debt can be satisfied in full by the issue of 4,000,000 Shares at a deemed issue price of $0.05 per Share and 4,000,000 free attaching Options (the same issue price of the Shares and free attaching Options to be issued pursuant to the placement, the subject of Resolution 5).

Accordingly, the Company seeks Shareholder approval to issue Shares and free attaching Options to Change Holdings in satisfaction of the debt.

ASX Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company.

If Resolution 6 is passed, Shares and Options will be issued to Change Holdings. Change Holdings is a related party of the Company by virtue of the fact that it is controlled by Mr Kim Gardner. For this reason, Shareholder approval under Listing Rule 10.11 is required prior to issuing the Shares and Options to Change Holdings.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares and Options as approval is being obtained under Listing Rule 10.11. Shareholders should note that the issue of Shares and Options to Change Holdings 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 in relation to the issue of Shares to Change Holdings:

(a) the allottee of the Shares and Options is Change Holdings, an entity controlled by Mr Kim Gardner (a Director);

(b) the maximum number of securities to be issued is 4,000,000 Shares and 4,000,000 Options;

(c) the Shares and Options will be issued not later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Shares and Options will be issued on one date;

(d) the Shares will be issued at a deemed issue price of $0.05 each. The Options are free attaching to the Shares (the same terms as the placement the subject of Resolution 5);

(e) the Shares issued will rank equally with the existing Shares on issue;

(f) the Options will be issued on the terms set out in Section 2.4.1 of this Explanatory Statement; and

(g) no funds will be raised from the issue of the Shares and Options as they are being issued in satisfaction of a debt owed by the Company to Change Holdings in excess of $200,000 pursuant to the terms of the Agreement.

3. ENQUIRIES

Shareholders are invited to contact the Company Secretary, Mr Stephen Law, on (02) 9505 9300 if they have any queries in respect of the matters set out in this Notice.

GLOSSARY

2005 Annual Report means the Company's annual report for the year ended 30 June 2005 which is available on the ASX announcements platform.

Annual General Meeting means the meeting convened by the Notice.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules and **Listing Rules** means the listing rules of ASX.

Company and **Transerv** means Transerv Australia Limited (ABN 68 079 432 796).

Constitution and **Company's Constitution** means the constitution of the Company as at the date of the Annual General Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

EST means Eastern Standard Time.

Explanatory Statement means the explanatory statement to the Notice.

Notice means the notice of meeting.

Option means an option to acquire a Share on the terms and conditions set out in section 2.4.1 of the Explanatory Statement.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2005 Annual Report.

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

Shareholder means a holder of Shares.

PROXY FORM

APPOINTMENT OF PROXY
TRANSERV AUSTRALIA LIMITED
ABN 68 079 432 796

ANNUAL GENERAL MEETING

I/We

being a Member of Transerv Australia Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, 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 to be held at 45 Ventnor Ave, West Perth, Western Australia 6005 at 10:30am (WST) on 20 December 2005 and at any adjournment thereof.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Mr Jesse Taylor	☐	☐	☐
Resolution 3	Re-election of Mr Robert Gould	☐	☐	☐
Resolution 4	Approval for the Allotment and Issue of Securities	☐	☐	☐
Resolution 5	Approval for the Allotment and Issue of Securities	☐	☐	☐
Resolution 6	Satisfaction of Debt	☐	☐	☐

OR

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

By marking this box, you acknowledge that the Chairman of the Annual General Meeting may exercise your proxy even though he has an interest in the outcome of that resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman intends to vote in favour of all of the resolutions.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is ____________%

Signed this day of 2005

Individuals and joint holders	**Companies (affix common seal if appropriate)**
Signature	Director
Signature	Director/Company Secretary
Signature	Sole Director and Sole Company Secretary

TRANSERV AUSTRALIA LIMITED
ABN 68 079 432 796

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.

3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

   - 2 directors of the company;
   - a director and a company secretary of the company; or
   - for a proprietary company that has a sole director who is also the sole company secretary – that director.

   For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.

5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.