Candle Australia Limited
ABN 43 002 724 334

notice of AGM 2004

to be held at 3 pm on
Monday, 29 November 2004 at
Room II, The Establishment,
Level 3, 252 George St, Sydney.

Registered Office:
Level 5, 255 George Street
GPO Box 4231
Sydney NSW 2001

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f. +61 2 9252 2487

CANDLE
AUSTRALIA LTD

Letter from the Executive Chairman

13 October 2004

Dear Shareholder

Following an impressive year for Candle Australia, I am delighted to enclose a copy of our 2004 annual report.

The ongoing transformation of Candle Australia to a recruitment company with broader base of income streams has continued with great results.

Candle Australia increased sales by 11%, resulting in a 29% improvement in net profit after tax. This result was assisted by the completion of two acquisitions in our business support division. Earnings per share increased 24% allowing the Company to declare a total fully franked dividend of 9c per share for the year.

This reflects the dedication and hard work of management and staff and I would like to thank everyone at Candle. We are equally proud that our growth has provided a positive return for our valued shareholders.

We see many opportunities in all parts of our business looking forward and remain committed to expanding the Company while being focused on our people and shareholder returns.

With this in mind I would like to invite you to Candle Australia's Annual General Meeting to be held at 3.00pm, Monday 29th November 2004 at Room II, The Establishment, Level 3, 252 George Street, Sydney 2000.

At the meeting there will be a number of items to be addressed including:

- Financial statements
- Re-election of Geoff Moles and Peter Bunting as directors
- Option of increasing maximum aggregate payments to non-executive directors
- Approval of allocations of ordinary shares in respect to several transactions made during the year

Your directors believe that these resolutions are in the best interests of shareholders and we ask for your full support in ensuring they are passed.

If you are unable to attend the meeting to vote personally, please complete the enclosed Proxy form and return it in the enclosed reply paid envelope or by fax to (02) 9252 2487 by Friday 26th November 2004.

I look forward to seeing you all there to celebrate our success this year and into the next.

Yours sincerely

GEOFF MOLES
Executive Chairman

Bernini, Giovanni Lorenzo (1598-1680): Apollo e Dafne. Rome, Bourgeois Gallery

2004 Notice of Annual General Meeting

The Annual General Meeting ("the Meeting") of Candle Australia Limited ("the Company") will be held at Room 2, The Establishment, Level 3,252 George Street, Sydney, NSW, 2000 on Monday 29 November 2004 at 3.00pm.

Ordinary Business

Consideration of Financial Report

To consider the Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2004.

No resolution is required to be considered by members under the Corporations Act or the Company's Constitution.

Re-Election of Directors and other resolutions

Resolution 1

Re-election of Geoffrey J Moles as a Director

To consider, and if thought fit,pass the following ordinary resolution:
"That Mr Geoffrey J Moles retires by rotation in accordance with Clause 57.1 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director of the Company."

Resolution 2

Re-election of Peter D Bunting as a Director

To consider, and if thought fit, pass the following ordinary resolution:
"That Mr Peter D Bunting,who was appointed a Director during the year, retires in accordance with Clause 56.2 of the Company's Constitution and being eligible, offers himself for re-election."

Resolution 3

Increase in maximum aggregate fees payable to non-executive Directors

To consider, and if thought fit, pass the following ordinary resolution:
"The Shareholders approve an increase in the maximum amount of fees that may be paid by the Company from $200,000 to $375,000 per annum in aggregate for all non-executive Directors"

Resolution 4

Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4

To consider, and if thought fit pass,the following resolution:
"That, in accordance with ASX Listing Rule 7.4,the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 201,018 fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes to resolution 4 in the notice of meeting."

Resolution 5

Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4

To consider, and if thought fit pass, the following resolution:
"That, in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1,the issue of 1,710,801 fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes to resolution 5 in the notice of meeting."

Resolution 6

Approval for issue of ordinary shares pursuant to ASX Listing Rule 7.3

To consider, and if thought fit pass, the following resolution:
"That, in accordance with ASX Listing Rule 7.3, the Company approves for the purposes of ASX Listing Rule 7.1, the agreement to issue 400,000 fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes to resolution 6 in the notice of meeting."

Resolution 7

Approval for issue of ordinary shares pursuant to ASX Listing Rule 7.3

To consider, and if thought fit pass, the following resolution:
"That, in accordance with ASX Listing Rule 7.3, the Company approves for the purposes of ASX Listing Rule 7.1, the agreement to issue 230,000 fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes to resolution 7 in the notice of meeting."

Dated 12 October 2004
BY ORDER OF THE BOARD

....

N J V Geddes
Company Secretary

Voting Exclusion Statements

In accordance with Australian Stock Exchange Listing rule 7.3.8,the Company makes the following statement:

Resolution 3

The company will disregard any votes cast on Resolution 3 by:

- Any directors of the Company and their associates
  However, the entity need not disregard a vote if:
- it is cast by a person as proxy for a person who is entitled to vote,in accordance with the directions on the proxy form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4

The company will disregard any votes cast on Resolution 4 by:

- Taloombi Enterprises Pty Ltd (formerly Premier Personnel Pty Limited) or any associate of that Company (within the meaning of the Corporations Act 2001)

  However, the entity need not disregard a vote if:
- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote,in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5

The company will disregard any votes cast on Resolution 5:

- Any of the participants in the underwriting of the Dividend Reinvestment Plan as set out in the Explanatory Notes to Resolution 4 or any associate of those Companies (within the meaning of the Corporations Act 2001)

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

Resolution 6

The company will disregard any votes cast on Resolution 6 by:

- Hillarys Nominees Pty Limited (formerly Workskills Professionals Pty Limited) or any associate of that Company (within the meaning of the Corporations Act 2001)

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote,in accordance with a direction on the proxy form to vote as the proxy decides

Resolution 7

The company will disregard any votes cast on Resolution 7 by

- Wide Open Pty Limited (formerly One Umbrella Pty Limited) or any associate of that Company (within the meaning of the Corporations Act 2001)

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

General Notes

1 A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on the member's behalf. If the member is entitled to cast two or more votes at the meeting, the member may appoint not more than two proxies to attend and vote on the member's behalf.

2 If a member appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the member's votes.In the absence of such a specification, each proxy will be entitled to exercise half the votes.

3 A proxy need not be a member of the Company.

4 To appoint a proxy (or two proxies),a proxy form must be signed by the member or the member's attorney duly authorised in writing. If the member is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or officer duly authorised.

5 To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the Meeting.

Proxy forms and authorities may be sent to the Company by post, personal delivery or fax:

Candle Australia Limited
C/- Australian Company Secretaries Pty Ltd
Street address: Level 5, 255 George Street, Sydney NSW 2000
Mailing address: GPO Box 4231, Sydney NSW 2001
Fax: (02) 9252 2487

provided that members who forward their proxy forms by fax are required to make available the original executed form of the proxy for production, if called upon at the meeting to do so.

6 A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members.The appointment may be a standing one.Unless the appointment states otherwise,

the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

7 For the purposes of the Annual General Meeting, persons on the register of members as at close of business on Friday 26 November 2004 will be treated as members.This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

Explanatory Information

Explanatory Notes to Resolution 3

- Proposed increase in Directors' Remuneration

At present, the maximum aggregate amount of fees that may be paid to non-executive directors is $200,000 per annum. Shareholders last approved an increase in Directors' remuneration in 1999.At that time the Board comprised one independent non-executive Director. Additional independent non-executive Directors joined the Board in 2000, 2001 and 2003 and the Board now comprises three independent non-executive Directors.

It is proposed to increase the remuneration of Directors in accordance with market remuneration.Consequently Shareholders' approval lift the current limit of $200,000 to an aggregate limit of $375,000 is now sought.
The proposed new aggregate limit exceeds the current total payments for non-executive directors, thereby leaving the Company with sufficient capacity to accommodate any increase in the number of non-executive directors, should this be deemed appropriate.It also ensures the Company is competitive in attracting and retaining directors with the necessary skills, qualifications and experience.

Explanatory Notes to Resolution 4

- Ratification of share issues to Taloombi Enterprises Pty Ltd for purposes of ASX Listing Rule 7.1

Brief Summary

On 18 March 2004 as a result of the acquisition of the business of Premier Personnel, the Company issued 201,018 ordinary shares at $1.59 to the vendor, now Taloombi Enterprises Pty Ltd.
ASX Listing rule 7.1 imposes a cap on the number of shares that a company may issue within a 12 month period without Shareholder approval.The cap is 15% of the Company's capital at the beginning of the 12 month period.ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1.The issue of the aforementioned shares did not breach any Listing Rules.
In order to restore the Company's 15% placement capacity, it is proposed that the Shareholders ratify the aforementioned issue of ordinary shares. Ratification provides the Company with flexibility in capital management and allows the Company to make further acquisitions if the opportunities arise.

Person to whom shares were issued	Number of shares	Purpose/Use of funds
Taloombi Enterprises	201,018	Acquisition of Business (Formally Premier Personnel of Premier Personnel Pty Ltd.)
Total	201,018	

Explanatory Notes to Resolution 5

- Ratification of share issues to Dividend Reinvestment Plan participants for purposes of ASX Listing Rule 7.1

Brief Summary

On 23 March 2004 in operating and underwriting the Dividend Reinvestment Plan,the Company issued 768,306 ordinary shares at $1.56 in respect of the interim dividend paid during 2004.
On 27 September 2004 in operating and underwriting the Dividend Reinvestment Plan, the Company issued 942,295 ordinary shares at $1.70 in respect of the final dividend paid during 2004.
ASX Listing rule 7.1 imposes a cap on the number of shares that a company may issue within a 12 month period without Shareholder approval.The cap is 15% of the Company's capital at the beginning of the 12 month period.ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it,and the issue did not breach Listing Rule 7.1.The issue of the aforementioned shares did not breach any Listing Rules.
In order to restore the Company's 15% placement capacity, it is proposed that the Shareholders ratify the aforementioned issue of ordinary shares. Ratification provides the Company with flexibility in capital management and allows the Company to make further acquisitions if the opportunities arise.

Person to whom shares were issued	Number of shares	Purpose/Use of funds
Patterson Securities and the Underwriters of the dividend)	1,710,801	Underwriting DRP (interim and final
Dividend Reinvestment Plans relating to 2004 interim and final dividend.		
Equity Trustees Limited Citicorp Nominees Pty Ltd Bond Street Custodians Limited ANZ Nominees Limited EG Group Confluence Fund SG Hiscock Credit Suisse Asset Management Opis Capital Perpetual Colonial First State		
Total	1,710,801	

Explanatory Notes to Resolution 6

- Approval of share issue to Hillarys Nominees Pty Limited for purposes of ASX Listing Rule 7.3

On 1 December 2003 the Company acquired the business of Workskills Professionals and will issue no more than 400,000 ordinary shares as part consideration of the payment for that business, subject to the performance of that business.
The 400,000 ordinary shares will be issued within three months of the date of Shareholders granting approval to the issue.
The price of the ordinary shares is to be calculated based on the formula being the amount which is the weighted average of the selling price of Candle Shares on the ASX during the last 30 ASX trading days prior to the date required for issue of the Candle Shares, or if there has been no sale of Candle Shares on ASX during that period, the amount which is equal to the last sale price of the Candle Shares.The shares to be issued will be fully paid Ordinary shares ranking pari passu with the existing share capital.
Shareholder approval is being sought for the issue of these ordinary shares as provided under ASX Listing Rule 7.3.
ASX Listing rule 7.1 imposes a cap on the number of shares that a company may issue within a 12 month period without Shareholder approval.The cap is 15% of the company's capital at the beginning of the 12 month period. By approving the issue of these ordinary shares, the shares will not be included in the 15% cap.
Such approval provides the Company with flexibility in capital management and allows the Company to make further acquisitions if the opportunities arise.

Entity to which the shares are to be issued	Maximum Number of shares	Purpose or Use
Hillarys Nominees Pty Limited	400,000	Acquisition of Business (formerly Workskills Professionals of Workskills Professionals Pty Limited)
Total	400,000	

Explanatory Notes to Resolution 7

- Approval of share issues to Wide Open Pty Limited for purposes of ASX Listing Rule 7.3

On 30 September 2004,the Company acquired The One Umbrella business from One Umbrella Pty Limited,and will issue no more than 230,000 ordinary shares as part consideration of the payment for that business, subject to the performance of that business.
The 230,000 ordinary shares will be issued within three months of the date of Shareholders granting approval to the issue.
The price of the ordinary shares is to be calculated based on the formula being the amount which is the weighted average of the selling price of Candle Shares on the ASX during the last 30 ASX trading days prior to the date required for issue of the Candle Shares,or if there has been no sale of Candle Shares on ASX during that period, the amount which is equal to the last sale price of the Candle Shares.The shares to be issued will be fully paid Ordinary shares ranking pari passu with the existing share capital.
Shareholder approval is being sought for the issue of these ordinary shares as provided under ASX Listing Rule 7.3.
ASX Listing rule 7.1 imposes a cap on the number of shares that a company may issue within a 12 month period without Shareholder approval.The cap is 15% of the company's capital at the beginning of the 12 month period.By approving the issue of these ordinary shares,the shares will not be included in the 15% cap.
Such approval provides the Company with flexibility in capital management and allows the Company to make further acquisitions if the opportunities arise.

Entity to which the shares are to be issued	Maximum Number of shares	Purpose or Use
Wide Open Pty Limited	230,000	Acquisition of Business (formerly One Umbrella of The One Umbrella Pty Limited)
Total	230,000	

Proxy Form - Candle Australia Limited ABN 43 002 724 334

To be completed if you are not attending the Meeting and wish to vote.Please see instructions over page.

I/We ....
(PLEASE PRINT NAME)

Of ....
(ADDRESS)

being a member/members of Candle Australia Limited

A **Appoints** ....
(PLEASE PRINT NAME)

or failing the person so named (or if no person is named) the Chairman of the Meeting [if appointing the Chairman see B below] as proxy to vote in accordance with the following directions (or if no directions have been given as the proxy or the Chairman sees fit) at the Annual General Meeting of members of Candle Australia Limited to be held on Monday 29 November 2004 commencing at 3.00pm and at any adjournment.

B **Exercise of Proxy by Chairman**

For undirected proxies, the Chairman intends to vote in favour of each resolution. If you do not wish to direct your proxy how to vote, please place a mark in the box.By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. ☐

C **Business**

	For	Against	Abstain
Resolution 1. Re-election of Mr Geoffrey J Moles	☐	☐	☐
Resolution 2. Re-election of Mr Peter D Bunting	☐	☐	☐
Resolution 3. Increase in maximum aggregate fees payable to non-executive Directors	☐	☐	☐
Resolution 4. Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4	☐	☐	☐
Resolution 5. Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4	☐	☐	☐
Resolution 6. Approval for issue of ordinary shares pursuant to ASX Listing Rule 7.3	☐	☐	☐
Resolution 7. Approval for issue of ordinary shares pursuant to ASX Listing Rule 7.3	☐	☐	☐

D **If Appointing a Second Proxy**

State here the percentage of your voting rights %

Or

the number of shares applicable to this Form #

E **Insert your daytime telephone number** (   )

F **Signature(s)**

Signatures if Corporate Shareholder (See Note F) Executed in accordance with section 127 of the Corporations Act

Director/Sole Director sign and print name ***or*** Director/Secretary sign and print name ***(delete one)***

....

Note: for your proxy to be entitled to vote your shares at the Meeting,the Company must receive the completed Proxy Form not later than 48 hours prior to the meeting.

If Undelivered Return to
GPO Box 4231
Sydney NSW 2001
Australia

Instructions for Completion of Proxy Form

Your vote is important.
Please direct your proxy how to vote.

For your proxy to be entitled to vote your shares at the Meeting, the Company must receive the completed Proxy Form not later than 48 hours prior to the Meeting.Any proxy received after this deadline will be treated as invalid.

A **Appoints**
Insert here the name of the person you wish to appoint as proxy. Members cannot appoint themselves. If you submit a Proxy Form, which does not name a person to act as your proxy, the Chairman of the Meeting will act as your proxy. You can vote your shares by proxy even if you plan to attend the Meeting.

B **Exercise of Proxy by Chairman**
For undirected proxies, Chairman intends to vote in favour of each resolution.If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking the box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

C **Business**
If you wish to direct your proxy how to vote on any item, place a mark in the appropriate box. If a mark is placed in a box,your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The vote will be invalid if a mark is made against more than one box for a particular item or if the total shareholding shown in "For","Against"and "Abstain" boxes is more than your total shareholding on the share register.

D **If Appointing a Second Proxy**
A member is entitled to appoint up to two persons (whether members or not) to attend the Meeting as proxies and vote.If you wish to appoint two proxies please photocopy your proxy form or obtain another proxy form by calling the Company Secretary on (02) 9252 1933. Both Forms should be completed with the nominated percentage of your voting rights or number of shares on each Form. If you do not specify the nominated percentage of your voting rights or number of shares,each of the proxies may exercise half of the votes. Please return these Proxy Forms together.

E **Insert your daytime telephone number**
This is required in case we need to contact you.

F **Signature(s)**
This Form must be signed by the member. If the member is an Australian corporation, the Form must be executed in accordance with section 127 of the Corporations Act or by an attorney. If a person who is not the registered Shareholder signs this Form then the relevant authority must either have been exhibited previously to the Company or be enclosed with this Form.

Further Important Information

Please return your completed Proxy Form to the Company Secretary c/- Australian Company Secretaries Pty Ltd, at Level 5, 255 George Street, Sydney, NSW, 2000 (GPO Box 4231, Sydney, NSW, 2001). Alternatively, your Form can be faxed to the Company on (02) 9252 2487. To be effective, the Form must be received by the Company at the above address not later than 48 hours prior to the Meeting.
If you require further information on how to complete the Proxy Form, telephone the Company Secretary on (02) 9252 1933.