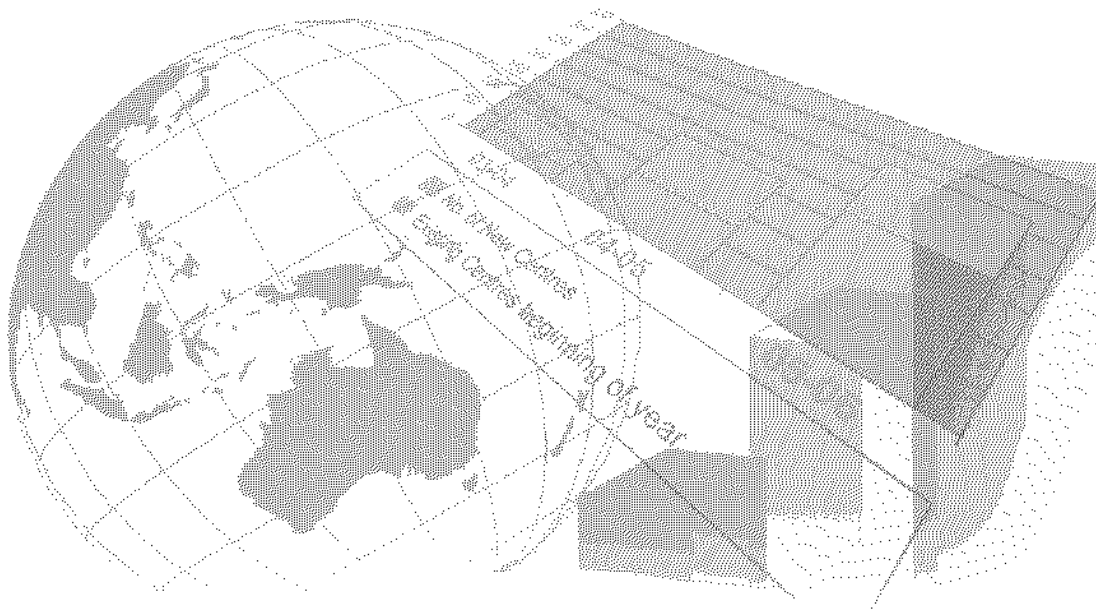




Annual General Meeting 2004

Notice of meeting



2004 Annual General Meeting of
Kip McGrath Education Centres Limited
("Company") will be held at **McGrath House**,
35 Watt Street Newcastle NSW 2300 on Wednesday 27th October at 10:30 am.

Business

1. **Chairman's address and presentation by the Managing Director**
2. **Financial Statements and Reports**
To receive and consider the Financial Report, Directors' Report and the Independent Audit Report for the year ended 30 June 2004.
3. **Election of Director (Resolution 1)**
Mr Phillip Arnall retires in accordance with Article 20.2 of the Company's Constitution and, being eligible, offers himself for re-election.
4. **Election of Director (Resolution 2)**
Mr Storm McGrath retires in accordance with Article 20.2 of the Company's Constitution and, being eligible, offers himself for re-election.
5. **Other Business**
To deal with any other business that may lawfully be brought forward

By Order of the Board.

Storm McGrath
Secretary
24 September 2004

Notes

1. Proxies

Any member entitled to attend and vote is entitled to appoint no more than two proxies to vote in his or her stead. If more than one proxy is appointed, each proxy must be appointed to represent a specific portion of the member's voting rights. The person or persons so appointed need not necessarily be members of the Company. A proxy form accompanies this Notice of Meeting. Instructions for completion of that form are included. To be effective, the proxy form must be received in the Registrar's office not less than 48 hours before the time for holding the meeting. Please post the form in the reply paid envelope provided, alternatively please post to:

Computershare Investor Services Pty Limited
Reply Paid 523
BRISBANE QLD 4001

A proxy may also be sent by facsimile to Computershare Investor Services Pty Limited on (07) 3237 2152 by 10.00 am on 25 October 2004.

2. Corporate Representation

If your holding is registered in a company name and you would like to attend the meeting (and do not intend to return a completed proxy form), please bring with you to the meeting a duly completed proxy form to enable you to attend and vote at the Annual General Meeting. Alternatively contact the Share Registry who will forward to you a form for completion.

3. Entitlement to Vote

For the purposes of the Corporations Act 2001 Regulation 7.11.37, the board has determined that in relation to the Annual General Meeting being convened by this Notice shares will be taken to be held by the persons who are registered holders at 7.00 pm Sydney time on Monday, 24 October 2004. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Notice of Annual General Meeting

Explanatory Notes

These are the Explanatory Notes for the Shareholders of Kip McGrath Education Centres Limited ("Company") for the Annual General Meeting to be held on Wednesday, 27th October 2004. The Explanatory Notes are provided to assist shareholders in their consideration of proposed Ordinary Resolutions 1 to 2 inclusive contained in the Notice of Meeting, and form part of that Notice of Meeting.

Resolution 1 (Item 3) : Re-election of Director

Mr Phillip Arnall

Phil Arnall joined the Board after a career in the Steel and Mining industries. He has worked in Australia, North and South America and Europe. He was educated at the University of Newcastle where he gained a Bachelor of Commerce degree. He attended the International Marketing seminar at the Centre for Education in International Management at Geneva and has undertaken post graduate study in Marketing and Industrial Law.

He is currently the principal of Felix Ventures, a corporate consultancy and is a member of the Capral Aluminium Ltd, Ludowici Ltd and Bradken Ltd Boards

Resolution 2 (Item 4) : Re-election of Director

Mr Storm McGrath

Storm McGrath has been a business owner for 13 years. He has owned businesses in the printing and manufacturing areas. He joined the KMEC board in 1997 and the company in 2000 and currently holds the position of Director of Operations. He has a Diploma of Business Administration and is studying to complete his MBA.

Storm currently oversees the sale of franchises both internationally and domestically. He is also responsible for the development of new countries and markets. His main responsibility is the sale of master franchises globally.