SYNERGY
EQUITIES GROUP LIMITED

ABN 44 009 148 529

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Synergy Equities Group Limited ("SYNERGY" or "the Company") will be held at **2.00pm on Friday, 20 February 2004** at QV1, Level 2 Conference Centre Theatrette, 250 St George's Terrace, Perth Western Australia.

ELS039.2004

Agenda

1. Issue of Shares pursuant to the Share Purchase Plan

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes approval is given to allot and issue a further 50 million fully paid ordinary shares in the capital of the Company (in addition to the Shares issued pursuant to Resolution 8 passed at the Company's 2003 Annual General Meeting) at an issue price of 0.7 cents per Share pursuant to a Share Purchase Plan as summarised in the Explanatory Memorandum accompanying this Notice of Meeting."

2. Ratify Share placement of 22 October 2003

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

"That for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, shareholders ratify and approve the allotment and issue of 30,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 0.7 cents per Share on 22 October 2003."

Voting Exclusion Statement

Any votes cast on this resolution by a person who participated in the issue and any of their associates will be disregarded. However, the Company will not disregard a vote if:

- it is cast by an allottee 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 the direction of the proxy form to vote as the proxy decides.

By the Order of the Board

Mark H Popham *FCPA*
Company Secretary
Dated 19 January 2004

"Snapshot" Date

The Directors have determined that for the purposes of Regulation 7.11.37 of the Corporations Regulations, the persons eligible to vote at the meeting will be those persons who are registered as shareholders at 5.00pm WST on 18 February 2004. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Explanatory Statement

This Explanatory Statement has been prepared for the information of shareholders of Synergy Equities Group Limited in connection with the **Extraordinary General Meeting** of shareholders to be held at **2.00pm on Friday, 20 February 2004** at QV1, Level 2, Conference Centre Theatrette, 250 St George's Terrace, Perth Western Australia. This Explanatory Statement should be read in conjunction with the accompanying Notice of Extraordinary General Meeting.

Item 1 – Issue of Shares pursuant to the Share Purchase Plan

As at the date of this Explanatory Statement ASX Listing Rule 7.1 limits the number of equity securities which a listed company may issue without shareholder approval in any 12 month period (subject to certain exceptions) to 15%. Securities issued with shareholder approval are not included in the 15%.

On 24 October 2003, the Company offered shareholders the opportunity to purchase additional Shares pursuant to the Company's Share Purchase Plan. In the offer, the Company advised that it had targeted to issue up to 50,000,000 Shares pursuant to the Plan. Accordingly, the Company sought and obtained shareholder approval to issue 50,000,000 Shares at its Annual General Meeting held on 28 November 2003.

The Share Purchase Plan offer was an outstanding success. The Company has received applications for more than 100,000,000 Shares. The Company has already issued the 50,000,000 Shares approved at its Annual General Meeting. In the offer, the Company indicated that if it received acceptances for more than the 50,000,000 Shares it would consider using its placement capacity or seeking shareholder approval for the issue of additional Shares. The Company is now seeking shareholder approval to issue an additional 50,000,000 Shares. A pro-rata refund has been sent to the extent that acceptances exceeded 100,000,000 Shares.

The Company has been granted a waiver of ASX Listing Rule 7.3.8 to ensure that all shareholders may vote on the resolution.

For the purposes of ASX Listing Rule 7.3 the following information is provided:

(i) the maximum number of Shares the Company is to issue is 50,000,000;

(ii) Shares will be issued within 3 months after the date of shareholder approval or such longer period as may be granted by an ASX waiver;

(iii) the Shares will be issued for cash at a price of 0.7 cents each;

(iv) the Shares will be issued on a pro-rata basis to shareholders who have submitted a valid acceptance for the Company's Share Purchase Plan offer dated 24 October 2003;

(v) the Shares will be issued on the same terms as existing fully paid ordinary shares;

(vi) the funds raised from the issue will be used for general working capital purposes to further the commercialisation of the Company's suite of technology products; and

(vii) the Shares will all be allotted on the same date, as soon as practicable after shareholder approval.

Item 2 – Ratify Share placement of 22 October 2003

ASX Listing Rule 7.4 provides that an issue of securities made without shareholder approval is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if shareholders subsequently approve it. Accordingly, the Company is seeking shareholder approval for the issue of 30,000,000 shares at 0.7 cents per share on 22 October 2003 pursuant to a placement made pursuant to section 708 of the Corporations Act to raise $210,000. For the purposes of ASX Listing Rule 7.5, the following information is provided:

(i) the number of shares allotted and issued was 30,000,000 shares;

(ii) the issue price of the shares was 0.7 cents each;

(iii) the shares issued rank pari passu with existing fully paid ordinary shares;

(iv) the shares were allotted to the following allottees:

Charles Hop Pty Ltd	2,500,000
Doonside Boys Pty Ltd	2,500,000
Mr Gregory Giannopoulos	2,500,000
Mr Michael Frank Manford No 2 Account	5,000,000
McInerney Holdings Pty Ltd	5,000,000
Midbridge Investments Pty Ltd	2,500,000
Mr Athan Pangas	2,500,000
Rolyat Pty Ltd ATF The Taylor Superannuation Fund	2,500,000
Mr Leon George Sakaridis	2,500,000
Mr Christopher Taylor	2,500,000

(v) the funds raised by the issue are being used for working capital purposes to further the commercialisation of the Company's suite of technology products.

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the attached Proxy Form.

Information for Voting by Proxy

Each member entitled to attend and vote at the meeting may appoint not more than two proxies to attend and vote instead of such member.

Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion of the member's voting rights each proxy may exercise half of the member's voting rights.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation as required by its constitution or the hand of its attorney.

A proxy need not be a member of the Company. In the case of joint holders the proxy form may be signed by any one holder.

Should you wish to direct your proxy how to vote please indicate your direction in the appropriate box(es) on the proxy form otherwise your proxy will have a discretion to vote as he/she thinks fit.

To be effective a completed proxy form and the power of attorney (if any) under which the proxy form is signed (or a certified copy of the power of attorney) must be received at ***the Company's registered office at Level 1 Westcentre, 1260 Hay Street, West Perth WA Australia 6005, or by facsimile transmission to (+61 8) 9415 2221*** by 2.00pm WST on 18 February 2004.

Voting By Proxy - How to complete the Proxy Form

1. Your Name and Address Details

Please complete your name and address as it appears on the share register of Synergy Equities Group Limited. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your Shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your Proxy and vote on your behalf. A proxy need not be a shareholder of Synergy Equities Group Limited.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite the item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy will vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Synergy Equities Group Limited's share registry (Computershare Investor Services Pty Limited / (+61 8) 9323 2000) or you may copy this form, or download a copy from the Company's website located at **www.synergylimited.com.au.**

To appoint a second proxy you must:

(a) indicate that you wish to appoint a second proxy by marking the box;

(b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Shares applicable to that form; and

(c) return both forms together in the same envelope.

5. Authorised Signature/s

You must sign this form as follows in the spaces provided:

Joint Holding	in the case of joint holders the proxy form may be signed by any one holder.
Power of Attorney	if signed under a Power of Attorney you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
Companies	a Director can sign jointly with another Director or a Company Secretary, a sole Director who is also a sole Company Secretary can also sign. A sole Director of a corporation without a Company Secretary can sign, Pursuant to S204A of the Corporations Law. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting and a proxy form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Synergy Equities Group Limited share registry.

Lodgement of Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting. ***Documents may be lodged by posting, hand delivery or facsimile to Synergy Equities Group Limited*** or Computershare Investor Services Pty Limited at one of the following addresses:

Mailing Address
Synergy Equities Group Limited
Private Box 1288
West Perth Western Australia 6872
Australia

Facsimile (+61 8) 9415 2221

Registered Office
Synergy Equities Group Limited
Level 1
Westcentre
1260 Hay Street
West Perth Western Australia 6005
Australia

Facsimile (+61 8) 9415 2221

Computershare Investor Services Pty Limited
Level 2
45 St Georges Terrace
Perth Western Australia 6000
Australia

Facsimile (+61 8) 9323 2033

Proxy Form

All Correspondence to:
The Company Secretary
Synergy Equities Group Limited
Private Box 1288
West Perth Western Australia 6872
AUSTRALIA
Telephone (+61 8) 9415 2212
Facsimile (+61 8) 9415 2221
www.synergylimited.com.au

SYNERGY
EQUITIES GROUP LIMITED

ABN 44 009 148 529

1. I / We (please print):

Name ______________________________

Address ______________________________

____

Holder **I**dentification **N**umber (**HIN**) / Securityholder **R**eference **N**umber (**SRN**) ____________

2. Appointment of a Proxy
I/We being a member/s of Synergy Equities Group Limited hereby appoint

☐ **the Chairman of the meeting (mark with an 'X')** OR ☐

(Write here the name of the person you are appointing if this person/s is **someone other** than the Chairman of the Meeting).

or failing the person named, or if no person is named the Chairman of the Meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Synergy Equities Group Limited to be held at QV1, Level 2 Conference Centre at 250 St Georges Terrace, Perth Western Australia at **2.00pm on Friday, 20 February 2004** and at any adjournment of that meeting.

Please note

* The Chairman intends to vote all undirected proxies in favour of all resolutions. **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 (or other person you have appointed as a proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her other than as proxy holder will be disregarded because of that interest. ☐

3. Votes on Items of Business
(Voting directions to your proxy – please mark X to indicate your directions)

		For	Against	*Abstain
Item 1	Issue of Shares Pursuant to the Share Purchase Plan	☐	☐	☐
Item 2	Ratification of Share placement on 22 October 2003	☐	☐	☐

4. Appointment of a Second Proxy
I/We wish to appoint a second proxy

☐ **Mark with an 'X' if you wish to appoint a second proxy** and ☐ % or ☐ State the percentage of your voting rights or the number of Shares for this Proxy Form.

5. Authorised Signature/s
This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder 1	***Security Holder 2***	***Security Holder 3***
Individual / Sole Director and Sole Company Director	*Director*	*Director / Company Secretary*

Contact Name	Contact Daytime Telephone	Date