



NuSep Ltd
ABN 33 120 047 556

**NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT**

Annual General Meeting to be held at
NuSep's Corporate Headquarters
22 Rodborough Road, Frenchs Forest
Sydney, NSW, 2086
on Wednesday 21 November 2007
commencing at 10am



NuSep Ltd
ABN 33 120 047 556

16 October 2007

Dear shareholder,

I am pleased to invite you to attend the 2007 Annual General Meeting of NuSep Ltd to be held at the Company's corporate headquarters in Frenchs Forest on Wednesday 21 November 2007 at 10am. If you wish to vote but cannot attend the Annual General Meeting we have attached a proxy form to this notice of meeting for you to vote on the specified motions. I strongly encourage you to attend and look forward to meeting you.

Enclosed is the Notice of Annual General Meeting and associated documents, and for those shareholders who have specifically requested a hard copy of the Company's annual report for the financial year ended 30 June 2007 you will receive a copy separately in the mail. For all other shareholders, an electronic copy of the Company's annual report is available on the Company's website at www.nusep.com.

I look forward to reviewing our year with you and hope you can be present at the meeting. Your input is invited and greatly valued by the board and management team. Again, if you cannot attend the meeting personally, please complete the proxy form and return it in accordance with the instructions.

If you have any questions, please do not hesitate to contact the Company Secretary Mr Prakash Patel on (02) 8977 9000 during normal business hours.

We look forward to seeing you at our Annual General Meeting.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Nicholas Caré', written over a light blue horizontal line.

Nicholas Caré
Chairman



NuSep Ltd
ABN 33 120 047 556

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is given that the Annual General Meeting of shareholders of NuSep Ltd (“the Company”) will be held at 10am on Wednesday 21 November 2007 at the Company's corporate headquarters, 22 Rodborough Road, Frenchs Forest, Sydney, NSW, 2086.

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes in more detail the matters to be considered at the Annual General Meeting, and contains a glossary of defined terms.

BUSINESS

A. Financial report

To receive and consider the consolidated financial report of the Company and the reports of the directors and the auditors for the financial year ending 30 June 2007.

B. Resolutions

1. Remuneration report

To consider and, if thought fit, to pass the following resolution as a non-binding and advisory resolution, by way of ordinary resolution:

“That the remuneration report of the Company for the financial year ending 30 June 2007 is adopted.”

The vote on the adoption of the remuneration report resolution is advisory only and does not bind the directors or the Company.

2. Re- election of directors

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

“That Mr Nicholas Caré, who retires by rotation as a director in accordance with the constitution of the Company and, being eligible, be re-elected as a director of the Company.”

The board excluding Mr Nicholas Caré unanimously recommend that you vote in favour of this resolution.

“That Mr John Manus, who retires as a director in accordance with the constitution of the Company and, being eligible, be re-elected as a director of the Company.”

The board excluding Mr John Manus unanimously recommend that you vote in favour of this resolution.

3. Ratification of previous option issues

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the allotment and issue of 2,000,000 options to non-director employees and consultants of the Company, as set out in item 3 of the Explanatory Memorandum.”

The board unanimously recommends that you vote in favour of this resolution.

Voting by proxy

- (a) A shareholder who is entitled to attend and cast a vote at the Annual General Meeting may appoint a proxy.
- (b) A proxy need not be a shareholder.
- (c) A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. The following addresses and facsimile number are specified for the purpose of receipt of proxy appointments:

By hand:

NuSep Ltd
22 Rodborough Road,
Frenchs Forest, NSW 2086

By mail:

NuSep Ltd
PO Box 6126,
Frenchs Forest, NSW 2086

Facsimile: +61 (2) 8977 9099

- (d) To be effective, the instrument by which the proxy is appointed by a shareholder and, if the instrument is signed by the shareholder's attorney, the authority under which the instrument is signed or a certified copy of the authority, must be received by the Company at least 48 hours before the meeting.
- (e) For more information concerning the appointment of proxies and the addresses to which proxy forms may be sent, please refer to the reverse side of the proxy form.

Voting entitlement

In accordance with Corporations Regulation 7.11.37, the board has determined that for the purposes of the Annual General Meeting, securities will be taken to be held by the persons who are registered holders at 7 pm (Australian Eastern Standard Time) on Tuesday 20 November 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.



Voting exclusion statement

The Company will disregard votes cast on resolutions 3 by:

- any person who participated in the issue of the shares, and
- an associate of such a person.

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.

By order of the Board

A handwritten signature in black ink, appearing to read 'Prakash Patel', followed by a period.

Prakash Patel
Company Secretary
16 October 2007



NuSep Ltd
ABN 33 120 047 556

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders of the Company in understanding the business to be put to shareholders for their consideration at the Annual General Meeting to be held at 10am on Wednesday 21 November 2007 (**Meeting**).

A. Financial Report

The Corporations Act 2001 (Cth) requires the financial report of the Company, the directors' report and the auditor's report to be laid before the Meeting for consideration by shareholders of the Company.

Neither the Corporations Act 2001 (Cth) nor the Company's constitution requires shareholders to vote on these reports. However, during this item of business, the shareholders will be given a reasonable opportunity to ask questions about, or make comments on, those reports and the management of the Company.

The Company has prepared and will lay before the Meeting the annual accounts of the Company group (which comprise of NuSep Ltd and NuSep Inc). The Chairman of the Meeting will allow shareholders a reasonable opportunity as a whole to ask questions about or make comments on the management of the Company. The auditor of the Company, RSM Bird Cameron, will also attend the Meeting and shareholders will be provided with a reasonable opportunity as a whole to ask the auditors questions relevant to the conduct of the audit and the preparation and content of the auditor's report. Relevant questions may be submitted to RSM Bird Cameron using the form accompanying this Explanatory Memorandum; the form must be received by the Company no later than 14 November 2007. At the Meeting, RSM Bird Cameron's representative will be given the opportunity to answer, or table written answers to, relevant questions.

As detailed in the letter to sent to shareholders earlier this year and dated 8 August 2007, recent legislative changes means that shareholders can elect to receive the Company's annual report via a variant of means. Shareholders who opted to access the Company's annual report electronically will receive an email link to the electronic documents. Shareholders who took no action are advised that they can access an electronic copy of the Company's annual report online at www.nusep.com.

B. Resolutions

1. APPROVAL OF REMUNERATION REPORT

The Company's remuneration report for the financial year ending 30 June 2007 is set out on pages 15 to 19 of the Company's 2007 annual report, and forms part of the directors' report for that financial year. The Company's remuneration report contains information as required by section 300A of the Corporations Act 2001 (Cth), including:

- (a) discussion of the board's policy in relation to the nature and level of remuneration of directors, secretaries and senior managers of the Company and the group;
- (b) discussion of the relationship between the board's policy and the Company's performance;
- (c) details of the remuneration paid to each director of the Company and each named executive.

Approval process

In accordance with section 249L(2) of the Corporations Act 2001 (Cth), the resolution to approve the Company's remuneration report will be put to the Meeting.

The Chairman will give shareholders a reasonable opportunity to inquire and comment on the Company's remuneration report. The resolution that the Company's remuneration report be adopted will then be put to the vote.

The vote on this ordinary resolution will be advisory only and will not bind the directors or the Company, by virtue of section 250R(3) of the Corporations Act 2001 (Cth).

2. RE-ELECTION OF DIRECTORS

Both of these resolutions deal with the re-election of directors of the Company. In accordance with the Company's constitution, the Company must hold an election of directors every year. The directors of the Company who will retire at the Meeting are Mr Nicholas Caré and Mr John Manus. Both directors have indicated that they will offer themselves for re-election. Their profiles are set out below.

- (a) **Nicholas Caré Dip. Eng.**
Non-executive Chairman

Mr Nicholas Caré was appointed to the board in September 2006 and offers himself for re-election to the board.

Mr Nicholas Caré has 25 years experience in management, international trade and liaison between private, public and government enterprises. Mr Nicholas Caré is the CEO/Secretary General of the Italian Chamber of Commerce in Sydney, which is the largest chamber of commerce in the world. He is a committee member of the SBS Community Advisory Committee (CAC), board member of the Assocamerestero (worldwide Association of Italian Chambers of Commerce) where he represents, along with other representatives of the Italian Government, the CEO's of the 72 Chambers worldwide. Previously he held the position as President of the European Chambers in Australia. He was conferred the title of Cavaliere (a knighthood) in the Order of Merit of the Italian Republic in May 2007. Mr Caré is an engineer. Age 47.



The board excluding Mr Nicholas Caré unanimously recommend that you vote in favour of this resolution.

(b) John Manusu B.Com, F.Fin.

Managing Director, Chief Executive Officer

Mr John Manusu was appointed to the board in September 2006 as Managing Director and Chief Executive Officer and offers himself for re-election to the board.

Mr John Manusu has over 20 years experience running biotechnology companies. He has been involved with start-ups, turnarounds and mature organizations in the biotechnology space. Mr John Manusu has undertaken a number of significant acquisitions and divestures, as well as raising over \$100 million in public funding and \$10 million of peer reviewed government R&D grants. Mr John Manusu has a degree in Commerce and is a Fellow of the Financial Services Institute of Australasia. Mr John Manusu has worked in the biotechnology industry in Australia and the U.S. and is best described as a biotechnology entrepreneur. Age 48.

The board excluding Mr John Manusu unanimously recommend that you vote in favour of this resolution.

3. RATIFICATION OF PREVIOUS OPTION ISSUES

Shareholders are requested to ratify the allotment and issue of 2,000,000 unquoted options granted pursuant to the Company's Directors, Employee and Consultants Option Plan. Details of the options are detailed below.

- 400,000 of the \$0.50 options have been issued to The University of Newcastle for their work on the Sperm Sorter Project.
- 150,000 of the \$0.50 options have been issued to Prof. John Aitkin of The University of Newcastle for his work on the Sperm Sorter Project.
- 300,000 of the \$0.50 options have been issued to Ford Securities Pty Ltd as part of their underwriting fees for the IPO prospectus.
- 1,150,000 options have been issued to the non-director employees of the Company at varying exercise prices, ranging between \$0.50 to \$1.00 per option as detailed in the table below.

<i>Third party Options</i>	Expiry date	Vesting commencement date	Exercise price	Issued during the year
The University of Newcastle	1 November 2009	1 December 2006	\$0.50	400,000
Prof. John Aitkin	1 November 2009	1 December 2006	\$0.50	150,000
Ford Securities Pty Ltd	31 March 2008	20 December 2006	\$0.50	300,000

<i>Employee Options</i>	Expiry date	Vesting commencement date	Exercise price	Issued during the year
	1 November 2009	1 December 2006	\$0.50	300,000
	1 November 2010	1 December 2007	\$0.75	300,000
	1 November 2011	1 December 2008	\$1.00	300,000
	1 November 2009	1 October 2007	\$0.50	250,000
Total				1,150,000

The underlying ordinary shares that will be issued on the exercise of these options will rank equally with all other existing fully paid ordinary shares.

ASX Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's shareholders subsequently approve it.

The Company seeks from shareholders ratification of the grant of the share options so as to refresh the Company's ability to issue additional securities in the next 12 months within its 15% capacity under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.4 and in compliance with ASX Listing Rule 7.5, shareholders are advised as follows:

- (a) the total number of options previously granted pursuant to the third resolution was 2,000,000;
- (b) the options were granted for nil consideration;
- (c) the options were issued on the terms and conditions set in the Company's Directors, Employee and Consultants Option Plan; and
- (d) no funds will be raised from the grant of the options and any funds raised upon the exercise of the options will contribute to general working capital of the Company.

The board unanimously recommends that you vote in favour of this resolution.



GLOSSARY

“Corporations Act” means the Corporations Act 2001 (Cth).

“Director” means a director of the Company.

“Executive Director” means an executive director of the Company.

“Non-Executive Director” means a non-executive director of the Company.

“the Board” means the board of Directors of the Company.

“the Company” means NuSep Ltd (ACN 120 047 556).

“IPO Prospectus” means the prospectus lodged by the Company with ASIC on 14th December 2007.

“Shares” means fully paid ordinary shares in the capital of the Company”

“Shareholder” means a holder of Shares.



QUESTIONS FROM SHAREHOLDERS

The Annual General Meeting of NuSep Ltd will be held on Wednesday 21 November 2007. Shareholders are invited to register questions in advance of the meeting.

This form may also be used to submit written questions to the auditor of the Company if the question is 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 or the independence of the auditor in relation to the conduct of the audit.

If you wish to submit a written question, it must be received no later than five business days before the date of the meeting. Shareholders may also ask questions of the board of directors and the auditors at the meeting.

Please return this form to the Company Secretary at the Company's Registered Office, 22 Rodborough Road, Frenchs Forest, NSW 2086, or by facsimile on (02) 8977 9099.

We will endeavour to address as many of the frequently raised shareholder matter during the course of the Annual General Meeting as possible. However there may not be sufficient time available at the meeting to address all topics. Please note that individual responses will not be sent to shareholders.

Shareholder's name

Address.....

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Securityholder Reference Number (SRN) or Holder Identification Number (HIN)

Questions

Please tick the applicable box if your question is a question for the auditor of the Company

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