

NuSep Ltd
ACN 120 047 556

**Notice of Extraordinary General Meeting
to be held on 2 June 2009**

**Explanatory Memorandum
for the Notice of
Extraordinary General Meeting**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

**NOTICE OF THE EXTRAORDINARY GENERAL MEETING TO BE HELD AT
UNIT 3, 4 ENDEAVOUR ROAD TAREN POINT NSW 2229
AT 10.00AM ON 2 JUNE 2009**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE EXTRAORDINARY GENERAL MEETING
MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN 10.00AM
SYDNEY TIME ON 31 MAY 2009**

Table of Contents

Section A – Chairman’s Letter	2
Section B – Glossary	4
Section C – Notice of Extraordinary General Meeting	7
Section D – Explanatory Memorandum	10
Section E – Proxy Form	16

Section A – Chairman’s Letter

5 May 2009

Dear Shareholder,

NuSep Ltd (**NuSep** or **Company**) has convened an Extraordinary General Meeting of Shareholders to be held at Unit 3, 4 Endeavour Road, Taren Point NSW 2229 on 2 June 2009 at 10.00am (**Meeting**).

At the Meeting the Company wishes to obtain the approval of Shareholders for amendment to the dates that a return of capital (in the form of shares in NuSep’s wholly-owned subsidiary company, Prime BioSeparations Ltd (**Prime BioSeparations Shares**)) will be made to eligible NuSep Shareholders (**Return of Capital**). Shareholders previously approved the Return of Capital at the Extraordinary General Meeting of Shareholders which was held on 13 March 2009 (**13 March EGM**).

In addition, Shareholders will also be asked to consider:

- the grant of options (**Options**) to investors under the Company’s general share offer which was made under the Replacement Prospectus dated 6 May 2009 (**Replacement Prospectus**) and mailed to Shareholders on that date (**General Share Offer**);
- the election of Mr. Wilson Wong to the Company’s board as a non executive director; and
- the issue of 45,000 Options to Mr. Wilson Wong.

Return of Capital

As previously announced to Shareholders, the Board agreed, subject to Shareholder approval, to acquire 100% of the issued share capital of NxGen Pharmaceuticals Pty Ltd (**NxGen**) (**NxGen Acquisition**). Prior to the NxGen Acquisition, NuSep proposes to spin out all of its assets and liabilities other than the shares issued in NxGen and a proportion of cash raised under the General Share Offer (see below) into a new unlisted company, Prime BioSeparations (**Spin Out**).

In consideration for the Spin Out, NuSep will be issued with approximately 1.7 million Prime BioSeparations Shares and proposes to conduct a pro rata distribution of 100% of those shares to eligible NuSep Shareholders on or around 11 June 2009 (Return of Capital).

The Return of Capital was approved by Shareholders at the 13 March EGM with approval being given to distribute the Prime BioSeparations Shares to Shareholders recorded on the Company’s share register at 5.00pm on 6 April 2009 and for the distribution to take place on 7 April 2009.

Shareholder approval is being sought at the Extraordinary General Meeting to approve amendment to the dates on which the Return of Capital will occur. It is proposed that the Return of Capital will now occur on or around 11 June 2009 (rather than on 6 April 2009) and will apply to Shareholders recorded on the Company’s share register at 5.00pm on or around 10 June 2009 (rather than 6 April 2009). Further details of the Return of Capital are set out in section 2 of the Explanatory Memorandum to the Notice of Extraordinary General Meeting which accompanies this letter.

Grant of Options under the General Share Offer

The Board is proposing to raise up to \$5,075,000 under the General Share Offer pursuant to the Replacement Prospectus to fund:

- (a) the expenses of the General Share Offer;
- (b) part of the consideration payable for the NxGen Acquisition;

- (c) the repayment of liabilities that are to be transferred to Prime BioSeparations under the Spin Out including \$900,000 in loans from directors and former directors of NuSep and for working capital for Prime BioSeparations; and
- (d) NxGen's working capital and the expansion of its products into the US market which is expected to occur in the next 12 months.

As part of the General Share Offer, successful applicants for shares will receive one Option for every four shares applied for and issued under the General Share Offer. It is proposed that the Options will be granted to successful applicants on or around 2 June 2009.

Shareholder approval is also being sought at the Extraordinary General Meeting to grant these Options. Further details of the Options are set out in section 3 of the Explanatory Memorandum.

In addition to the above resolutions you are also being asked to appoint Mr. Wilson Wong as a non executive director of NuSep and to approve the issue of 45,000 Options to him under the Company's Director and Employee Option Plan.

We are very fortunate to have attracted Mr. Wong and I encourage you to review the overview of his CV in section 3 of the Explanatory Memorandum. Mr. Wong has had an extensive international business career with a focus on technology based companies. Mr. Wong would bring his 25 plus years of financial experience and contacts to the Board which will be invaluable as the Company has now entered a significant growth phase post the acquisition of NxGen.

Further information regarding the Spin Out and General Share Offer

Shareholders should refer to the Notice of Meeting that was dispatched to Shareholders on 13 February 2009 in relation to the 13 March EGM for further information regarding the Spin Out and the General Share Offer. Shareholders can also download this document from NuSep's website at www.nusep.com.

Notice of Extraordinary General Meeting and accompanying documents

This letter is accompanied by a Notice of Extraordinary General Meeting and an Explanatory Memorandum. The Notice of Extraordinary General Meeting sets out the resolutions that Shareholders are to consider. The Explanatory Memorandum explains in greater detail the background to the proposed resolutions.

I encourage you to read the enclosed Explanatory Memorandum in its entirety, and to attend the Extraordinary General Meeting and vote on the resolutions. A proxy form is enclosed at Section E to enable any Shareholder who is unable to attend the Extraordinary General Meeting to vote at the meeting.

The Directors support the resolutions contained in the Notice of Extraordinary General Meeting. We recommend that you vote in favour of all resolutions, full details of which are contained in the Notice of Extraordinary General Meeting.

Should you wish to discuss this Notice of Extraordinary General Meeting you can contact the Company Secretary, Mr. Prakash Patel on 02 8977 9000.

Once again, on behalf of the Board I would like to thank you for your continued support.

Yours faithfully,



John Manusu
Executive Chairman

Section B – Glossary

1. Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited ACN 008 624 691.

Board or **Board of Directors** means the Board of Directors of NuSep.

Bonus Shares means the 1.325 million bonus shares to be issued to Eligible Bonus Shareholders.

Business Day means a day which is not a Saturday, Sunday or public holiday in Sydney.

Chairman means the executive chairman of the Company, who is currently John Manus.

Company or **NuSep** means NuSep Ltd ACN 120 047 556.

Completion means completion of the NxGen Acquisition which is expected to occur on or around 11 June 2009.

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act or **Act** means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Director and Employee Option Plan means the employee Share Option plan of the Company.

Eligible Bonus Shareholder means a Shareholder who is recorded on the Company's share register at 5.00pm Sydney time on 22 June 2009.

Explanatory Memorandum means the explanatory memorandum set out in Section D of this document.

Extraordinary General Meeting means the extraordinary general meeting of the Company to be held on 2 June 2009 pursuant to the Notice of Meeting.

General Share Offer means the offer of up to 5.075 million Shares to Investors to raise up to \$5,075,000 under the Replacement Prospectus with preference given to existing Shareholders on a first come first served basis (i.e. Shareholders on the Company's share register at 5.00pm Sydney time on 6 May 2009). As part of the General Share Offer, successful applicants will receive one Option for every four Shares applied for and issued under the General Share Offer. Successful applicants will also receive a pro rata entitlement with all other Eligible Bonus Shareholders to 1.325 million Bonus Shares.

Investors means successful applicants of the General Share Offer.

Listing Rules means the official listing rules issued and enforced by the ASX as amended from time to time.

13 March EGM means the extraordinary general meeting that was held by the Company on 13 March 2009.

NxGen means NxGen Pharmaceuticals Pty Ltd ACN 127 297 143.

NxGen Acquisition means the acquisition by the Company of 100% of the issued share capital in NxGen.

NxGen Nominee Directors means each of Mr Daryll Knowles, Mr Michael John Tattersall, Dr Alan Henry Amodeo, Mr John Patrick Boyd and Dr James Stevens Rowe.

Notice of Meeting or **Notice** means the notice of Extraordinary General Meeting set out in Section C of this document.

Official List means the official list of entities that ASX has admitted and not removed.

Option means an option over a Share.

Prime BioSeparations means Prime BioSeparations Ltd ACN 134 281 977.

Prime BioSeparations Share means a fully paid ordinary share in the issued share capital of Prime BioSeparations.

Replacement Prospectus means the replacement prospectus relating to the General Share Offer dated 6 May 2009 which replaces the prospectus dated 11 March 2009.

Resolution means a resolution passed by the requisite majority of members of the Company on a show of hands or by the requisite majority of votes given on a poll.

Resolution 1 means the ordinary resolution set out in the Notice of Meeting to ratify the Return of Capital.

Resolution 2 means the ordinary resolution set out in the Notice of Meeting to approve the grant of up to 1.75 million Options to Investors under the General Share Offer.

Resolution 3 means the ordinary resolution set out in the Notice of Meeting to approve the election of Mr. Wilson Kim Ling Wong as a Director.

Resolution 4 means the ordinary resolution set out in the Notice of Meeting to approve the grant of up to 45,000 Options to Mr. Wilson Kim Ling Wong.

Return of Capital means the return of approximately 1.7 million Prime BioSeparations Shares to eligible Shareholders of the Company.

Return of Capital Effective Date means 11 June 2009, which is the new proposed date for the Return of Capital to Return of Capital Eligible Shareholders.

Return of Capital Eligible Shareholder means a Shareholder who is recorded on the Company's Share register at 5.00pm Sydney time on 10 June 2009.

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

Spin Out means the spin out of NuSep's assets and liabilities into a new entity, Prime BioSeparations, in consideration for the issue of approximately 1.7 million Prime BioSeparations Shares.

Shareholder means a holder of a Share.

2. Interpretation

For the purposes of interpreting the Explanatory Memorandum and the Notice of Meeting:

- (a) the singular includes the plural and vice versa;

- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all considerations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define, limit or affect the meaning or interpretation of the Chairman's Letter, the Explanatory Memorandum and the Notice of Extraordinary General Meeting;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors and substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to \$, A\$, Australian Dollars or dollars is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

Section C – Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Shareholders of NuSep Ltd ACN 120 047 556 will be held at Unit 3, 4 Endeavour Road, Taren Point NSW 2229 on 2 June 2009 at 10.00am.

Defined terms used in this Notice of Extraordinary General Meeting have the meanings given to them in the Glossary accompanying this Notice of Extraordinary General Meeting.

BUSINESS

1. Resolution 1: Ratification of Return of Capital

Shareholders are asked to consider, and if thought fit, to pass the following Resolution as an ordinary resolution:

"That Shareholders approve amendments to the dates on which the return of approximately 1.7 million Prime BioSeparations Shares to the Return of Capital Eligible Shareholders is to occur as more fully described in section 1 of the Explanatory Memorandum (Section D)."

2. Resolution 2: Approval of the grant of Options to Investors under the General Share Offer

Shareholders are asked to consider, and if thought fit, to pass the following Resolution as an ordinary resolution:

"That in accordance with Listing Rule 7.1, Shareholders approve the grant of up to 1.75 million Options to Investors under the General Share Offer on the terms more fully described in section 2 of the Explanatory Memorandum (Section D)."

Note that if you have applied for Shares in the General Share Offer or intend to participate in the General Share Offer you cannot vote on Resolution 2.

3. Resolution 3: Election of Mr. Wilson Kim Ling Wong as a Director

Shareholders are asked to consider, and if thought fit, to pass the following Resolution as an ordinary resolution:

"That subject to Completion of the NxGen Acquisition, and in accordance with article 64 of the Constitution, Mr. Wilson Wong be appointed as a Director of the Company on Completion of the NxGen Acquisition."

4. Resolution 4: Grant of Options to Mr. Wilson Kim Ling Wong

Shareholders are asked to consider, and if thought fit, to pass the following Resolution as an ordinary resolution:

"That subject to Completion of the NxGen Acquisition, and for the purposes of Listing Rule 10.14 and all other purposes, the Company be permitted to issue up to 45,000 Options to Mr. Wilson Wong as more fully described in section 4 of the Explanatory Memorandum (Section D)."

5. Voting exclusion statements

Resolution 2

If you have applied for Shares in the General Share Offer or intend to participate in the General Share Offer you are not permitted to vote on Resolution 2.

In accordance with the notice requirements of Listing Rule 7.3.8 for approval under Listing Rule 7.1 and Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 2 by:

- (a) a Shareholder who has participated or intends to participate in the General Share Offer (a **Participating Shareholder**);
- (b) any associate of a Participating Shareholder; and
- (c) a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder of the Company, if Resolution 2 is passed, and an associate of any such person.

Resolution 4

In accordance with the notice requirements of Listing Rule 10.15 for approval under Listing Rule 10.14 and Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 4 by Mr. Wilson Wong and his associates and by the Company's directors and their associates.

However, the Company will not disregard a vote on Resolution 2 and 4 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

6. Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the Extraordinary General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 5.00pm Sydney time on 29 May 2009, being the second Business Day prior to the date of the Extraordinary General Meeting.

7. Votes of members

On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a corporate representative at the Extraordinary General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative shall have one vote for each Share held by him, her or it provided that all Shares are fully paid.

8. Proxies

Please note that:

- (a) a member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Meeting;
- (c) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If a member appoints two

proxies, and the appointment does not specify the proportion of the member's voting rights, each proxy may exercise one-half of the voting rights;

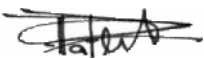
- (a) a proxy need not be a member of the Company;
- (b) if a member has or intends to participate in the General Share Offer their proxy cannot vote on Resolution 2;
- (c) a proxy form may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where the proxy form so provides, the proxy is not entitled to vote on the Resolution except as specified in the proxy form;
- (d) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the Extraordinary General Meeting, or any other procedural motion, unless the member gives a direction to the contrary;
- (e) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (f) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (g) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than **10.00am on 31 May 2009**:

by the Company:

- in person: NuSep Ltd
Unit 3, 4 Endeavour Road
Taren Point NSW 2229
- by mail: NuSep Ltd
PO Box 6126
Frenchs Forest NSW 2086
- by facsimile: + 61 2 8977 9099

A form of proxy accompanies this Notice of Meeting and is set out in Section E (Proxy Form)

By order of the Board



Prakash Patel
Company Secretary

Dated: 5 May 2009

Section D - Explanatory Memorandum

1. Introduction

This Explanatory Memorandum has been prepared to assist Shareholders of the Company in understanding the business to be put to Shareholders for their consideration at the forthcoming Extraordinary General Meeting on 2 June 2009.

All capitalised terms are defined in the Glossary in section B of this Explanatory Memorandum.

2. Approval of past Return of Capital

At the 13 March EGM, Shareholders approved the return of approximately 1.7 million Prime BioSeparations Shares to eligible Shareholders (i.e. the Return of Capital). Pursuant to that Shareholder resolution, the Return of Capital was to occur on 7 April 2009 and Shareholders that were on the Company's share register at 5.00pm on 6 April 2009 were to be entitled to participate in the Return of Capital.

It has always been the Company's intention that successful applicants of the General Share Offer would be eligible to participate in the Return of Capital.

Due to circumstances outside the Company's control, the Company has amended the timetable for the General Share Offer. The Company now intends to issue a Replacement Prospectus in relation to the General Share Offer and open the General Share Offer on or around 6 May 2009. The Company intends to close the General Share Offer on or around 22 May 2009 or such later date as the Board determines. This has meant that the timetable for some of the other corporate actions which were approved at the 13 March EGM must also be amended.

Accordingly, the Board has resolved to amend the record date for the Return of Capital so that it occurs at 5.00pm on 10 June 2009 rather than at 5.00pm on 6 April 2009 and the date for the distribution of the Prime BioSeparations Shares to Return of Capital Eligible Shareholders so that it occurs on 11 June 2009 (i.e. the Return of Capital Effective Date) rather than on 7 April 2009 to allow successful applicants under the new timetable for the General Share Offer to participate in the Return of Capital.

Shareholder approval is now being sought to approve amendments to the date upon which the Return of Capital to Eligible Shareholders will occur.

3. Approval of the grant of Options to Investors under the General Share Offer

As part of the General Share Offer, the Company proposes to grant one Option for every four Shares applied for and issued to successful applicants under the General Share Offer.

Under Listing Rule 7.1 the Company must not (subject to certain exceptions) issue or agree to issue securities where such an issue would cause the number of securities issued by the Company in the past 12 months to exceed 15% of its fully paid ordinary securities on issue 12 months before the date of the issue, without the prior approval of Shareholders in general meeting.

As the exercise of the Options to be granted under the General Share Offer would result in the Company issuing a number of equity securities that would exceed 15% of the Company's existing issued Share capital, Shareholder approval is required for the grant of the Options under Listing Rule 7.1.

Accordingly, Resolution 2 seeks Shareholder approval of the grant of up to 1.75 million Options pursuant to Listing Rule 7.1.

Pursuant to Listing Rule 7.3, the following information is provided in support of the proposed approval:

Number of securities granted:	A maximum of 1,750,000 Options
Date of grant:	The Options will be granted on 2 June 2009 (or in any event within 3 months of the date of the Extraordinary General Meeting)
Issue Price:	Nil
Terms of Securities:	The terms of the Options are: • each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option and payment of the exercise price; • the exercise price of each Options is \$1.40; • the exercise period of the Options will commence on the day the Company grants the Options and will expire at 5.00pm (Sydney time) on 31 March 2011; • an Option will be exercisable by giving a notice of exercise to the Company and paying the exercise price for the Option; • subject to the Company's constitution, each Share issued pursuant to the exercise of an Option will rank equally in all respects with other issued Shares; • an Option will not confer an entitlement to participate in any new issue of securities to Shareholders without exercising the Option; • the Company will apply to ASX for official quotation of the Options; • the Options will be freely transferable; • the Company will apply to the ASX for official quotation of Shares issued upon exercise of the Options within the time period required by the Listing Rules; • any Option not exercised before the end of the exercise period will lapse at the end of the exercise period; • in the event of a reorganisation of the capital of the Company, the rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; • if the Company offers Shares by way of a pro-rata issue (except a bonus issue) to Shareholders, the exercise price of an Option will be reduced in accordance with the formula set

out in Listing Rule 6.22.2; and

- if there is a bonus issue to Shareholders, the number of Shares over which each Option is exercisable will be increased by the number of Shares which the holder of the Option would have received under the bonus issue if the Option had been exercised before the record date for the bonus issue.

Persons to whom securities will be issued:

Investors

The use of the funds raised:

The funds raised by the General Share Offer will be used to fund:

- the expenses of the General Share Offer;
- part of the consideration for the NxGen Acquisition;
- the repayment of liabilities that are to be transferred to Prime BioSeparations under the Spin Out including \$900,000 in loans from Directors and former directors of NuSep and for working capital for Prime BioSeparations; and
- NxGen's working capital and expansion of its products into the US market.

Allotment date:

The date of allotment of the Options is 2 June 2009

Voting exclusion statement:

Yes.

4. Resolution 3 – Election of Mr. Wilson Kim Ling Wong as a Director

Resolution 3 relates to the election of Mr. Wilson Wong as a Director of the Company. Mr. Wong is currently a non executive director of NxGen.

Mr. Wong graduated with a Bachelor of Commerce from the University of New South Wales in 1980, becoming a Chartered Accountant in 1983 whilst working for Deloitte.

Mr. Wong is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Taxation Institute of Australia and a member of the Australian Institute of Company Directors.

Mr. Wong has 29 years experience in accounting and finance including 19 years as the principal of a highly successful accountancy and management consultancy firm based in Sydney and Hong Kong.

Mr. Wong has been involved in a wide spectrum of industries including property, banking and finance, health, hospitality and investment companies. Mr. Wong also has extensive local and international business experience advising on and consummating a number of cross border acquisitions.

Mr Wong has broad commercial experience and has built an extensive network in the Asia Pacific region, including China. Currently, Mr. Wong holds directorships in the following

companies: Bennelong Partners Pty Limited, Bennelong BPO Group Pty Limited and Bennelong Wealth Management Pty Limited.

5. Resolutions 4 – Grant of Options to Mr. Wilson Kim Ling Wong

Listing Rule 10.14 prohibits the granting of equity securities (which includes Options) to Directors unless the approval of Shareholders has been obtained.

Accordingly, Resolution 4 proposes the issue of up to 45,000 Options to Mr. Wilson Wong for nil consideration under the Company's Director and Employee Option Plan, subject to the approval of Shareholders. The grant of the Options is also subject to Completion of the NxGen Acquisition.

The Options are proposed to be granted to Mr. Wilson Wong in three tranches in accordance with the following terms:

Tranche 1

Vesting date:	1 March 2010
Expiry date:	1 March 2014
Exercise price:	\$1.40 per Option to acquire one Share in the Company
Exercise period:	Options may be exercised any time after the vesting date up to expiry
Listing:	The Company does not intend to seek listing of the Options
Date of Issue:	If approved, the Company will seek to issue the Options within one month of the Extraordinary General Meeting

Tranche 2

Vesting date:	1 March 2011
Expiry date:	1 March 2014
Exercise price:	\$1.80 per Option to acquire one Share in the Company
Exercise period:	Options may be exercised any time after the vesting date up to expiry
Listing:	The Company does not intend to seek listing of the Options
Date of Issue:	If approved, the Company will seek to issue the Options within one month of the Extraordinary General Meeting

Tranche 3

Vesting date:	1 March 2012
Expiry date:	1 March 2014
Exercise price:	\$2.20 per Option to acquire one Share in the Company
Exercise period:	Options may be exercised any time after the vesting date up to expiry
Listing:	The Company does not intend to seek listing of the Options

Date of Issue: If approved, the Company will seek to issue the Options within one month of the Meeting

The Director and Employee Option Plan is designed to provide an incentive to participants.

Under Exception 4 of ASX Listing Rule 10.12, an issue of securities under an employee incentive scheme is an exception to Listing Rule 10.11 (which contains the restrictions relating to issues to related parties such as Directors).

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Mr Wilson Wong and Resolution 4:

Maximum number of securities to be acquired:	A maximum number of 45,000 Options to be granted to Mr. Wilson Wong
Issue price:	The Options will be granted at no cost under the Director and Employee Option Plan
Past issues under the Director & Employee Share Option Plan:	Not applicable. However, at the 13 March 2009 EGM Shareholders approved the grant of Options subject to Completion of the NxGen Acquisition to the NxGen Nominee Directors in the following proportions: • 1,000,000 Options to Mr Daryll Knowles; • 900,000 Options to Mr Michael Tattersall; • 900,000 Options to Dr Alan Amodeo; • 900,000 Options to Mr John Boyd; and • 900,000 Options to Dr James Rowe. Accordingly, these Options will be granted following Completion of the NxGen Acquisition.
Persons entitled to participate in the Director and Employee Option Plan:	All of the Directors of the Company which include each of Mr J Manus, Dr H Nair and Mr I Howard-Sorrell (with the approval of Shareholders), executives and employees approved by the Board. At the 13 March 2009 EGM Shareholders approved the appointment of the NxGen Nominee Directors to the Board on Completion of the NxGen Acquisition. Accordingly, if the NxGen Nominee Directors are appointed to the Board they will also be entitled to participate in the Director and Employee Option Plan. The NxGen Nominee Directors are Mr D Knowles, Mr M Tattersall, Dr A Amodeo, Mr J Boyd and Dr J Rowe.
Loan in relation to Options:	There is no loan in relation to the acquisition of the Shares upon exercise of the Options

Date of issue:	The Company expects to issue the Options within 1 month of the date of the Meeting however confirms that they will be issued within 12 months of the Meeting
Voting exclusion statement:	Yes

Shareholder approval is not required under ASX Listing Rule 7.1 for the issue of the Options, in accordance with ASX Listing Rule 7.2, Exception 9.

The Directors recommend that Shareholders vote in favour of Resolution 4.

6. Further information about the Spin Out and General Share Offer

Shareholders should refer to the Notice of Meeting for the 13 March 2009 EGM that was despatched to Shareholders on 13 February 2009 for further information regarding the Spin Out and the General Share Offer.

7. Dates

The dates in the Notice of Meeting and this Explanatory Memorandum are indicative only. The Company reserves the right to amend the dates without prior notice subject to the requirements of the Corporations Act and the Listing Rules.

Appointment of Proxy

If appointing a proxy to attend the Extraordinary General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse of the page.

I/We being a shareholder/shareholders of **NuSep Ltd** pursuant to my/our right to appoint not more than two proxies, appoint

☐

The Chairman of the Meeting
(mark with an "X")

OR

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

or failing him/her

Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting to be held at **Unit 3, 4 Endeavour Road, Taren Point NSW on 2 June 2009 at 10:00 am** and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary shares I/we hold.

☐

If you do not wish to direct your proxy how to vote, please place a mark in the box. If you have appointed the Chair of the meeting to exercise your proxy, by marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of a particular resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chair intends to vote 100% of all open proxies in favour of the resolution.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Note in relation to Resolution 2: If you have participated or intend to participate in the Company's offer under the Replacement Prospectus for the General Share Offer, you and your proxy must abstain from voting on Resolution 2.

Voting directions to your proxy – mark ☐ or ☒ to indicate your directions

RESOLUTION	For	Against	Abstain
1. Return of Capital	☐	☐	☐
2. Grant of Options (If you have participated or intend to participate in the Company's offer under the Replacement Prospectus for the General Share Offer, you and your proxy must abstain from voting on this Resolution)	☐	☐	☐
3. Election of Mr. Wilson Wong as a Director	☐	☐	☐
4. Grant of Options to Mr. Wilson Wong	☐	☐	☐

If you mark the "Abstain" box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions below to enable your directions to be implemented.
Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director / Company Secretary

Joint Shareholder 3

Director

Dated this _____

day of _____

2009

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of the Company. Please note, you cannot change ownership of your securities using this form.
2. 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.
3. 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.
4. A proxy need not be a shareholder of the Company.
5. 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.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Extraordinary General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. Signing Instructions

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

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, all of the shareholders should sign.
Power of Attorney:	If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
Companies:	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than **10.00 am on 31 May 2009** (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Postal address:
NuSep Ltd
PO Box 6126
Frenchs Forest, NSW 2086

In person at:
NuSep Ltd
Unit 3, 4 Endeavour Road
Taren Point, NSW 2229

Fax number: (02) 8977 9099