FOR IMMEDIATE RELEASE

NuSep to Fund BioInquire Acquisition & IVF SpermSep

SYDNEY, AUSTRALIA – 17th March 2010 – NuSep (ASX: NSP) is pleased to advise the market that it has agreed to raise up to $5m to fund the acquisition of BioInquire and complete the commercialisation of the IVF SpermSep Instrument.

This capital raising is underwritten to $3m including $1m by Directors. The Company will undertake this capital raising via a 1:2 pro rata rights issue at 20c per share with a free 1:3 share option exercisable at 35 cents.

NuSep will seek shareholder approval for this and a number of other matters including the conversion of Director Loans at an extraordinary general meeting to be held on Wednesday 14 April 2010.

BioInquire

BioInquire was purchased effectively on 18 February 2010 and is forecast to contribute $500,000 profit this financial year and US$1.2m in the full year to 31 December 2010. US$1.5 (A$1.65m) of the funds raised will be used to acquire the BioInquire business. A final payment based on 3 times their net profit for the 12 months ended 31 March 2011, less the US$1.5m, will be made in September 2011.

SpermSep

Patents have recently been granted in both Australian and Europe for the IVF SpermSep. A revised innovative design has been completed and the final production unit will undergo clinical trials before commercialisation later this year. $1m of the funds raised will be used to undertake this clinical trial and the associated commercialisation.

Oversubscriptions

As this is a pro rata rights issue and NuSep has some 1,100 shareholders with less than 250 shares the Company has provided a $10,000 oversubscription facility to allow these shareholders to top up their holding. This part of the fund raising is not underwritten.

Books Close Date

The books close date for entitlements to the pro rata rights issue will be 7th April 2010.

A copy of the Notice of Meeting is attached to this release.

About NuSep

NuSep (ASX: NSP) is a publicly listed life sciences company that sells products into the global BioSeparations market. NuSep recently acquired BioInquire which developed the ProteoIQ software enabling NuSep to offer a total Proteomics solution from ***Fraction to Function***. The company has offices in both Sydney Australia and Atlanta, USA.

With a 30 year heritage in biological separations, NuSep has forged a world class reputation for its innovative yet simple biological separation techniques including the world's first IVF sperm separation device. In short NuSep has redefined the BioSeparations market through innovation and simplification.

NuSep's world renowned research team has developed an extensive portfolio of patented products. In all, NuSep currently manufactures, distributes and sells 55 products to customers in the USA, Europe, Asia and Australia.

NuSep Products:

- **Gels** – NuSep manufactures and sells precast gels including the innovative ηUView Gels, which can be visualised 2 minutes after use.
- **Separation Instruments** – NuSep has developed two unique biological separation instruments. The ProteomeSep was released in 2009 and can separate biological samples into 8 fractions for use in the proteomic market. The SpermSep separates sperm for fertility treatments such as IVF and is expected to undergoing clinical trials later this year.
- **Proteomics Software** – NuSep offers the unique ProteoIQ software for the analysis of complex mass spec samples. This software is also designed to identify bio markers.
- **Biological Products** – NuSep supplies research grade biological products manufactured using its unique separation technologies.

For more information about NuSep please visit the company's website www.NuSep.com

Contact:
Prakash Patel
Chief Financial Officer & Company Secretary
+61 2 8197 3377
prakash.patel@nusep.com

NuSep Ltd

ABN 33 120 047 556

NOTICE OF GENERAL MEETING
AND EXPLANATORY STATEMENT

General Meeting to be held at
Level 18
133 Castlereagh Street
Sydney, NSW 2066
on Wednesday 14 April 2010
commencing at 10.00 am

15 March 2010

Dear Shareholder,

I am pleased to invite you to attend the General Meeting (General Meeting) of NuSep Ltd to be held at Bartier Perry offices at Level 18, 133 Castlereagh St Sydney on Wednesday 14 April 2010 at 10.00 am. We attach a proxy form for those shareholders who cannot attend the General Meeting to vote on the specified motions. Enclosed is the Notice of General Meeting and associated documents.

I look forward to reporting on the results for the first 6 months of this year, the acquisition of BioInquire and updating shareholders on the next 12 months at the General Meeting. Your input is invited and greatly valued by the Board and Management team.

As you may have guessed, we have been incredibly busy over the last few months transforming the Company into a profitable organisation and undertaking the acquisition of BioInquire. This is a formative period for the Company as shown by the number and breadth of resolutions to be considered at this General Meeting. As part of this transition, the Board is also seeking shareholder approval to amend the constitution of the Company to include a rule that protects shareholders against an opportunistic partial acquisition of NuSep Ltd at the current low share price.

If you have any questions, please do not hesitate to contact the Company Secretary on (02) 8197 3377.

I look forward to seeing you at the General Meeting.

Yours sincerely

John Manusu
Executive Chairman

NuSep Ltd

ABN 33 120 047 556

NOTICE OF GENERAL MEETING

NOTICE is given that the General Meeting of shareholders of NuSep Ltd (“the **Company**”) will be held at 10.00 am on Wednesday 14 April 2010 at Bartier Perry Solicitors, Level 18, 133 Castlereagh Street, Sydney NSW 2000

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

BUSINESS

1. Ratification of previous issue of shares to various investors

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

“That, for the purposes of ASX Listing Rule 7.4, the shareholders of the Company approve the previous issue of 3,135,000 ordinary shares in the Company on 11 December 2009 as set out in item 1 of the Explanatory Memorandum.”

2. Approval of Capital Raising

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

"That the Directors resolution to raise capital of up to $5 million by way of a non renounceable rights issue be ratified and that the Directors be authorised to undertake the non renounceable rights issue on terms and conditions approved by the Directors.

3. Approval for issue of ordinary shares to the Directors pursuant to the Underwriting Agreement

If Resolution 2 is approved then to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 5,000,000 ordinary shares and 1,666,666 bonus listed share options (exercisable at a price of 35 cents per bonus listed share option) to the Directors of the Company pursuant to the Underwriting Agreement on the terms and conditions set out in item 3 of the Explanatory Memorandum.”

4. Approval of Director & Executive Share Options – John Manusu

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

“That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 500,000 Share Options to the Executive Chairman John Manusu on the terms summarised in the Explanatory Notes accompanying this notice of meeting, and subject to the exercise of those Share Options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him.”

5. Approval of Director & Executive Share Options – Dr Hari Nair

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

"That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 500,000 Share Options to the Managing Director Dr Hari Nair on the terms summarised in the Explanatory Notes accompanying this notice of meeting, and subject to the exercise of those Share Options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him."

6. Approval of Director & Executive Share Options – Iain Sorrell

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

"That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 250,000 Share Options to the non Executive Director Iain Sorrell on the terms summarised in the Explanatory Notes accompanying this notice of meeting, and subject to the exercise of those Share Options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him."

7. Approval of Director & Executive Share Options – William Spee

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

"That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 250,000 Share Options to the non Executive Director William Spee on the terms summarised in the Explanatory Notes accompanying this notice of meeting, and subject to the exercise of those Share Options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him."

8. Issue of Shares to John Manusu in lieu of loan repayment

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

"That the Company approve for all purposes, including ASX Listing Rule 7.1, ASX Listing Rule 10,11 and section 208 of the Corporations Act, the issue of up to 1,348,308 fully paid ordinary shares and 449,436 bonus listed share options exercisable at $0.35 per share option to John Manusu**.** The issue of the shares in the Company will occur no later than 1 month, or such later date to the extent permitted by an ASX waiver of the Listing Rules from the date of the General Meeting".

9. Issue of Shares to Dr Hari Nair in lieu of loan repayment

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

"That the Company approve for all purposes, including ASX Listing Rule 7.1, ASX Listing Rule 10,11 and section 208 of the Corporations Act, the issue of up to 909,480 fully paid ordinary shares and 303,160 bonus listed share options exercisable at $0.35 per share option to Dr Hari Nair**.** The issue of the shares in the Company will occur no later than 1 month, or such later date to the extent permitted by an ASX waiver of the Listing Rules from the date of the General Meeting".

10. Issue of Shares to Iain Sorrell in lieu of loan repayment

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

"That the Company approve for all purposes, including ASX Listing Rule 7.1, ASX Listing Rule 10,11 and section 208 of the Corporations Act, the issue of up to 737,150 fully paid ordinary shares and 245,717 bonus listed share options exercisable at $0.35 per share option to Iain Sorrell. The issue of the shares in the Company will occur no later than 1 month, or such later date to the extent permitted by an ASX waiver of the Listing Rules from the date of the General Meeting".

11. Issue of Shares to William Spee in lieu of loan repayment

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

"That the Company approve for all purposes, including ASX Listing Rule 7.1, ASX Listing Rule 10.11 and section 208 of the Corporations Act, the issue of 893,100 fully paid ordinary shares and 297,700 bonus listed share options exercisable at $0.35 per share option to William Spee. The issue of the shares in the Company will occur no later than 1 month, or such later date to the extent permitted by an ASX waiver of the Listing Rules from the date of the General Meeting".

Special business

12. Change of Company name to NuSep Holdings Ltd

To consider and, if thought fit, to pass the following as a special resolution:

"That the name of the Company be changed from NuSep Limited to NuSep Holdings Ltd."

An explanation for this name change is set out below in the Explanatory Memorandum"

13. Add a Partial Takeover provision to the Company's Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution.

"That the Constitution of the Company be amended to incorporate new Rule 111 as follows:

"PROPORTIONAL TAKEOVER BIDS

111 Approval of Proportional Takeover Bids

a) If offers are made under a proportional takeover bid for securities of the Company:

(i) the registration of a transfer giving effect to a takeover contract resulting from the bid is prohibited unless and until a resolution (an 'Approving Resolution') to approve the bid is passed in accordance with this Rule;

(ii) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote on an Approving Resolution;

(iii) a bidder or an associate of the bidder is not entitled to vote on an Approving Resolution;

(iv) an Approving Resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution; and

(v) an Approving Resolution that has been voted on in accordance with this Rule is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

b) If a resolution to approve a bid is voted on, in accordance with this Rule before the approving resolution deadline in relation to the bid, the Company must, on or before the approving resolution deadline give:

(i) the bidder; and

(ii) each notifiable securities exchange in relation to the Company,

a notice in writing stating that a resolution to approve the bid has been voted on and that the resolution has been passed, or has been rejected, as the case requires.

c) Where, at the end of the day before the approving resolution deadline in relation to a proportional takeover bid under which offers 'nave been made, no resolution to approve the bid has been voted on in accordance with this Rule, a resolution to approve the bid is to be, for the purposes of this Rule, deemed to have been passed in accordance with this Rule.

d) Where a resolution to approve a proportional takeover bid under which offers have been made is voted on in accordance with this Rule, before the approving resolution deadline in relation to the bid and is rejected, then:

(i) despite section 652A of the Law, all offers under the bid that have not, as at the end of the approving resolution deadline, been accepted, and all offers (in this Rule referred to as the "accepted offers") under the bid that have been accepted, and from whose acceptance binding contracts have not, at the end of the approving resolution deadline, resulted, are taken to be withdrawn at the end of the approving resolution deadline,

(ii) as soon as practicable after the end of the approving resolution deadline, the bidder must return to each person who has accepted any of the accepted offers any documents that the person sent the bidder with the acceptance of the offer,

(iii) the bidder is entitled to rescind, and must rescind as soon as practicable after the end of the approving resolution deadline, each binding takeover contract for the bid, and

(iv) a person who has accepted an offer made under the bid is entitled to rescind their takeover contract.

e) This Rule ceases to apply on the third anniversary of the later of the date of adoption or last renewal of this Rule."

A description of rule 111 and further information relating to this resolution is included in the Explanatory Notes.

Voting by proxy

a) A shareholder who is entitled to attend and cast a vote at the 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:	*By mail:*
NuSep Ltd	NuSep Ltd
324 Burns Bay Road	PO Box 823,
Lane Cove, NSW 2066	Lane Cove, NSW 1595

Facsimile: +61 (2) 9427 8614

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 General Meeting, securities will be taken to be held by the persons who are registered holders at 5 pm (Australian Eastern Standard Time) on Monday 12 April 2010. 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 1 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.

The Company will disregard any votes cast on Resolutions 3 - 7 by:

- All Director participating in these resolutions; and
- an associate of all of those Directors.

The Company will disregard any votes cast on Resolutions 8 - 11 by:

- The relevant Director participating in these resolutions; and
- an associate of any of those Directors.

However, the Company 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.

By order of the Board

Prakash Patel
Company Secretary

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 General Meeting to be held at 10am on Wednesday 14 April 2010 (**Meeting**).

1. RESOLUTION 1 - RATIFICATION OF PREVIOUS ISSUE OF SHARES TO VARIOUS INVESTORS

Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any 12 month period any equity securities or other securities with rights to conversion to equity (such as an option) if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides, in summary, that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if:

(a) the issue did not breach Listing Rule 7.1; and

(b) holders of ordinary securities subsequently approve the issue.

In accordance with Listing Rule 7.5, the Company advised that it issued 2,821,500 Shares at an issue price of $0.30 per Share and 313,500 free bonus shares (ranking equally with existing Shares) as a placement on 11 December 2009. The shares were issued to the parties noted in the table below. The shares issued were fully paid ordinary shares issued on the same terms as the existing ordinary shares in the Company.

The issue of the shares did not breach Listing Rule 7.1. The Directors are seeking ratification by the Shareholders of these issues under Listing Rule 7.4. Funds raised were used to augment the Company's working capital.

Ratification of this issue will allow the Company to issue further securities in the future up to the 15% threshold without the need to obtain shareholder approval.

Allottee	**Number of shares**
Dalsix Pty Ltd	183,334
Mr Andrew Doyle	183,334
Mr Andrew Goodall	550,000
Laodale Pty Ltd	136,751
Diskdew Pty Ltd	242,000
Mr Johanes Spee	183,334
Gaston Renard Pty Ltd	220,000
Hammond Royce Corporation Pty Ltd	128,334
Frere & Associates Pty Ltd	91,666

Lucky Stone Pty Ltd	1,10,000
Mr Ernest Alfred Goodall & Ms Marjorie Anne Goodall	550,000
Mr Raoul Renard & Mrs Flugene Renard	11,000
Bactence Pty Ltd	136,751
Mr Atul Chandra Nayak	183,334
Mr Warren John Goodall	183,334
Mr James Milton Desear	20,914
Dr Walter W Frederick	20,914
Total	**3,135,000**

Recommendation: All directors recommend that shareholders vote in favour of this resolution.

2. RESOLUTION 2 – APPROVAL OF CAPITAL RAISING

The Company is proposing to conduct a capital raising of up to $5 million. This capital raising will be conducted by way of a non renounceable rights issue.

Strictly speaking the Board is not required to seek shareholder approval to undertake a pro rata rights issue. While this is true at law the NuSep Board believes that seeking shareholder ratification of its determination to raise capital by way of a non renounceable rights issue is appropriate as a measure of its desire to achieve the highest level of Good Corporate Governance.

An outline of the terms on which the non renounceable rights issue will proceed are set out below.

The rights issue will be non renounceable which means that shareholders will not be able to transfer their entitlement under the rights issue to any third party (subject to the Listing Rules and the Corporations Act).

Under the non renounceable rights issue, shareholders will be offered one fully paid ordinary share in the Company (**New Shares**) for every two existing shares held as at record date at an issue price of 20 cents per New Share (representing a discount of approximately 12.5% from the market price as at 12 March 2010, being 22.5 cents per share) with one free attaching bonus listed share option for every three New Share subscribed for (at an exercise price of 35 cents per share on or before 1 September 2012).

Shareholders will be able to apply for New Shares over and above their entitlement under the rights issue if there is any shortfall under the rights issue. The Board reserves the right to allot any shortfall under the rights issue to the eligible shareholders before the Underwriters so that the eligible shareholders can maximise their holding in the Company.

It is proposed that the rights issue be underwritten to the first $3 million subscribed as this is the minimum amount that the Company is seeking to raise.

As a vote of their confidence in this Rights issue, the Directors of NuSep have agreed to underwrite $1 million. This underwriting commitment is subject to shareholder approval (see Resolution 3).

The remaining $2 million of the underwriting commitment has been taken up by third parties in accordance with the terms of an underwriting agreement.

The maximum number of ordinary shares to be issued, including the subscription pursuant to the rights issue, is 25,000,000 with a further 8,333,333 bonus listed share options. If the full $5 million is raised, the maximum number of ordinary shares on issue will increase from 24,659,198 to 49,659,198. As this is a pro rata rights issue this will not dilute any shareholder who takes up their rights entitlement. Any shareholder who does not take up their entitlement will be diluted by 49.6%. If all the bonus listed share options are exercised, the Company will raise an additional $2.9 million and the maximum number of shares on issue will increase to 57,992,531. If all of these share options are exercised those shareholders who do not participate in the rights issue will be diluted a further 16.8%.

The following information is provided to help shareholders assess this resolution.

Maximum number of securities the entity is to issue:	25,000,000 ordinary shares 8,333,333 bonus listed share options exercisable at 35 cents before 1 September 2012.
Date of Issue:	The issue of the ordinary shares and bonus listed share options will occur no later than 3 months after the date of this meeting.
Issue Price:	The issue price of the New Shares is 20 cents each (representing a discount of approximately 12.5% from the market price as at 12 March 2010, being 22.5 cents per share). The Bonus listed share options will be issued for nil consideration.
Exercise Price per Bonus Listed Share Option	35 cents per bonus listed share option
Basis on which investors will be identified or selected:	The rights issue will be made to Shareholders on a basis of one New Share for every two existing shares held. The bonus share options will be issued on the basis of one bonus listed share option for every three New Shares subscribed for under the rights issue.
Terms of securities:	Fully paid ordinary shares which on issue will rank pari passu with the existing ordinary shares. If exercised, each bonus listed share option will convert into one ordinary fully paid share that will rank pari passu with the existing ordinary shares.

Intended use of the funds raised:	The funds raised will be used to: 1. Pay for the initial US$1.5million BioInquire acquisition cost; 2. Provide working capital for the Company. This working capital will be used to among other things: i. Complete the development and achieve initial sales of the IVF SpermSep; and ii. Expand sales and marketing of NuSep's products, particularly in the US
Quotation:	The Company will apply to ASX for admission of the New Shares and bonus listed share options to official quotation within 5 days of the date of the offer document being issued to shareholders.
Date of Allotment:	It is proposed that if the rights issue is approved, the allotment will take place within three months of the meeting date.

A prospectus relating to the offer will be lodged with ASIC shortly before the meeting. The Company expects to be able to dispatch the prospectus and the entitlement and acceptance form in relation to the rights issue to eligible shareholders shortly after lodgement**.**

Recommendation: All directors recommend that shareholders vote in favour of this resolution.

3. RESOLUTION 3 – APPROVAL FOR THE ISSUE OF ORDINARY SHARES AND SHARE OPTIONS TO THE DIRECTORS PURSUANT TO THE UNDERWRITING AGREEMENT

This resolution is will only be put to shareholders to vote on if Resolution 2 is approved.

The Directors are not obliged to seek shareholder approval for this underwriting agreement, but have chosen to obtain shareholder approval because of their commitment to Good Corporate Governance. ASX Listing Rule 10.12 provides an exemption for Directors to underwrite pro rata rights issues such as the NuSep pro rata rights issue.

The Company has entered into an underwriting agreement with the Directors and other third parties to underwrite the first $3 million of the non renounceable rights issue. The Directors have agreed to underwrite $1 million of the $3 million underwriting agreement as a sign of their commitment and support of the Company.

If the first $3 million of the rights issue is not subscribed for, the underwriters, including the Directors, will subscribe for the shortfall. The Directors may therefore subscribe for, and be issued up to, 5,000,000 ordinary shares and 1,666,666 bonus listed share options.

If no shareholders take up the Rights Issue then the underwriters will be required to subscribe for the full $3 million of the underwriting commitment. In this case the Directors as a group would hold 19.7% of the expanded issued capital. See the table below:

	Current Shareholding[1]	Underwriting commitment	Underwriting Shares	Total new Shareholding	% of Expanded Capital
John Manusu	1,551,814	$250,000	1,250,000	2,801,814	5.5%
Hari Nair	988,680	$250,000	1,250,000	2,238,680	4.4%
Iain Sorrell	812,131	$250,000	1,250,000	2,062,131	4.0%
William Spee	1,734,818	$250,000	1,250,000	2,984,818	5.8%
Total	5,087,443	$1,000,000	5,000,000	10,087,443	19.7%

1. The *Current Shareholding* assumes that all the motions are passed including the conversion of Director loans in Resolutions 8 to 11.

Section 606 of the *Corporations Act* prohibits a person from acquiring a relevant interest in the issued securities of a listed company when, as a consequence, that person's voting power will increase from less than 20% to more than 20% without complying with the takeover provisions under the *Corporations Act.*

Section 211(10) of the Corporations Act provides an exemption from the prohibition in section 606 of the Corporations Act in circumstances where the acquisition arises from a rights issue.

The following information is provided to help shareholders assess this resolution.

Name of Person	Mr John Manusu, Mr William Spee, Dr Chenicheri Hariharan Nair and Mr Iain Sorrell.
Director underwriting amount	$1 million out of a $3 million underwriting agreement.
Maximum number of securities to be issued to the Directors:	Up to 5,000,000 ordinary shares and 1,666,666 bonus listed share options (exercisable at 35 cents each expiring on 1 September 2012).
Date of Issue:	The issue of the ordinary shares will occur no later than 1 month after the date of this meeting.
Issue Price:	20 cents per ordinary share (representing a discount of approximately 12.5% from the market price as at 12 March 2010, being 22.5 cents per share). The bonus listed share options are issued for nil consideration.
Exercise Price (Bonus listed Share Options)	35 cents per bonus listed share option.
Terms of securities:	Fully paid ordinary shares which on issue will rank pari passu with

the existing ordinary shares.

If exercised, each bonus listed share option will convert into one ordinary fully paid share that will rank pari passu with the existing ordinary shares.

Intended use of the funds raised:

The funds raised will be used to:

1. Pay for the initial US$1.5m BioInquire acquisition cost;

2. Provide working capital for the Company. This working capital will be used to among other things:

   i. Complete the development and achieve initial sales of the IVF SpermSep;

   ii. Expand sales and marketing of NuSep's products, particularly in the US

Chapter 2E of the Corporations Act 2001 (Cth)

Chapter 2E of the Corporations Act prohibits a public company from giving a "financial benefit" to a "related party" (including directors) of the company unless:

i. the giving of the financial benefit falls within one of the nominated exceptions; or

ii. prior Shareholder approval is obtained consenting to the giving of the financial benefits.

For the purposes of Chapter 2E, each of the Directors are considered to be related parties of the Company.

The proposed issue of ordinary shares and share options to the Directors, pursuant to the rights issue and the Underwriting Agreement, may constitute a financial benefit to a related party of the Company within the meaning of Chapter 2E.

However, section 210 of the Corporations Act provides that shareholder approval under section 208 of the Corporations Act is not required if the financial benefit is provided to the related party on terms that would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length.

The Board has reasonably formed the view that the entry by the Directors into the Underwriting Agreement in this instance is reasonable in the circumstances as the Directors have accepted a lower underwriting fee than the other unrelated third parties to the underwriting agreement.

This view has been further supported as the ordinary shares and bonus share options are to be offered to the public on the same basis as the ordinary shares and bonus share options under the Underwriting Agreement.

The terms of the Underwriting Agreement are identical except for the share price, the type of securities to be issued and the amount of capital to be raised as the terms previously negotiated in relation to the Underwriting Agreement entered into by the Company for the Share Purchase Plan Prospectus dated 10 August 2009.

Under this Underwriting Agreement the Directors may be issued with up to 5,000,000 ordinary shares with a value of 20 cents per ordinary share (representing a discount of approximately 12.5% from the market price as at 12 March 2010, being 22.5 cents per share) and 1,666,666 bonus listed share options (exercisable at a price of 35 cents per bonus listed share option).

In addition, the Directors will receive a fee for underwriting the rights issue of $50,000 in total. The Directors have accepted an underwriting fee of 5%, which is less than the 6% underwriting fee required by the third party underwriters. As with the third party underwriters the directors will receive the underwriting fee irrespective of the shortfall that they are required to subscribe for.

By agreeing to underwrite part of the rights issue the Directors are reducing the Company's liability to pay a higher underwriting fee. If third parties were to underwrite the whole amount, the Company would be required to pay the full 6% on the whole amount of $3 million.

Accordingly the Board believes shareholder approval for the purpose of Chapter 2E of the Corporations Act is not necessary but has elected to give the required disclosure as a sign of their commitment to Good Corporate Governance.

VOTING EXCLUSION:

Resolution 3 is an ordinary resolution. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote on the resolution and who exercise their right to vote. All shareholders are entitled to attend and vote on these resolutions at the meeting.

The Company will disregard any votes cast by all of the Directors or any of their associates. The Company will not disregard, however, any vote by a person excluded from voting on one or more of resolution 3 if it is cast by any of them as proxy for a person entitled to vote or if it is cast by any of them who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form.

4. RESOLUTIONS 4 – 7 - ISSUE OF SHARE OPTIONS TO DIRECTORS

Shareholders are also requested to approve the issue of 1,500,000 unlisted Share Options to be granted under the Company's existing Directors, Employee and Consultants Option Plan. The Board believes it is important to tie the Board and Executives remuneration to the long term increase in the Company's share price. By issuing Share Options with long term vesting periods the Board and Executive are incentivised to build the Company's value and therefore share price over the longer term.

ASX Listing Rule 10.14 requires the Company to seek shareholder approval for the grant of Share Options to a Director or other related party of the Company under an employee incentive scheme. As these Share Options will be issued under the existing ESOP, it is not necessary to obtain shareholder approval of the issue of the Share Options to the directors under section 208 of the Corporations Act or ASX Listing Rule 10.11.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of the company, the company must obtain the approval of the Company's shareholders in the manner set out in section 217 to 227 of the Corporations Act and give the benefit within 15 months following the approval.

The directors consider that the issue of the options to constitute reasonable remuneration as the share options have very little value. Accordingly, the proposed participation by the directors falls within the reasonable remuneration exception provided by section 211 of the Corporations Act to the requirements of section 208 of the Corporations Act.

The Company has undertaken a valuation of the Share Options using the Binomial Option Pricing Model. The total value of the 1,500,000 Share Options as at the date of this explanatory statement is $67,920. This value was calculated using a risk free interest rate of 4% and a volatility rate of 12% and a share price of 22.5 cents per share (being the market sale price as at 12 March 2010).

As the Share Options have little value, the Company is of the view that the issue of the Share Options to the directors would constitute reasonable remuneration.

If the shares are trading on the ASX at a price higher than the exercise price of the Share Options, there may be a perceived disadvantage to shareholders. Balancing this is the fact that the Company will have received the cash for the conversion of the Share Options and the existing Shareholders will have seen a more than 75% increase in the share price from the current share price of approximately 22.5 cents per share (being the market sale price as at 12 March 2010). Thus by approving the Share Options to the Directors shareholders will be aligning Directors interest with their own.

Market price of Shares

Set out in the table below, the lowest and highest closing market sale price of Shares on the ASX during the 3 months immediately preceding 15 March 2010 were 21 cents and 33 cents. The table also sets out the last sale price for Shares on the ASX prior to the date of this Notice of Meeting.

	Share Price	**Date**
Highest	33 cents	10 December 2009
Lowest	21 cents	15 December 2009
Last Price	22.5 cents	12 March 2010

The market price of the shares may rise or fall between the date of this Notice of Meeting and the date of the General Meeting. The current share price can be obtained from the Australian Stock Exchange and is listed in the financial or business section of major daily newspapers circulating in Australia.

Purpose of the Share Options

The grant of the Share options to the Directors is designed to align the actions of the Directors with those of the Shareholders by tying a part of their future wealth with an increasing share price. For Directors to obtain value from these Share Options they will need to direct the performance of the Company such that the share price increases from the current levels of 22.5 cents per share (being the market sale price as at 12 March 2010) at the time this Notice of Meeting was prepared to over 40 cents per share. Should the Directors achieve this share price increase ordinary Shareholders will have seen their shares increase in value by over 75% from the current price. Further, granting of the Share Options is a cost effective means of securing the ongoing commitment of the Directors to the Company.

Tax Considerations

The Company is not aware of any tax consequences to the Company from issuing these Share Options to the Directors. The Company will expense the value of these Share Options as required under AASB 2. On this basis that the directors are of the view that there are no opportunity costs to the Company or benefits foregone by the Company in issuing the Share Options on the terms proposed.

The Company proposes to issue:

- 500,000 Share Options to the Executive Chairman John Manusu;
- 500,000 Share Options to the Managing Director Hari Nair;
- 250,000 Share Options to the Non Executive Director Iain Sorrell; and
- 250,000 Share Options to the Non Executive Director William Spee,

It is proposed that these Share Options will be issued under the Company's Employee Share Option Plan (ESOP) for no cash consideration and may be exercised (and Shares will be issued) at times and prices set out in the table below. The Share Options will expire if not exercised by 1 March 2015.

Share Options will vest in 3 tranches as noted in the tables below. The Share Options will be issued to the directors of the Company at increasing exercise prices from $0.40 to $0.60 per Share Option as detailed in the tables below:

Director Options	**Expiry date**	**Vesting commencement date**	**Exercise price**	**Issued during the year**
John Manusu	1 March 2015	1 March 2011	$0.40	200,000
		1 March 2012	$0.50	200,000
		1 March 2013	$0.60	100,000
Hari Nair	1 March 2015	1 March 2011	$0.40	200,000
		1 March 2012	$0.50	200,000
		1 March 2013	$0.60	100,000

Iain Sorrell	1 March 2015	1 March 2011 1 March 2012 1 March 2013	$0.40 $0.50 $0.60	100,000 100,000 50,000
William Spee	1 March 2015	1 March 2011 1 March 2012 1 March 2013	$0.40 $0.50 $0.60	100,000 100,000 50,000

Shareholders are hereby advised of the following details concerning the proposed issue of Share Options to the Directors for which your approval is sought.

- The first tranche of Share Options can not be exercised until 1st March 2011.
- Any Share Options not exercised prior to an option holder leaving the Company's employment will lapse.
- Shares and Share Options issued under this resolution rank equally with all other existing fully paid ordinary shares.

In accordance with Listing Rule 10.15, the Company advises:

i) All of the Directors, being John Manusu, Hari Nair, Iain Sorrell and William Spee are eligible to participate in the ESOP, subject to shareholder approval of any issue. Share Options are proposed to be issued to all four Directors and the date by which the Company intends to issue the Share Options will be not more than one month after the date of the meeting, although under ASX Listing Rule 10.15.7 they must be issued no later than 12 months after the meeting (12 March 2011).

ii) The maximum number of Share Options that may be issued to each Director and their exercise price is outlined in the table above.

iii) The Share Options will all have an expiry date of 1 November 2014 and, under the terms of the ESOP, are not transferable without the prior written consent of the Board.

iv) The Company will not apply for quotation of these Share Options on the ASX.

v) Funds raised on the exercise of these Share Options will be used to increase working capital and the Company intends to apply for listing of the Shares which will, on issue, rank equally with all other ordinary shares in the capital of the Company in all respects.

vi) The Share Options will have exercise prices from 40 cents to 60 cents per Share Option as outlined in the tables above.

vii) As required under Listing Rule 6.16 the Share Options allow the Share Options rights to be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

viii) As required under Listing Rule 6.19 the Share Option holders will not have any rights to participate in any new issues unless they exercise their Share Options before the relevant books close date.

ix) The number of Share Options will not be adjusted for any bonus or other issues.

x) The Company has undertaken a valuation of the Share Options using the Binomial Option Pricing Model. The total value of the 1,500,000 Share Options as at the date of this explanatory statement is $67,920.

xi) No loans have been made or will be made by the Company to any of the Directors or to any associated person in relation to the issue of the proposed Share Options or the exercise of them.

xii) The Company does not currently have any Share Options on issue as the Board cancelled all outstanding Share Options in March 2009.

xiii) The relevant interest of each Director in the Company prior to, and after, the proposed issue of Share Options and all other existing interests of each Director in the Company is outlined in the table below.

Name	**Current Shareholding**	**Number of Share Options to be issued**	**Shareholding after issue of Share Options**
John Manusu	100,631 Directly 102,875 Indirectly	500,000	100,631 Shares Directly 102,875 Shares Indirectly 500,000 Share Options
Hari Nair	79,200 Directly	500,000	79,200 Directly 500,000 Share Options
Iain Sorrell	74,981 Directly	250,000	74,981 Directly 250,000 Share Options
William Spee	79,471 Directly 762,247 Indirectly	250,000	79,471 Directly 762,247 Indirectly 250,000 Share Options

xiv) The dilutionary effect of the 1,500,000 Share Options proposed to be issued to the Directors and Executives will be 6.1% of the expanded shares on issue. Currently there are 24,659,198 ordinary shares on issue.

Recommendations Each of the directors decline to make a recommendation to shareholders in relation to resolutions 4 to 7 as they each have a material personal interest in the outcome of the resolutions.

VOTING EXCLUSION:

Resolutions 4 to 7 are all ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote on the resolution and who exercise their right to vote. All shareholders are entitled to attend and vote on these resolutions at the meeting.

The Company will disregard any votes cast by all of the Directors or any of their associates. The Company will not disregard, however, any vote by a person excluded from voting on one or more of resolutions 4 to 7 if it is cast by any of them as proxy for a person entitled to vote or if it is cast by any of them who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form.

5. RESOLUTIONS 8 – 11 - ISSUE OF SHARES TO DIRECTORS IN LIEU OF LOAN REPAYMENTS

All of the current Directors have made cash loans to the Company. The Directors loaned money to the Company as no other party was willing to extend credit to the Company. The total of these Director loans is $777,608. The Directors are aware that the Company would be better off if these loans were converted into ordinary shares and are willing to do so on the same terms as the proposed Rights Issue. Specifically that the loans will be converted at 20 cents per share (representing a discount of approximately 12.5% from the market price as at 12 March 2010, being 22.5 cents per share) with a free attached 1:3 listed share option exercisable at 35 cents per share.

The directors have each agreed to convert the entire amount of their loans (totalling of $777,608) into fully paid ordinary shares. The conversion of director loans into ordinary shares will have a positive impact on the balance sheet of the Company as it will eliminate all of the Company’s Director loans.

ASX Listing Rule 10.11 provides that the Company must not issue shares to a related party, such as a Director of the Company, without shareholder approval. Section 208 (1) of the Corporations Act 2001 (Cth) also provides that a Company is prohibited from giving a financial benefit to a related party without first obtaining shareholder approval.

Accordingly, under resolutions 8 to 11, the Board seeks the approval of the shareholders for the issue of 3,888,038 fully paid ordinary shares and 1,296,013 free attached 1:3 listed share option exercisable at 35 cents per share.

The number of ordinary shares and bonus shares to be issued to each Director is set out in the table below. The table also shows the amount of each loan that is being converted and the total interest of each director in the Company after the share issue (and includes the share options, the issue of which, your approval is also sought) as set out in the table below:

Name	Total Loan Amount	Number of Shares to be issued	Number of Bonus share options	Monetary Value of the Loan Conversion at 22.5c	Total Interest of Director in Company after share issue	% of Issued Capital after share issue
John Manusu	$269,662	1,348,308	449,436	$303,369	1,448,939 Shares Directly 102,875 Shares Indirectly 949,436 Share Options	2.8% 0.2% 1.8%
Hari Nair	$181,896	909,480	303,160	$204,633	988,680Shares Directly 803,160 Share Options	1.9% 1.6%
Iain Sorrell	$147,430	737,150	245,717	$165,859	812,131 Shares Directly 495,717 Share Options	1.6% 1.0%
William Spee	$178,620	893,100	297,700	$200,948	972,571 Shares Directly 762,247 Shares Indirectly 547,700 Share Options	1.9% 1.5% 1.1%
Total	$777,608	3,888,038	1,296,013	$874,809	7,883,456 Shares & Options	15.4%

These shares will be issue at a price of 20 cents per share (representing a discount of approximately 12.5% from the market price as at 12 March 2010, being 22.5 cents per share) with a free attached 1:3 listed share option exercisable at 35 cents per share. The terms of the proposed Director loan conversion at 20 cents per share (representing a discount of approximately 12.5% from the market price as at 12 March 2010, being 22.5 cents per share) with a free attached 1:3 listed share option exercisable at 35 cents per share are the same as the proposed Rights Issue. On this basis, the Directors consider the issue price to be reasonable. The Directors have used the Rights Issue pricing to price the conversion of the Director loans as this is the same pricing that all of NuSep's shareholders can participate in via the current Rights Issue.

As an additional point it should be noted that the Directors made these loans to the Company when other funding was not available to the Company, effectively as the lender of last resort. At that time the Directors chose to offer loans to the Company in order to reduce the dilutionary impact on the Company. As such, the Directors believe this to be a fair price at which to convert their loans.

In accordance with the requirements of ASX Listing Rule 10.13, the following information regarding the share issues is set out below:

The maximum number of fully paid ordinary shares to be issued to the Directors is 5,184,051. This is made up of 3,888,038 ordinary shares and 1,296,013 listed share option exercisable at 35 cents per share. The individual Directors loan repayment and shares to be issued are outlined in the table above. The specific resolutions for each individual Director is as follows:

i) Under Resolution 8 – to John Manusu of 1,348,308 fully ordinary shares and 449,436 listed share option exercisable at 35 cents per share in lieu of total repayment of a loan of $269,662:

ii) Under Resolution 9 – to Dr Hari Nair of 909,480 fully ordinary shares and 303,160 listed share option exercisable at 35c per share in lieu of total repayment of a loan of $181,896;

iii) Under Resolution 10 – to Iain Sorrell of 737,150 fully ordinary shares and 245,717 listed share option exercisable at 35 cents per share in lieu of total repayment of a loan of $147,430; and

iv) Under Resolution 11 – to William Spee of 893,100 fully ordinary shares and 297,700 listed share option exercisable at 35 cents per share in lieu of total repayment of a loan of $178,620.

If these resolutions are passed, the lenders will convert these loans to equity. The shares and options will then be issued within 1 month of the date of the General Meeting.

The conversion of existing loans into shares will enhance the Company's Balance Sheet, reduce the total debt that the Company has and increasing the total owners equity.

The conversion of loans into shares will not provide any additional cash to the Company, but may strengthen the Balance Sheet such that the Company, should it need to, will be able to borrow from third parties.

The monetary value of the proposed issue of 3,888,038 shares to the Directors in return for the conversion of their Director loans is $874,809 at the current share price of 22.5¢. This value will increase and decrease inline with the share price of the Company.

The dilutionary effect of the 3,888,038 Share proposed to be issued to the Directors in return for the conversion of the $777,608 of Director loans will be 13.6% of the expanded shares on issue. Currently there are 24,659,198 ordinary shares on issue.

By converting these loans into shares, the Company will also have eliminated all the Director loans and reduced total debt by $777,608.

A table outlining the recent trading of NuSep's share is set out on page 16 under the heading of "Market price of Shares"

The shares issued under resolutions 8 to 11, if approved by shareholders, will rank equally with fully paid ordinary shares already on issue in the Company.

None of the Directors have sold shares in the Company during the last six months, nor is there any expectation that they will sell any of the shares issued in accordance with the above resolutions in the near future.

The Board makes no recommendation as to this resolution as each of the Directors has a material interest in the outcome of this resolution.

VOTING EXCLUSION:

Resolutions 8 to 11 are all ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote on the resolution and who exercise their right to vote. All shareholders are entitled to attend and vote on these resolutions at the meeting.

The Company will disregard any votes cast by the relevant Director or any of their associates. The Company will not disregard, however, any vote by a person excluded from voting on one or more of resolutions 8 to 11 if it is cast by any of them as proxy for a person entitled to vote or if it is cast by any of them who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form.

SPECIAL BUSINESS

6. RESOLUTION 12- CHANGE OF NAME OF COMPANY

The resolution is to change the name of the Company from NuSep Ltd to NuSep Holdings Ltd. Section 157 of the Corporations Act 2001 requires that in order to change its name a company must first pass a special resolution adopting the new name and then lodge an application in the prescribed form with ASIC. Once this form is lodged and provided the proposed name is available, ASIC must change the company's name by altering the details of the company's registration to reflect the change. The change of name will take effect only when ASIC alters the details of the company's registration.

The Company has already reserved the name NuSep Holdings Ltd with ASIC thereby ensuring it will be available if the resolution is passed and an application to change the name of the Company is to be lodged.

The reason for the change of name is to reflect that the Company is the holding company for the NuSep group of companies. Currently the Company holds all of the intellectual property and a 100% ownership in each of the operating subsidiaries. This name change will allow the Company to use the NuSep name for the US and Australian operational subsidiaries that sells the Gels and the ProteomeSep MF10 instrument.

7. RESOLUTION 13 - RESOLUTION TO APPROVE PROPORTIONAL TAKEOVER BID CONSTITUITIONAL CHANGES

The Company proposed to amend the Company's Constitution to include a new rule to deal with proportional takeover bids.

A proportional takeover bid is an off market takeover bid by a bidder to acquire a specified portion of each shareholder's shares. If provisions dealing with a proportional takeover bid are not included in the Company's Constitution, a person may be able to obtain control of the Company without first giving existing shareholders the opportunity to dispose of their shares.

The new rule would operate to have the effect that shareholders are at least given the ability to decide whether the proportional takeover bid should go ahead. If the shareholders resolved to reject the proportional takeover bid, the Company would be able to prohibit the registration of a transfer of shares resulting from the bid.

If adopted, the new rule would only apply for a maximum period of three years before it has to be renewed. The rule would only be able to be renewed with the approval of the shareholders.

The proposed new rule would not have any application to full takeover bids.

The board considers that it is in the best interest of shareholders for the Company to have a proportional takeover bid approval rule, and therefore recommends that shareholders vote to adopt the resolution.

Effect of adopting the Proportional Takeover Approval Rule in the Constitution

If the shareholders resolve to adopt the proportional takeover provisions contemplated by Rule 111, and a proportional takeover bid takes place, the Company would be required to implement the following procedure:

- The Directors must convene and hold a meeting of shareholders to vote on a resolution to approve the bid.

- The meeting must be held, and the resolution voted on, before the approving resolution deadline, which is defined in the Corporations Act as the 14th day before the last day of the bid period.

  Rule 111 provides that for a resolution to be approved it must be passed by a majority of votes at the meeting, excluding votes by the bidder and its associates.

  If no resolution to approve the bid has been voted on in accordance with Rule 111 as at the end of the 14th day before the end of the bid period, a resolution approving the bid will be deemed by the Corporations Act to have been passed, thereby allowing the bid to proceed.

  If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to be withdrawn.

  If the resolution is approved, the relevant transfers of shares will be registered, provided they comply with the other provisions of the Company's Constitution and Corporations Act. Rule 111 does not apply to full takeover offers. Rule 111 will expire 3 years after its last renewal unless renewed by a further special resolution of shareholders.

Reasons for Proposing the Resolution

The Board considers that shareholders should have the opportunity to vote on a proportional takeover bid.

A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest and without shareholders having the opportunity to dispose of all their shares. This could mean that shareholders could be at risk of being left as part of a minority interest in the Company. This could place shareholders under pressure to accept the bid.

Potential Advantages and Disadvantages

To date the Company has not received any proportional or full takeover bids. Consequently there are no actual examples against which to review the advantages or disadvantages of the proposed proportional takeover provisions for the directors and shareholders of the Company to consider.

The directors are not aware of any potential proportional or full takeover bid for the Company.

An advantage for the shareholders of amending the Constitution to adopt the proposed rule is that shareholders will have an opportunity to study a proportional takeover bid and then attend or be represented by proxy at a meeting called specifically to vote on the proposal.

Another advantage for shareholders is that prospective proportional takeover bidders may elect not to pursue their bid as the shareholders have a right to resolve to reject the bid.

The ability of the shareholders to veto a proportional takeover bid may work to ensure that any proportional takeover bid or takeover bid that is made in the future may be on terms that are structured to be more attractive to the holders of a majority of the remaining shares.

Another advantage of adopting a proportional takeover bid rule is that it may have the effect of reducing any 'takeover speculation' element in the Company's share price on the Australian Securities Exchange.

A potential disadvantage of the proposed proportional takeover bid rule is that it may reduce the opportunities for larger shareholders to dispose of all of their shares at the one time.

It may also be said that the provisions constitute an additional restriction on the abilities of individual shareholders to deal freely with their shares.

As the NuSep directors are significant shareholders in their own right, their goals are aligned with NuSep's shareholder goals. For this reason, the directors consider that there are no additional advantages or disadvantages for them as directors by amending the constitution to incorporate a rule dealing with proportional takeovers.

The directors remain free to transact on their NuSep shareholding just as any other shareholder. The directors will make a recommendation to shareholders on whether a proportional takeover bid should be accepted based on their view of what will bring the best value to shareholders at large. This decision will not change based on the proposed new proportional takeovers clause.

Recommendation

The Directors consider that the approval of Rule 111 is in the interest of shareholders as it allows shareholders (excluding the bidder and its associates) to have a continuing right to vote on any proportional takeover and to determine whether a proportional takeover bid should proceed. The Directors recommend that shareholders vote in favour of this resolution to adopt Rule 111.

OVERALL CONSEQUENCES OF SHAREHOLDERS APPROVING RESOLUTIONS 2 TO 11 ABOVE

If shareholders pass each of the resolutions described above, the total dilutionary effect of the issues of shares and options is as follows:

(a) If $3 million is raised by the Company under the rights issue, and each of the options issued under that rights issue are exercised, the total number of shares on issue will increase from 24,659,198 to 44,659,198. The dilutionary effect on the existing shareholding will be 44.7%.

(b) If $5 million is raised by the Company under the rights issue, and each of the options issued under that rights issue are exercised, the total number of shares on issue will in crease from 24,659,198 to 57,992,531. The dilutionary effect on the existing shareholding will be 57.4%.

If shareholders pass each of the resolutions set out in resolutions 2 to 11 above, the total increase in each relevant interests of each director is set out in the table below.

Name	Total Number of Share prior to approval of Resolutions 2 to 11	Number of Shares to be issued	Total Interest of Director after all actions approved in resolutions 2 to 11 are issued	% of Issued Capital after share and option issues
John Manusu	100,631 Shares Directly 102,875 Shares Indirectly Nil Share Options	2,598,308 Shares 949,436 Share Options	2,698,939 Shares Directly 102,875 Shares Indirectly 949,436 Share Options	4.2% 0.1% 1.5%
Hari Nair	79,200 Shares Directly Nil Shares Indirectly Nil Share Options	2,159,480 Shares 803,160 Share Options	2,238,680 Shares Directly Nil Shares Indirectly 803,160 Share Options	3.5% - 1.2%
Iain Sorrell	74,981 Shares Directly Nil Shares Indirectly Nil Share Options	1,987,150 Shares 495,717 Share Options	2,062,131 Shares Directly Nil Shares Indirectly 495,717 Share Options	3.2% - 0.8%
William Spee	79,471 Shares Directly 762,247 Shares Indirectly Nil Share Options	2,143,100 Shares 547,700 Share Options	2,222,571 Shares Directly 762,247 Shares Indirectly 547,700 Share Options	3.4% 1.2% 0.8%
Total	334,283 Shares Directly 865, 122Shares Indirectly Nil Share Options	8,888,038 Shares 2,796,013 Share Options	9,222,321 Shares Directly 865,122 Shares Indirectly 2,796,013 Share Options	14.3% 1.3% 4.3%

GLOSSARY

“ASX” means the ASX Limited and includes any successor body.

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

“Director” means a director of the Company.

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

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

“Listing Rule” means the official ASX Listing Rules.

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

“Shareholder” means a holder of Shares.

“Underwriting Agreement” means the underwriting agreement between the Company and the Directors dated 9 March 2010.

NuSep Ltd ABN 33 120 047 556

Registered Office
and Registration of this form to:
324 Burns Bay Road
Lane Cove NSW 2066
Telephone: (02) 8197 3377
Facsimile: (02) 9427 8614
www.NuSep.com

General Meeting PROXY FORM

Appointment of Proxy

If appointing a proxy to attend the NuSep Ltd General Meeting on your behalf, please complete the form and submit it in accordance with the directions overleaf.

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 General Meeting to be held at the at **Level 18 133 Castlereagh Street Sydney**, NSW 2066 on **Wednesday 14 April 2010 at 10am** and at any adjournment of that meeting.

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

☐ If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of the resolutions please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by the Chair of the meeting for the resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on these resolutions. The Chair intends to vote 100% of all open proxies in favour of all resolutions.

Voting directions to your proxy – please mark ☒ to indicate your directions

RESOLUTION	For	Against	Abstain	RESOLUTION	For	Against	Abstain
1. Ratification of previous issue of shares	☐	☐	☐	8. Issue of Shares to John Manusu in lieu of loan repayment	☐	☐	☐
2. Approval of Capital Raising	☐	☐	☐	9. Issue of Shares to Dr Hari Nair in lieu of loan repayment	☐	☐	☐
3. Approval for issue of ordinary shares to the Directors pursuant to the Underwriting Agreement	☐	☐	☐	10. Issue of Shares to Iain Sorrell in lieu of loan repayment	☐	☐	☐
4. Approval of Director & Executive Share Options – John Manusu	☐	☐	☐	11. Issue of Shares to William Spee in lieu of loan repayment	☐	☐	☐
5. Approval of Director & Executive Share Options – Dr Hari Nair	☐	☐	☐	12. Change of Company name to NuSep Holdings Ltd	☐	☐	☐
6. Approval of Director & Executive Share Options – Iain Sorrell	☐	☐	☐	13. Add a Partial Takeover provision to the Company's Constitution	☐	☐	☐
7. Approval of Director & Executive Share Options – William Spee	☐	☐	☐				

* 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 overleaf to enable your directions to be implemented.
Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Sole Director & Sole Company Secretary	Director	Director / Company Secretary

Dated this ____________________ **day of** ____________________ **2010**

Contact Name	**Contact Business Telephone / Mobile**

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of the Company. If you are Issuer Sponsored and this information is incorrect, please make the correction on the form, sign and return it. Security holders sponsored by a broker on the CHESS subregister should advise their broker of any changes. 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 do 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 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 9am **AEST on 12 April 2010**, (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

By hand:	*By mail:*
NuSep Ltd	NuSep Ltd
324 Burns Bay Road,	PO Box 823,
Lane Cove, NSW 2066	Lane Cove, NSW 1595

Facsimile: +61 (2) 9427 8614