NuSep
Experts in protein discovery

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Tuesday, 22 May 2012

Letter from the Chairman

Dear Shareholders,

I am writing to you as part of the Notice of Meeting for the General Meeting to be held on Friday 22 June 2012. I would like to take the opportunity to update you on developments since we announced the signing of the Heads of Agreement (**HOA**) with ABS Novacell Biopharmaceuticals Ltd (**ABS**) on 26th April 2012.

We have had a number of meetings with the Board and management of ABS and NuSep is now drafting the contracts to formalise the Joint Venture (**JV**). While there are a number of contracts required to formalise the JV, the ones of particular interest to shareholders will be the:

- Subscription Agreement - defines the $20m Investment by ABS in PrIME Biologics Pte Ltd (**PrIME**); and
- Membrane Supply Agreement – defines the pricing/delivery of the membranes from NuSep to PrIME. These are the membranes that PrIME will exclusively purchase from NuSep for its manufacture of therapeutic plasma products.

It is anticipated that it will take about 1 month to finalise these agreements. This suggests a start date for the JV of 1 July 2012.

In the meantime, the Company has located a Singaporean facility that was previously certified for therapeutic manufacturing. Subject to finalisation of the above agreements and approval by the Singaporean Health Sciences Authority (**HSA**), the JV expects to start manufacture of therapeutic plasma products in approximately 12 months. This is ahead of the budgeted timeline.

Below are some pictures of this facility.

Reverse Osmosis Water Tanks

Water for Injection Plant

200L Bioreactors

Main Facility Hallway

While the Executive Directors have been focused on completing the PrIME HOA, a number of other developments have been progressed. Of most interest to shareholders would be the two offers the Company has received to fund the SpermSep project. NuSep is negotiating with these organisations and will report once it has finalised one or other of these projects.

In a nutshell, it has been a very busy time for the Company and the Board and I look forward to reporting on these developments at the 22nd June 2012 General Meeting.

Attached to this letter is the Notice of Meeting for the General Meeting to be held at 324 Burns Bay Road, Lane Cove, NSW 2066 on Friday 22nd June 2012 at 10.00 am. Attached is a proxy form for those shareholders who can't attend the General Meeting for you to vote on the specified motions. Enclosed are the Notice of General Meeting and associated documents.

We look forward to seeing you at the General Meeting.

Yours sincerely,

John Manusu
Executive Chairman

NuSep Holdings Ltd

ABN 33 120 047 556

NOTICE OF GENERAL MEETING

NOTICE is given that a General Meeting **(Meeting)** of shareholders of NuSep Holdings Ltd ("the **Company**" or "**NuSep**") will be held at 10.00 am on Friday 22nd June 2012 at 324 Burns Bay Road, Lane Cove, NSW 2066.

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.

SPECIAL BUSINESS

1) Resolution – Removal of Auditor

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

"That for the purposes of section 329(1) of the Corporations Act 2001 and for all other purposes, RSM Bird Cameron be removed as the Company's auditor effective from the conclusion of the Meeting."

2) Resolution – Appointment of Auditor

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

"That, subject to Resolution 1 being passed, for the purposes of section 327D of the Corporations Act 2001 and for all other purposes, Lawler Partners, Chartered Accountants, being qualified to act as auditor and having consented in writing to act as auditor, be appointed as the Company's auditor effective from the conclusion of the Meeting and directors be authorised to fix the remuneration."

3) Resolution – Issue of Shares to Andrew Goodall in lieu of loan repayment

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

"That for the purposes of ASX Listing Rule 10.11, Exception 10 to ASX Listing Rule 10.12 and for all other purposes, Shareholders approve the issue of up to 4,423,720 fully paid ordinary shares to Andrew Goodall, Director of the Company, on the terms described in the Explanatory Memorandum, which forms a part of this Notice of Meeting".

Voting Exclusion:

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by Andrew Goodall (or his nominee) and any associates of Andrew Goodall (or his nominees).

However, the Company need not disregard a vote if:

(a) 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

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

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 two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. The following addresses and facsimile number are specified for the purpose of receipt of proxy appointments:

By hand:
NuSep Holdings Ltd
324 Burns Bay Road
Lane Cove, NSW 2066

By mail:
NuSep Holdings Ltd
PO Box 823,
Lane Cove, NSW 1595

Facsimile: +61 (2) 8415 7399

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 7 pm (Australian Eastern Standard Time) on Wednesday 20th June 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

By order of the Board

Tom Rowe
Company Secretary
22 May 2012

NuSep Holdings 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 10.00 am on Friday 22nd June 2012 (**Meeting**).

Resolution 1: Removal of Auditor

Pursuant to section 329(1A) of the Corporations Act 2001, on 9th May 2012, the Company received a notice from one of its directors requesting that a general meeting be convened to consider the removal of the Company's auditor, RSM Bird Cameron.

It should be noted that under this section, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution, even though the meeting is held less than 2 months after the notice of intention is given.

Following a competitive review process undertaken by the Audit Committee, the Board of NuSep has selected the accounting firm Lawler Partners and resolved to recommend the appointment of Lawler Partners as Auditors of NuSep to its shareholders. Lawler Partners has provided their consent to act as Auditors of the Company.

The Auditors have as per their right under the Corporations Act provided a written defence against the proposed resolution for their removal. A copy of this is attached to this Notice of Meeting. Shareholders will note that the Auditors have indicated that they have reported the company to ASIC for various alleged breaches of the Corporations Act. The Company has taken issue with a number of these alleged breaches and has otherwise corresponded with ASIC on the same. Otherwise the Company has kept the market informed.

Accordingly Resolution 1 seeks approval for RSM Bird Cameron to be removed as the Company's Auditor.

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

Resolution 2: Appointment of Auditor

Section 327D of the Corporations Act 2001 states that a company may, by special resolution, immediately appoint an individual, firm or company as auditor of the company at a general meeting of the company in which an auditor was removed from office in accordance with section 329 of the Corporations Act 2001.

Mr Ward Wescott, being a member of the Company, has nominated Lawler Partners, Chartered Accountants, to be appointed as auditor of the Company. A copy of the nomination is enclosed as Annexure B.

Resolution 2 seeks approval for the appointment of Lawler Partners, Chartered Accountants as the Company's auditor at the conclusion of the Meeting.

Resolution 2 is a special resolution. Section 9 of the Corporations Act 2001 states that a special resolution is a resolution which is passed by at least 75% of the votes that are cast by shareholders entitled to vote on the resolution (in person or by proxy).

Lawler Partners, Chartered Accountants, have consented in writing to act as the Company's Auditor.

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

Resolution 3: Issue of Shares to Andrew Goodall in lieu of loan repayment

Andrew Goodall, a Director of the Company, made a cash loan of $300,000 (at 8% p.a. interest) to the Company prior to his appointment as director of the Company. Mr Goodall is entitled under the loan agreement to convert the entire amount of loan, interest, bank fee and transaction fee aggregating to $309,660.46 into fully paid ordinary shares of the Company at 7¢ per share.

ASX Listing Rule 10.11 and Exception 10 to Listing Rule 10.12 provide that a Company must not issue or agree to issue shares to a related party, such as a Director of the Company, without shareholder approval. Mr Goodall, being a Director of the Company, is a related party by virtue of section 228(2)(a) of the Corporations Act.

Section 208(1) of the Corporations Act prohibits the Company from giving a financial benefit to a related party without shareholder approval, unless an exception applies. The Directors consider the issue meets the exception under section 210 of the Corporations Act, being on arms length terms or terms less favourable to Mr Goodall than arms lengths terms and are not seeking shareholder approval under section 208(1) of the Corporations Act.

For the purposes of ASX Listing Rule 10.13 the following information is provided:

(a) the maximum number of fully paid ordinary shares to be issued is 4,423,720;
(b) the above shares will be issued and allotted no later than one month after the date of the Meeting i.e. no later than 21st July 2012 (or such later date as permitted by ASX waiver or modification of the Listing Rules) and it is anticipated that the shares will be issued on the day after the meeting;
(c) the above shares will be issued to Mr Andrew Goodall who is a Non-Executive Director of the Company or his nominee;
(d) the above shares will be issued at a price of 7 cents per share (being 1.75 times the market price of 4.0 cents per share as at 18th May 2012);
(e) the shares, when issued, will rank equally with the fully paid ordinary shares already on issue;
(f) the conversion of the loan into shares will not provide any additional cash to the Company, but will eliminate all of the Director loan made to the Company by Mr Goodall, reduce total debt by $ 309,660.46 and may strengthen the Balance Sheet such that the Company, should it need to, will be able to borrow from third parties;
(g) a Voting Exclusion Statement is set out under Resolutions 3 in the Notice of Meeting.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the above shares as approval is being obtained under Listing Rule 10.11.

Recommendation: All directors, with Mr Andrew Goodall abstaining, recommend that shareholders vote in favour of this resolution.

Annexure A

RSM Bird Cameron Partners
Chartered Accountants

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 9233 8933 **F** +61 2 9233 8521

21 May 2012

The Board of Directors
NuSep Holdings Ltd
324 Burns Bay Road
LANE COVE NSW 2066

Dear Sirs

OUR REMOVAL AS THE COMPANY'S AUDITOR PURSUANT TO SECTION 329 (1A) OF THE *CORPORATIONS ACT 2001*

We are in receipt of the Notice of Intention and Resolution to Convene a General Meeting on 22 June 2012 dated 9 May 2012, and received by us on 14 May 2012. We request that pursuant to Section 329(3) of the *Corporations Act 2001*, the following representations be sent by the company at its expense to every member of the company to whom notice of the meeting is sent.

1. During the conduct of the audit for the year ended 30 June 2011, we reasonably held the belief, that the Company had contravened the *Corporations Act 2001* (the Act) and in accordance with Section 311 of the Act, on 8 September 2011, we reported the matters to the Australian Securities & Investments Commission (the ASIC), which were:

   1.1. s674 - the Company failed to comply with its Continuous Disclosure obligations relating to the issue of its securities ;
   1.2. s1041 - the creation by the Company of a false market in its securities;
   1.3. s259A - the Company acquiring shares in itself, and
   1.4. Chapter 2D - the failure by the Company's directors to appropriately discharge their duties as they apply to the above matters.

2. We note further in relation to our audit for the year ended 30 June 2011, that we proposed and the Company accepted twenty five (25) material accounting adjustments to the financial statements that were initially presented to us for audit that resulted in a reduction in net profit before tax of in excess of $2 million.

Additionally, a prior period error was disclosed in the financial statements, whereby equity was decreased by $1,593,919 and liabilities were increased by the same amount.

3. Our audit for the year ended 30 June 2011, resulted in us expressing an unqualified audit opinion with an emphasis of matter in respect of the material uncertainty, in relation to the adoption of the going concern basis of accounting.

4. During the conduct of our half year review for the 6 months ended 31 December 2011, we reasonably held the belief that further contraventions of the Act had occurred. Again we reported these to the ASIC, in accordance with Section 311 of the Act on 1 March 2012 and these matters were:

   4.1. s254X - the incorrect issuing of a Notice to the ASIC of a Share Issue;

   4.2. s260A - the provision of financial assistance by the Company for acquiring shares in it;

   4.3. s674 - the Company failed to comply with its Continuous Disclosure obligations and ASX Listing Rule 3.1, relating to the issue of its securities

   4.4. s1041 - the creation by the Company of a false market in its securities; and

   4.5. Chapter 2D - the failure by the Company's directors to appropriately discharge their duties as they apply to the above matters.

5. We issued a disclaimer of conclusion dated 29 February 2012 in respect of our review of the financial statements for the half year ended 31 December 2011, due to our inability to obtain appropriate review evidence about the matters reported.

We believe that in accordance with Australian Auditing Standards and the Act, we have appropriately discharged our obligations in the course of our audit of the Company's financial statements for the year ended 30 June 2011 and our review of its financial statements, for the half year ended 31 December 2011, that required us to deal with significant issues that are disclosed above.

Yours faithfully

GNS

G N SHERWOOD
Partner

Annexure B

Nomination from a member for the appointment of Lawler Partners, Chartered Accountants as the Company's auditor

9 May 2012

NuSep Holdings Limited
PO Box 823
LANE COVE
NSW 2066

Dear Sirs,

Nomination of Lawler Partners, Chartered Accountants, as Auditor of the Company

I, Ward Wescott being a member of NuSep Holdings Limited (NuSep), hereby nominate Lawler Partners, Chartered Accountants, of 763 Hunter St Newcastle West NSW 2302, for appointment as auditor of NuSep at a general meeting of NuSep.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement of NuSep as required by section 328B(3) of the Corporations Act, 2001.

Yours Sincerely,

Ward Wescott

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 Holdings 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.

Registered Office
and Registration of this form to:
324 Burns Bay Road
Lane Cove NSW 2066
Telephone: (02) 8415 7300
Facsimile: (02) 8415 7399
www.NuSep.com

NuSep Holdings Ltd **ABN 33 120 047 556**

General Meeting **PROXY FORM**

Name- SRN-
Address-

Appointment of Proxy

If appointing a proxy to attend the NuSep Holdings 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 Holdings 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 **324 Burns Bay Road Lane Cove NSW 2066** on **Friday 22 June 2012 at 10am (AEST)** and at any adjournment of that meeting.

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

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

RESOLUTION	For	Against	Abstain
1) Removal of RSM Bird Cameron as the Auditor of the Company	☐	☐	☐
2) If Resolution 1 is approved, Appointment of Lawler Partners, Chartered Accountants, as Auditor of the Company	☐	☐	☐
3) Issue of shares to Andrew Goodall, Director of Company, in lieu of loan repayment	☐	☐	☐

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** ______________________ **2012**

______________________ ______________________

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 **10am (AEST) on Wednesday 20 June 2012**, (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:
NuSep Holdings Ltd
324 Burns Bay Road,
Lane Cove, NSW 2066

By mail:
NuSep Holdings Ltd
PO Box 823,
Lane Cove, NSW 1595

Facsimile: +61 (2) 8415 7399