17th[th] October 2008

Dear Shareholder

On behalf of the board of Nanosonics, I have pleasure in providing notice of our Annual General Meeting on the 18[th] of November 2008. A copy of our annual report is available on the investor page of the Nanosonics website www.nanosonics.com.au or from the Company Secretary.

As previously advised, the Company continues to make pleasing progress across a broad spectrum of its business and technical objectives. Of particular note is the manufacturing roll-out of the launch Trophon™ EPR™ device, supported by successful regulatory outcomes. Nanosonics anticipates a series of detailed updates on its progress which will support a strong validation of the Company's emergence from a Research and Development focus to a global business.

At the forthcoming AGM, in addition to other items of Business, Shareholders will be asked to consider three items of Special Business, as set out in the Notice of Meeting.

The three items of Special Business, being resolutions five, six and seven, have been put forward to shareholders by the Board on the advice of leading industry experts. The resolutions, if passed, permit the two executive directors, Mr David Radford and Dr Ron Weinberger, to acquire shares in the Company as part of their total remuneration packages. The Board is already able to incentivise all other employees through the Company's three share-based payment schemes. The ASX Listing Rules require shareholder approval for share-based incentives for directors.

Resolution 5 seeks approval for the issue of a total of 1.5 million options to acquire shares in the Company to the CEO, Mr David Radford, over a three year period. The Board recognises that the Company must incentivise the Chief Executive Officer to continue to build the Company and to achieve its longer-term objectives for the benefit of the Company and shareholders alike. If approved, the resolution will permit the issue of options to Mr Radford under the Company's Employee Share Option Scheme. Advice taken by the Board is that the proposal, comprising the number of options, the period over which they may be granted and their terms and conditions, is consistent with current remuneration practices and will help to align the CEO's performance with the long term goals of the Company.

Resolutions 6 and 7 seek approval for the executive directors, Mr David Radford and Dr Ron Weinberger, to be able to receive some or all of their remuneration in shares under the Company's Deferred Employee Share Plan (DESP). It is important to note that these two resolutions do not change the amounts or costs to the Company of the directors' overall remuneration, but rather, they provide a mechanism for the directors to receive some or all of their remuneration in shares. Currently all other employees, at the discretion of the Board,

Nanosonics Limited ABN 11 095 076 896 Unit 24 566 Gardeners Road Alexandria NSW 2015 Australia
Tel: +61 2 8063 1600 Fax: +61 2 9317 5010 Email: info@nanosonics.com.au w: www.nanosonics.com.au

already have access to shares under either the DESP or the Exempt Employee Share Plan (EESP).

You are encouraged to read the enclosed Notice of Annual General Meeting carefully and to attend the meeting or return your Form of Proxy as soon as possible. When completing the Form of Proxy please vote either for or against each resolution.

You are invited to submit questions to the Company and a form for this purpose is appended to the Notice of the AGM. We welcome your attendance and look forward to meeting with our shareholders at the time of our second AGM as a publicly listed company.

I invite all shareholders to join the Directors for refreshments at the conclusion of the Annual General Meeting.

Yours sincerely

M.

Maurie Stang
Non-Executive Chairman

NOTICE OF 2008 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2008 Annual General Meeting of the shareholders of Nanosonics Limited (the "**Company**") will be held at NSW Trade & Investment Centre, Level 47, MLC Centre, 19 Martin Place, Sydney, NSW on Tuesday, 18th November 2008 commencing at 4:00pm.

ORDINARY BUSINESS

1. **2008 Reports**
   To consider:

   The Company's Reports of the Directors and Auditors, and the Financial Report for the year ended 30 June 2008.

2. **Resolution 1 - Election of Director – Dr David Fisher**
   To consider and, if thought fit, to pass the following ordinary resolution:

   That Dr David Fisher, who retires as a Director pursuant to the Company's Constitution and, being eligible, offers himself for re-election, be elected a Director.

3. **Resolution 2 - Election of Director – Mr David Radford**
   To consider and, if thought fit, to pass the following ordinary resolution:

   That Mr David Radford, who was appointed a Director after the last Annual General Meeting and who retires as a Director pursuant to the Company's Constitution and, being eligible, offers himself for re-election, be elected a Director.

4. **Resolution 3 - Election of Director – Dr Ron Weinberger**
   To consider and, if thought fit, to pass the following ordinary resolution:

   That Dr Ron Weinberger, who was appointed a Director after the last Annual General Meeting and who retires as a Director pursuant to the Company's Constitution and, being eligible, offers himself for re-election, be elected a Director.

5. **Resolution 4 - Remuneration Report**
   To adopt the Remuneration Report for the financial year ended 30 June 2008.

SPECIAL BUSINESS

6. **Resolution 5 - Issue of Options to a Director – Mr David Radford**
   To consider and, if thought fit, to pass the following ordinary resolution:

   That the Company approve, for all purposes including ASX Listing Rule 10.14, the issue of a total of 1,500,000 options to acquire fully paid ordinary shares in the Company to Mr David Radford, CEO and Executive Director, as follows:

   - 500,000 options to be granted at an exercise price of $0.30 per share and with vesting dates calculated from 16 June 2008; and
   - 500,000 options to be granted at the completion of 12 months service with the Company at an exercise price of $0.30 per share; and

- 500,000 options to be granted at the completion of 24 months continuous employment with the Company at an exercise price equivalent to the volume weighted average last sale price as published by the ASX for the 5 days preceding the date of eligibility.

Each of the abovementioned options will:

- be issued and allotted to Mr Radford or his nominee and be issued for no cash consideration;
- be issued and allotted in accordance with clause 5 of Nanosonics' Employee Share Option Plan (ESOP);
- lapse in accordance with clause 7 of the ESOP;
- vest over three years in accordance with the ESOP and;
- otherwise for options under points 1 and 2 above be granted and capable of exercise in accordance with the terms and conditions of the ESOP and the Listing Rules of ASX Limited.

7. Resolution 6 - Issue of Shares to a Director – Mr David Radford – under the Nanosonics Deferred Employee Share Plan

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

That the Company approve, for all purposes including ASX Listing Rule 10.14, the issue of shares to Mr David Radford in lieu of part or all of his annual remuneration pursuant to the Nanosonics Deferred Employee Share Plan (DESP), under the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting.

8. Resolution 7 - Issue of Shares to a Director – Dr Ron Weinberger – under the Nanosonics Deferred Employee Share Plan

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

That the Company approve, for all purposes including ASX Listing Rule 10.14, the issue of shares to Dr Ron Weinberger in lieu of part or all of his annual remuneration pursuant to the Nanosonics Deferred Employee Share Plan (DESP), under the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting.

9. General business

To transact any other business brought forward in accordance with the Company's Constitution.

Further information in relation to these resolutions is set out in the Explanatory Statement.

<u>Voting Exclusions</u>

Nanosonics will disregard any votes cast on:

Resolutions 5, 6 & 7 – Issue of Options to a Director and Issue of Shares to a Director

by any of the Directors, ie. Mr Stang, Mr Radford, Dr Fisher, Mr Widin and Dr Weinberger and their associates, because they are eligible to participate under the rules of one of more of the Company's share plans or option plans.

However, Nanosonics will not disregard a vote on resolution 5, 6 & 7 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.

VOTING ENTITLEMENTS

For the purpose of the Corporations Act, the Company has determined that the holders of the Company's ordinary shares for the purpose of the annual general meeting will be the holders registered at 4.00pm on Friday 14th November 2008.

PROXIES

To be effective, completed proxy forms must be received by the Company at its registered office at least 48 hours before the time for holding the meeting.

By Mail:	Unit 24, 566 Gardeners Road, Alexandria NSW 2015
By Facsimile:	+61 2 9317 5010
By Email:	info@nanosonics.com.au

A member entitled to attend and vote is entitled to appoint not more than two persons as his/her proxy to attend and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. Unless executed under a Power of Attorney, a proxy form by a corporation should be executed in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*.

Dated at Sydney this 17th day of October 2008.

BY ORDER OF THE BOARD

Chris Grundy
Company Secretary

EXPLANATORY STATEMENT

This explanatory statement sets out information in connection with the business to be considered at the Nanosonics Limited ("**Company**") Annual General Meeting to be held on 18th November 2008.

BUSINESS

The following items of business will be considered at the meeting.

First Item of Business
This item of business relates to the consideration of the Company's Financial Report for the year ended 30 June 2008, a copy of which is available from the Company's website: www.nanosonics.com.au or from the Company Secretary.

First Resolution – Election of Director – Dr David Fisher
Dr David Fisher was originally appointed a Director of the Company on 30th July 2001. Under the Company's Constitution, Dr Fisher retires by rotation, and being eligible, wishes to stand for election.

Second Resolution – Election of Director – Mr David Radford
Mr David Radford was appointed a Director of the Company on 16th June 2008. Under the Company's Constitution, Mr Radford retires because he was appointed after the last Annual General Meeting, and being eligible, wishes to stand for election.

Third Resolution – Election of Director – Dr Ron Weinberger
Dr Ron Weinberger was appointed a Director of the Company on 2nd July 2008. Under the Company's Constitution, Dr Weinberger retires because he was appointed after the last Annual General Meeting, and being eligible, wishes to stand for election.

Fourth Resolution – Remuneration Report
The Remuneration Report is required to be considered for adoption in accordance with Section 250R of the Corporations Act 2001 (Cth). The Remuneration Report comprises a part of the Directors' Report in the 2008 Annual Report and appears on pages 19-26 of that report.

The Remuneration Report:

- explains the Company's policies and processes for determining the remuneration of its senior executives,
- sets out details of the remuneration of each of the Company's Directors and Key Management Personnel having authority for the strategic direction and management of the Company.

The vote on this resolution is advisory only and non-binding on the Company or the Directors. The resolution gives the members the opportunity to ask questions or make comments concerning the Remuneration Report during the meeting.

Fifth Resolution – Grant of Options to a Director, Mr David Radford

Shareholder approval is sought for 1,500,000 new Options to be issued to the Company's Chief Executive Officer (CEO), Mr David Radford, under the Employee Share Option Scheme. Mr Radford was appointed CEO and a Director on 16th June 2008. Shareholder approval is required under ASX Listing Rule 10.14 because Mr Radford is a Director of the Company.

The following are details of the proposed issue of Options:

a) 500,000 Options (the "first 500,000") to be granted, subject to shareholder approval, at an exercise price of $0.30 per share and with vesting dates calculated from 16 June 2008; and

b) 500,000 Options (the "second 500,000") to be granted, subject to shareholder approval, at the completion of 12 months service with the Company at an exercise price of $0.30 per share; and

c) 500,000 Options (the "third 500,000") to be granted, subject to shareholder approval, at the completion of 24 months continuous employment with the Company at an exercise price equivalent to the volume weighted average last sale price as published by the ASX for the 5 days preceding the date of eligibility.

d) the maximum number of Options that may be issued to Mr Radford, subject to shareholder approval, is 1,500,000 and the final exercise date of those Options is the fourth anniversary of the respective issue date of the Options.

e) The Options will be issued for no cash consideration.

f) The Options may be exercised (and Shares will be issued) at their respective exercise price. Except for the first 500,000, the Options will vest as to 33% in number on the first anniversary of their issue date, a further 33% on the second anniversary of their issue date and the final 34% will vest on the third anniversary of their issue date. Vesting of 33% of the first 500,000 will occur on 16th June 2009. Thereafter the first 500,000 will vest as to a further 33% on the second anniversary of their issue date and the final 34% will vest on the third anniversary of their issue date. All the Options will lapse on the fourth anniversary of their issue date or 30 days after termination of employment with Nanosonics, whichever occurs first.

g) The date by which the Company will issue the first 500,000 Options is expected to be within one month of the meeting. The dates by which the Company will issue the second 500,000 Options and third 500,000 Options are expected to be within one month of 16th June 2009 and 16th June 2010 respectively.

h) The Company will not apply for quotation of the Options on ASX. The Company currently does not have a quoted class of options. Funds raised on the exercise of Options will be used to increase working capital.

i) All of the Directors, other than David Radford, recommend to members that they support the Fifth Resolution as they consider the grant of these Options is an appropriate way to give an incentive to Mr Radford in carrying out his role as Chief Executive Officer to build the business of the Company. The Board took external advice as to the appropriate number of options to award Mr Radford and consider it is in the best interests of the Company to reward Mr Radford for the successful performance of the Company.

j) The Directors, other than Mr Radford, do not have any interest in the outcome of the Fifth Resolution.

k) Mr David Radford does not make any recommendation to members on the Fifth Resolution because of his personal interest in the subject matter of the resolution.

l) The Directors have considered the assessed fair value of the Options proposed to be issued to Mr Radford and have taken independent advice on the matter. Using the Binomial option valuation methodology and a valuation date of 9 October 2008, when the Company's share price was $0.19: the first 500,000 Options have a value of approximately $0.023 each, or $11,560 in total and the second 500,000 Options have a value of approximately $0.022 each, or $10,995 in total. The assumptions used in the calculation are the risk free rate of 5.69%, based on the Australian Government Bond Rate, expiry dates 4 years after issue, the exercise prices of $0.30 and $0.30 respectively and a volatility of 49.29% factoring the historical share price volatility. The third 500,000 Options are not able to be valued until the criteria for determining their exercise price are known, ie. the volume weighted average last sale price as published by the ASX for the 5 days preceding 16th June 2010, being the date of eligibility.

m) Mr Radford has 87,000 shares and no options in the Company. The dilutionary effect of the issue of 1,500,000 Options to Mr Radford will be small, at 0.74% of all shares and options on issue. Currently there are 195,083,623 ordinary shares and 6,902,000 options on issue, excluding the Options proposed to be issued to Mr Radford. The options currently on issue expire on various dates between 17 May 2011 and 30 November 2011.

n) Under the terms and conditions of the Company's Employee Share Option Plan (ESOP), a director holding a full or part time salaried employment or office in the Company is eligible to participate in the ESOP. In accordance with Listing Rule 10.15, it is noted that, apart from Mr Radford, the only other director so eligible is Dr Ron Weinberger, who was appointed a director on 2nd July 2008. Prior to his appointment as a director, Dr Weinberger was granted at no cost and continues to hold 1,000,000 options with an exercise price of $0.20 and 175,000 options with an exercise price of $0.75. All of Dr Weinberger's options expire on 17 May 2011 and none have been exercised to the date of this Notice.

o) Subject to the terms of the ESOP, the Directors may determine that the Company makes loans to eligible employees, including salaried directors, in connection with the Exercise of Options under the Plan. The Company has not made any such loans and Mr Radford has not applied for a loan from the Company in connection with the Options subject to this resolution.

p) Details of any options issued in terms of the ESOP will be published in each annual report of the Company relating to a period in which options have been issued and for which approval was obtained under ASX listing rule 10.14.

q) Any director who becomes entitled to participate in the ESOP after the resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under listing rule 10.14.

Sixth Resolution – Grant of Shares to a Director – Mr David Radford

Shareholder approval is sought for a Director, Mr David Radford, to receive part or all of his annual remuneration as shares in Nanosonics pursuant to the Deferred Employee Share Plan (DESP). Shareholder approval is required under ASX Listing Rule 10.14 because Mr Radford is a Director of the Company.

General Explanatory Notes applying to the Sixth and Seventh Resolutions are provided below.

Seventh Resolution – Grant of Shares to a Director – Dr Ron Weinberger

Shareholder approval is sought for a Director, Dr Ron Weinberger, to receive part or all of his annual remuneration as shares in Nanosonics pursuant to the Deferred Employee Share Plan (DESP). Shareholder approval is required under ASX Listing Rule 10.14 because Dr Weinberger is a Director of the Company.

General Explanatory Notes applying to the Sixth and Seventh Resolutions are provided below.

Sixth and Seventh Resolutions – Grant of Shares to Directors

The following general Explanatory Notes apply to both the Sixth and Seventh Resolutions. Explanatory Notes specific to each of the Sixth and Seventh Resolutions appear under separate headings above.

ASX Listing Rule 10.15A requires these Explanatory Notes to include the following information in relation to the shares which may be issued to Mr. Radford and Dr Weinberger pursuant to the DESP. No previous issues have been made under DESP, which was approved by shareholders at the 2007 Annual General Meeting. Mr Radford and Dr Weinberger are the only directors eligible to participate in the DESP.

Details of any securities issued under the DESP will be published in each annual report of the Company relating to a period in which securities have been issued. Each annual report will also contain a statement to the effect that approval for the issue of the securities under the DESP was obtained under ASX Listing Rule 10.14.

Any additional Director or associate of any Director who becomes entitled to participate in the DESP after the resolution was approved and who were not named in the accompanying Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

Approval of multiple year allocations into the future

The Board is seeking approval for the issue of shares for the financial years 2008/09, 2009/10 and 2010/11 under the DESP. The value of shares to be issued to in each year will not exceed the following:

2008/09 Financial Year – up to 100% of the total annual Directors' remuneration
2009/10 Financial Year – up to 100% of the total annual Directors' remuneration
2010/11 Financial Year – up to 100% of the total annual Directors' remuneration

The total number of shares to be issued to the Directors in each year will be a function of:

$$\frac{\textbf{Annual Remuneration Sacrificed}}{\textbf{Share Acquisition Price*}} = \textbf{Number of Shares}$$

* where Share Acquisition Price will be either:

(a) Current on-market price, where shares are purchased 'on-market'; or
(b) 5 day Volume Weighted Average Share Price (VWAP), calculated on the 5 trading days up to and including date of grant, when shares are issued.

***For example**:*
If a Director's 2000/09 annual remuneration totalled $100,000 and assuming an on-market price of $0.25 per Nanosonics share at date of acquisition, the Director would be entitled to receive:

$100,000 divided by $0.25 = 400,000 Nanosonics Shares, if they sacrificed 100% of their remuneration.

Maximum number of shares that may be issued

The maximum number of shares that may be issued under the DESP to each of Mr Radford and Dr Weinberger over the three financial years ending 30 June 2011 is 500,000 shares per director.

The date of issue of shares
The date by which shares will be issued under the DESP each year will be as follows:

2008/09 Offer – no later than 30th June 2009; and
2009/10 Offer – Not before 1st July 2009 and no later than 30th June 2010; and
2010/11 Offer – Not before 1st July 2010 and no later than 30th June 2011.

Market price of shares issued
The price of shares offered in each year will be the market price of the Company's shares at the date of issue. The market price will be determined by reference to the 5 day volume weighted average market price of Nanosonics shares at the date of issue.

Service vesting conditions
All shares acquired under the DESP on behalf of the Directors will be subject to restrictions necessary to ensure continuing deferral of the benefit in accordance with taxation laws.

Performance vesting conditions
All shares acquired under the DESP on behalf of Directors for purposes of sacrifice of their remuneration will not be subject to any performance vesting conditions.

Ordinary Resolutions
In accordance with the Corporations Act and the Company's constitution, in order for the Fifth, Sixth and Seventh Resolutions to be effective each must be passed as an ordinary resolution. This means that each of these Resolutions must be passed by shareholders who are the registered holders of more than 50% of the shares and who attend the meeting (either in person of by proxy) and are entitled to vote on them.

QUESTIONS FROM SHAREHOLDERS

Your questions are important to us.

Nanosonics has recently updated its website: www.nanosonics.com.au Please see our Investor Relations page specifically designed for our shareholders' information and questions.

If you have other questions about Nanosonics which you would like the Directors to respond to at the Annual General Meeting (AGM), please send them to us in one of the following ways:

- use the "Contact Us" form provided on our website
- send an email to info@nanosonics.com.au
- use this page and send it to the mail or facsimile address provide below.

Questions received will be collated and we will respond to as many questions as possible at the AGM. Please note that we will not be able to reply individually.

Shareholders name: ……………………………………………………………………...

Shareholders address: ……………………………………………………………………..

…………………………………………………………………….

Shareholders Security Reference Number (SRN) or

Holder Identification Number (HIN) …………………………………..

Questions:

…………………………………………………………………………………………………

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To assist in a considered response to questions at the AGM, your questions should be received by the Company at its registered office by Friday 14th November 2008.

By Mail: Unit 24, 566 Gardeners Road, Alexandria NSW 2015

By Facsimile: +61 2 9317 5010

By Email: info@nanosonics.com.au

nanosonics

ABN 11 095 076 896

000001 000 NAN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

By Mail:
Nanosonics Limited
Unit 24, 566 Gardeners Road
Alexandria NSW 2015
By Email: info@nanosonics.com.au

Alternatively you can fax your form to
(within Australia) 02 9317 5010
(outside Australia) +61 2 9317 5010

For all enquiries call:
(within Australia) 1300 732 074
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 4.00pm (AEDT) Sunday 16 November 2008

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the Company, please attach a certified photocopy of the Power of Attorney to this form when you return it.
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 sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔

View the annual report, 24 hours a day, 7 days a week:
www.nanosonics.com.au

☑ **Access the annual report**

Your secure access information is:

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Nanosonics Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ____________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Nanosonics Limited to be held at NSW Trade & Investment Centre, Level 47, MLC Centre, 19 Martin Place, Sydney, NSW on Tuesday, 18 November 2008 at 4.00pm (AEDT) and at any adjournment of that meeting.

Important for Items 5 to 7: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Items 5 to 7 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 5 to 7 and your votes will not be counted in computing the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 5 to 7 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Election of Director - Dr David Fisher	☐	☐	☐
Resolution 2	Election of Director - Mr David Radford	☐	☐	☐
Resolution 3	Election of Director - Dr Ron Weinberger	☐	☐	☐
Resolution 4	Adoption of the Remuneration Report	☐	☐	☐
Resolution 5	Issue of Options to a Director - Mr David Radford	☐	☐	☐
Resolution 6	Issue of Shares to a Director - Mr David Radford	☐	☐	☐
Resolution 7	Issue of Shares to a Director - Dr Ron Weinberger	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

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

Contact Name ____________________ **Contact Daytime Telephone** ____________________ **Date** ___ / ___ / ___