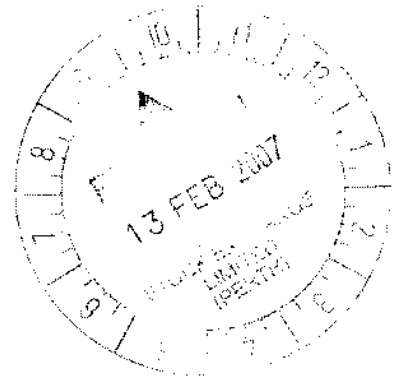




CERVANTES SEAFOOD LTD (IN LIQUIDATION)
ACN 097 982 235
NOTICE OF GENERAL MEETING

TIME: 10.30am (WST)
DATE: 13 March 2007
PLACE: Level 1, 12 Prowse Street, West Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Cervantes Seafood Ltd (in Liquidation) will be held at 10.30am WST on 13 March 2007 at Level 1, 12 Prowse Street, West Perth, Western Australia.

YOUR VOTE IS IMPORTANT

You may vote by attending the meeting in person, by proxy or authorised representative.

VOTING IN PERSON

To vote in person, you must attend the meeting on the date and at the place set out above. The meeting will commence at 10.30am (WST).

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- (a) send the proxy by facsimile on facsimile number (08) 9226 4250 (International: + 61 8 9226 4250); or
- (b) deliver the proxy to Level 1, 12 Prowse Street, West Perth, WA 6005,

so that it is received not later than 10.30am (WST) on 11 March 2007.

Proxy forms received later than this time will be invalid.

LETTER TO SHAREHOLDERS

Dear Shareholder

On 1 November 2004, the then directors of Cervantes Seafood Ltd (in Liquidation) (**Company**) duly appointed Gary Anderson of Gary Anderson Chartered Accountants as administrator of the Company pursuant to Section 436C of the Corporations Act (**Administrator**). On 25 January 2005, the administration of the Company came to an end and the Company proceeded to wind up. Gary Anderson was duly appointed as Liquidator of the Company pursuant to Section 439C(1) of the Corporations Act pursuant to the resolution of a meeting of creditors of the Company to that effect held on that day (**Liquidator**).

On 1 November 2004, the Company's securities were suspended from trading on the official list of ASX Limited (**ASX**).

The Financier has approached the Company and the Liquidator with a proposal to provide financial assistance to the Company and seek the reinstatement of the Shares on ASX and termination of the Company's winding up (**Proposal**). Discussions between the Directors and representatives of the Financier with ASX have been positive and ASX has indicated that a minimum of \$1,000,000 in excess of debts and liabilities would be needed by the Company before ASX would consider the release of suspension of the Shares on ASX.

After despatch of this Notice, the Company will apply to the Supreme Court of Western Australia for a stay of the winding up of the Company to enable the Company to complete the capital raisings referred to in Resolutions 1 and 2 (if the Resolutions are passed). If Shareholder approval is not obtained for Resolutions 1 and 2 or the capital raisings are not completed, the Company will remain in liquidation. The capital raisings referred to in Resolutions 1 and 2 are conditional on the stay of the winding up of the Company.

The Proposal from the Financier can be summarised as follows:

- (a) the Company will have no creditors other than the liquidator, 8 cray pots which are leased out earning income and a seafood processing licence which can be activated when funds are available and the Liquidator removed;
- (b) the Company be authorised to allot and issue 30,000,000 Shares to Investment Promotions Pty Ltd (or its nominees) at an issue price of 0.5 cents each and 30,000,000 free attaching Options exercisable at 1.5 cents on or before 31 December 2008 to raise \$150,000;
- (c) the Company be authorised to allot and issue by way of a general placement up to 135,000,000 Shares at an issue price of 1 cent each to raise up to \$1,350,000;
- (d) the existing Directors be re-elected as Directors of the Company; and
- (e) the Company will adopt a new Constitution.

If the Resolutions are passed and the proposed recapitalisation completed, the Company will seek the reinstatement to trading of its Shares on ASX.

If either Resolutions 1 or 2 are not passed by Shareholders or implemented or the application for a stay of the winding up of the Company not granted, the Company will remain in liquidation (in which event a token return to Shareholders is anticipated).

I urge you to attend the General Meeting of Shareholders. If you are unable to attend the Meeting personally, your proxy should be forwarded to the Company so as to be received by no later than 10.30am (WST) on 11 March 2007.

The Resolutions embodied in the Notice maximises the chances of the Company continuing in existence and to provide a better return to the creditors and Shareholders of the Company than would result from the continued winding up of the Company.

I encourage you to consider the attached documentation carefully and to exercise your vote in favour of the Resolutions proposed for approval at the forthcoming Meeting. It is very important that you participate in the decision which could be crucial for the future of your investment in the Company.

The Liquidator of the Company is not responsible for the contents of this letter, the Notice of General Meeting, or the accompanying Explanatory Statement. The Liquidator does not accept any responsibility for any disclosure in or failure to include any disclosure in those documents.

Yours faithfully



Barry Mackinnon
Director

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Cervantes Seafood Ltd (in Liquidation) will be held at 10.30am (WST) on 13 March 2007 at Level 1, 12 Prowse Street, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on 12 March 2007 at 9.00am(WST).

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Reports and Accounts

To receive the financial reports of the Company for the years ended 30 June 2004, 2005 and 2006, together with the Director's reports and auditor's report.

SPECIAL BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as special business.

RESOLUTION 1 – ISSUE OF SHARES AND OPTIONS TO INVESTMENT PROMOTIONS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 2 and 3 and the winding up of the Company being stayed, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited, and for all other purposes, approval is given for the Company to allot and issue 30,000,000 Shares at an issue price of 0.5 cents per Share and 30,000,000 free attaching Options exercisable at 1.5 cents on or before 31 December 2008 to raise \$150,000 to Investment Promotions Pty Ltd (or its nominee) on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shares and Options will be issued to the Financier and parties nominated by the Financier (none of whom are related parties of the Company) in consideration for the Financier providing financial assistance to the Company associated with this Notice and seeking a stay of the Liquidator. Approval is sought so that the securities are not included in the Company's 15% threshold for the purposes of ASX Listing Rule 7.1.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

RESOLUTION 2 – ISSUE OF SHARES – WORKING CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 1 and 3 and the winding up of the Company being stayed, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 135,000,000 Shares at an issue price of 1 cent per Share to raise up to \$1,350,000 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: As part of the recapitalisation of the Company, Shares will be issued pursuant to a prospectus to raise the minimum amount required by ASX to seek a release of the suspension of the Shares on ASX. Approval is sought so that the Shares are not included in the Company's 15% threshold for the purposes of ASX Listing Rule 7.1.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

RESOLUTION 3 – TERMINATION OF WINDING UP

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non binding resolution**:

"That, subject to the passing of Resolutions 1 and 2, for the purposes of Section 482 of the Corporations Act and for all other purposes, Shareholders approve an application being made to the Supreme Court of Western Australia for the termination of the winding up of the Company with an undertaking to provide for the Liquidator's costs and expenses."

Short Explanation: The capital raisings pursuant to Resolutions 1 and 2 will not be carried into effect unless the winding up of the Company is stayed. Shareholder approval is sought for the Liquidator to make an application to the Supreme Court of Western Australia for the staying of the winding up of the Company. The Resolution does not bind the Company or the Directors.

RESOLUTION 4 – RE-ELECTION OF MR BARRY MACKINNON

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, Mr Barry MacKinnon being a Director of the Company, retires in accordance with clause 13.2 of the Company's Constitution and, being eligible and offering himself for re-election, be elected as a Director of the Company."

RESOLUTION 5 – RE-ELECTION OF MR ROBERT GROVER

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, Mr Robert Grover being a Director of the Company, retires in accordance with clause 13.2 of the Company's Constitution and, being eligible and offering himself for re-election, be elected as a Director of the Company."

RESOLUTION 6 – RE-ELECTION OF MR WILLIAM MCSHARER

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, Mr William McSharer being a Director of the Company, retires in accordance with clause 13.2 of the Company's Constitution and, being eligible and offering himself for re-election, be elected as a Director of the Company."

RESOLUTION 7 – RE-ELECTION OF CHEN HAO

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, Mr Chen Hao being a Director of the Company, retires in accordance with clause 13.2 of the Company's Constitution and, being eligible and offering himself for re-election, be elected as a Director of the Company."

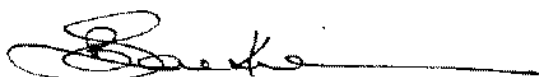
RESOLUTION 8 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

"That, subject to the winding up of the Company being stayed, the Company adopts a new Constitution in the form as signed by the chairman of the Meeting for identification purposes in lieu of the existing Constitution of the Company."

Short Explanation: The Company proposes to adopt a new Constitution that more accurately reflects the recent changes to the Corporations Act and the Listing Rules of ASX Limited.

DATED: 8 February 2007



Barry Mackinnon
Director

Voting Exclusion Note:

Where a voting exclusion applies, 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 Liquidator of the Company is not responsible for the contents of this Notice of General Meeting, or the accompanying letter and Explanatory Statement. The Liquidator does not accept any responsibility for any disclosure in or failure to include any disclosure in those documents.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the Shareholders of Cervantes Seafood Ltd (in Liquidation) (**Company**) in connection with the General Meeting of the Company.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that the Company is currently being wound up. After despatch of the Notice of Meeting, the Liquidator will apply to the Supreme Court of Western Australia for a stay of the liquidation to enable a recapitalisation of the Company in accordance with Resolutions 1 and 2 and enable the Company to seek the reinstatement of the Shares on ASX.

If Resolutions 1 and 2 are passed and the capital raisings in Resolutions 1 and 2 are completed, the Company will be in a position to seek the reinstatement of its Shares to official quotation on ASX. This reinstatement is, of course, subject to the discretion of ASX.

If Shareholders do not pass Resolutions 1 and 2 or Resolutions 1 and 2 are not implemented, the Company will remain wound up. In this circumstance, it is likely that there would be only a token return to Shareholders.

The Liquidator of the Company is not responsible for the contents of this Explanatory Statement, or the accompanying letter to Shareholders or Notice of General Meeting. The Liquidator does not accept any responsibility for any disclosure in or failure to include any disclosure in those documents.

1. OVERVIEW

1.1 Background

A general background and history in respect of the appointment of the Liquidator is set out in the letter to Shareholders at the beginning of this Memorandum.

1.2 Business of Company

The Company currently has no creditors other than the Liquidator, 8 cray pots which are leased out earning income and a seafood processing licence which can be activated when funds are available and the Liquidator removed.

1.3 Purpose of Capital Raisings (Resolutions 1 and 2)

The purpose of the capital raisings contained in Resolutions 1 and 2 (being up to \$1,500,000) is to:

- (a) provide financial assistance to the Company and underwriting of various costs relating to the staying of the winding up and preparation for relisting of the Company on ASX;
- (b) fund the Company's ongoing operations;
- (c) provide funds for the further development of the Company's business;
- (d) provide funds for the acquisition and development of additional complementary opportunities, as identified by the Company;

- (e) provide funds for the acquisition and development of other investment and business opportunities identified by the Company both in Australia and overseas; and
- (f) meet the administration costs of the Company and the expenses of the recapitalisation of the Company including the repayment of loan funds arranged by the Financier and Liquidator's remuneration, costs and expenses.

1.4 Use of Funds – Expenditure Budget

The Company's review and development plans are the best estimates available to the Company at this time. It is important to recognise that although certain of the budget allocations are committed expenditures, work programs are subject to changes in line with emerging results, circumstances and opportunities.

It is proposed that the funds raised pursuant to Resolutions 1 and 2 will be applied as follows:

<i>Use of Funds - Expenditure Budget</i>		
	Year 1	Year 2
Total maximum funds raised	1,500,000	-
Utilised as follows:		
Financial assistance to the Company and underwriting of various costs relating to the staying of the liquidation, preparation for relisting of the Company on ASX and placement offer costs	150,000	-
Fund the Company's ongoing operations	50,000	50,000
Provide funds for the further development of the Company's business	75,000	75,000
Provide funds for the acquisition and development of additional complementary and other business opportunities, as identified by the Company both in Australia and overseas	200,000	200,000
Administration costs	100,000	100,000
Working Capital	250,000	250,000
Total funds utilised	825,000	675,000

1.5 Pro-forma Capital Structure

Shares		Note
Existing Shares on issue		122,011,112
Issue of Shares to Investment Promotions Pty Ltd (Resolution 1)		30,000,000
Issue of Shares pursuant to Placement (Resolution 2)		135,000,000
Total Shares		287,011,112
Options		
Existing Options		Nil
Free attaching Options to Investment Promotions Pty Ltd (Resolution 1)	1	30,000,000
Total Options		30,000,000

The Options will be exercisable at 1.5 cents each on or before 31 December 2008.

1.6 Proforma Statement of Financial Position

Outlined below is a proforma statement of financial position of the Company following implementation of all the Resolutions outlined in this Notice.

Set out below is the Balance Sheet of the Company as at 31 December 2006, and the Pro Forma Balance Sheet of the Company as at 31 December 2006.

	REVIEWED 31-DECEMBER-06 \$	REVIEWED PRO-FORMA AFTER SHARE ISSUE 31-DECEMBER-06 \$
CURRENT ASSETS		
Cash and Cash Equivalents	10,736	1,435,736
Receivables	31,444	31,444
TOTAL CURRENT ASSETS	42,180	1,467,180
NON-CURRENT ASSETS		
Property, Plant & Equipment	1,500	1,500
Intangible Assets	490,000	490,000
TOTAL NON-CURRENT ASSETS	491,500	491,500
TOTAL ASSETS	533,680	1,958,680
CURRENT LIABILITIES		
Trade and Other Payables	-	-
Director's Loan – Non interest Bearing	-	-
TOTAL CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	-	-
NET ASSETS	533,680	1,958,680
EQUITY		
Contributed Equity	10,633,869	12,058,869
Accumulated Losses	(10,100,189)	(10,100,189)
TOTAL EQUITY	533,680	1,958,680

The pro-forma Balance Sheet has been prepared assuming the placement of shares to raise \$1,500,000 has been concluded and expenses of \$75,000 has been incurred.

1.7 Summary of the terms of the Proposal

In December 2006, the Financier approached the Company and the Liquidator in respect of providing financial assistance to the Company and seeking a

reinstatement of the trading of the Shares on ASX that would maximise the chances of the Company continuing in existence and provide a better return to the creditors and members of the Company than would result from the continued winding up of the Company.

Terms of the Proposal

The essential terms of the Proposal are as follows:

- (a) the Company will allot and issue to the Financier (or its nominees) 30,000,000 Shares at an issue price of 0.5 cents each and 30,000,000 free attaching Options to raise \$150,000; and
- (b) in addition to the funds raised as set out in paragraph (a), the Company will undertake the Placement. The Notice provides for the allotment and issue of up to 135,000,000 Shares by the Company at a price of 1 cent per Share to raise up to \$1,350,000.

Therefore, up to \$1,500,000 will be raised pursuant to the Proposal. The capital raisings will be conditional on the winding up of the Company being stayed which will be sought after despatch of the Notice to Shareholders.

Following completion of the capital raisings referred to in Resolutions 1 and 2, the Company will have no creditors, 8 cray pots which are leased out earning an income and a seafood processing licence which can be activated when funds are available and the Liquidator removed.

1.8 ASX Listing

ASX has advised the Company that upon completion of the capital raisings contemplated by Resolutions 1 and 2 and the satisfaction of various other conditions, it would normally intend to reinstate the Company's Shares to official quotation.

It is considered by the Directors that the conditions are capable of being satisfied and are not unusual in matters of this nature.

1.9 Conclusion

The Resolutions set out in the Notice are important and affect the future of the Company. Shareholders are therefore urged to give careful consideration to the Notice and the contents of this Explanatory Statement.

2. RESOLUTION 1 – ALLOTMENT AND ISSUE OF SHARES AND OPTIONS TO INVESTMENT PROMOTIONS PTY LTD

2.1 Background

The Shares and Options under Resolution 1 are being issued in consideration for the financial support provided by Investment Promotions Pty Ltd prior to the recapitalisation of the Company.

2.2 ASX Listing Rules

Resolution 1 is required to be approved in accordance with ASX Listing Rule 7.1.

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

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issuer has the prior approval of Shareholders in general meeting.

Pursuant to Resolution 1 it is proposed that Shares and free attaching Options will be issued to Investment Promotions Pty Ltd (or its nominees).

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rules 7.1 for Resolution 1:

- (a) the maximum number of securities to be issued by the Company pursuant to Resolution 1 is:
 - (i) 30,000,000 Shares at an issue price of 0.5 cents each to raise \$150,000;
 - (ii) 30,000,000 free attaching Options exercisable at 1.5 cents each on or before 31 December 2008;
- (b) the allottees of the Shares and Options issued pursuant to Resolution 1 will be Investment Promotions Pty Ltd and its nominees. None of the allottees of the securities issued pursuant to Resolution 1 will be related parties of the Company;
- (c) it is anticipated that the Shares and Options pursuant to Resolution 1 will be allotted progressively and will be issued not later than 3 months after the date of the Meeting;
- (d) the Shares issued pursuant to Resolution 1 will rank equally with the existing Shares on issue. The Options will be granted on the terms set out in Section 2.3 below; and
- (e) the funds raised from the issue of the Shares will be used for the purposes set out in Section 1.4.

2.3 Terms and Conditions of Options

The material terms and conditions of the Options will be as follows:

- (a) the Options will be exercisable at any time prior to 5.00pm WST on 31 December 2008 (**Expiry Date**). Options not exercised on or before the expiry date will automatically lapse;
- (b) the exercise price of each Option will be 1.5 cents each;
- (c) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's Share Registry and received by it any time prior to the Expiry Date;

- (d) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking *pari passu* with the then issued Shares. The Company will apply to ASX to have the Shares granted official quotation;
- (e) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- (f) the Options will not be listed on ASX but are transferable;
- (g) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new *pro rata* issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- (h) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date, all rights of an optionholder are to be changed in a manner consistent with the ASX Listing Rules; and
- (i) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

3. RESOLUTION 2 – ISSUE OF SHARES – WORKING CAPITAL

3.1 Background

As outlined in Section 1 of this Explanatory Statement, the Company needs to have a minimum of \$1,000,000 free of debts and liabilities before it can seek a reinstatement of its securities on ASX. For this purpose, pursuant to Resolution 2, the Company seeks Shareholder approval to issue up to 135,000,000 Shares at an issue price of 1 cent per Share to raise up to \$1,350,000.

3.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is contained in Section 2.2. The following information is provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1 for Resolution 2:

- (a) the maximum number of securities to be issued by the Company pursuant to Resolution 2 is 135,000,000 Shares at an issue price of 1 cent per Share;
- (b) the allottees of the Shares is not yet known as they will be issued pursuant to a prospectus. No allottees will be a related party of the Company and no allottee will acquire voting power greater than 20% of the Company;
- (c) it is anticipated that the Shares will be allotted on one date and will be issued not later than 3 months after the date of the Meeting;
- (d) the Shares issued will rank equally with the existing Shares on issue;

- (e) the funds raised from the issue will be used for the purposes set out in Section 1.4.

4. RESOLUTION 3 – TERMINATION OF WINDING UP

At the written request of the major Shareholders and as a result of the Liquidator having cleared all debts of the Company, having maintained strategic assets of the Company in regards to cray pot licences and processing licences for the resurrection of the Company's activities which may add value to all existing Shares and with the financial assistance of the Financier as well as support of the Directors, approval is sought from all Shareholders for the Company to be brought out of liquidation.

Resolution 3 seeks the approval of Shareholders to enable the Liquidator to apply to the Supreme Court of Western Australia for approval to stay the winding up proceedings and to bring the Company out of liquidation with a view of implementing the Proposal and seeking a release of the suspension of the Shares on ASX.

The Liquidator and the Directors recommend the passing of Resolution 3.

5. RESOLUTIONS 4, 5, 6 AND 7 - RE-ELECTION OF DIRECTORS

Pursuant to clause 13.2 of the Constitution of the Company, no Director (other than the managing director) may hold office for a period in excess of 3 years or until the third annual general meeting after their appointment (whichever is the longer) without submitting themselves for re-election.

In accordance with clause 13.2 of the Constitution of the Company each of the Directors seek re-election as Directors.

Resolutions 4, 5, 6 and 7 seek the re-election of Barry MacKinnon, Robert Grover, William McSharer and Chen Hao (respectively) as Directors.

The background on each of these persons is set out below.

MR BARRY MACKINNON

Non – Executive Chairman

Mr MacKinnon has a wide range of experience in corporate finance and business management. He is currently the principal of an independent consultant organisation in Western Australia, which provides political and business advice to a wide range of clients in the private and public sectors and is a Fellow of the Australian Society of Certified Practising Accountants.

MR ROBERT GROVER

Managing Director

Mr Grover is a business consultant with more than 25 years corporate management experience. He has held Board positions with a range of Australian and international public companies. Mr Grover formerly practised as an Accountant and Company Secretary and is a Fellow of the Australian Institute of Company Directors.

MR WILLIAM MCSHARER*Non-Executive Director*

Mr McSharer has an extensive background in both commercial fishing and business management. He has been actively involved in the West Coast rock Lobster fishery for 27 years. During this period Mr McSharer has provided advice to Ministerial advisory groups for policy development in accordance with numerous provisions of the Fisheries Resources Management Act. Holding representative appointments with both wild capture and aquaculture sectors of the lobster fishery industry, he was also inaugural Chairman of the Central and Coastal Districts Business Enterprise Centre responsible for fostering business development within the Mid West region of Western Australia. In 1995 Mr McSharer diversified his business interests to include the provision of electronic security solutions to various State judicial and custodial authorities.

MR CHEN HAO*Non-Executive Director*

Mr Chen has over 20 years experience as a civil and marine engineer. He is the principal of a leading structural and marine engineering consultancy in Singapore. He has over six years experience operating an international seafood trading business, responsible for finances, sales and marketing, with a key emphasis on markets in China and Japan. Mr Chen is fluent in Mandarin and a number of Chinese dialects and has strong relationships with Cervantes Seafood's major buyers. Mr Chen has broad experience and specialist knowledge in key Asian seafood and marine markets. He holds a Masters degree in Science and is a member of the professional engineering institutions in the United Kingdom, United States, Australia, Singapore and Malaysia.

6. RESOLUTION 8 – ADOPTION OF NEW CONSTITUTION

Resolution 8 seeks the approval of Shareholders to the adoption of a new Constitution for the Company that more accurately reflects the change to the Corporations Act and the ASX Listing Rules.

A copy of the proposed new Constitution will be sent to any Shareholder upon request and will also be available for inspection at the Company's registered office during normal business hours prior to the Meeting and available for inspection at the Meeting.

The new Constitution reflects any recent changes to the Corporations Act and ASX Listing Rules since the adoption of the current Constitution.

The Liquidator is not responsible for the contents of this Explanatory Statement, or the accompanying letter to Shareholders or Notice of General Meeting. The Liquidator does not accept any responsibility for any disclosure in or failure to include any disclosure in those documents.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company means Cervantes Seafood Ltd (in Liquidation) (ACN 097 982 235).

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Explanatory Statement means the explanatory statement to the Memorandum.

Financier means Investment Promotions Pty Ltd (ACN 008 720 401).

Meeting means the meeting convened by the Notice.

Memorandum means this information memorandum.

Notice means the notice of meeting forming part of this Memorandum.

Option means an option to acquire a Share on the terms set out in Section 2.3 of the Explanatory Statement.

Placement means the placement of Shares the subject of Resolution 2.

Proposal means the proposal by the Financier as summarised in Section 1 of the Explanatory Statement and the subject of the Resolutions.

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

Shareholder means the holder of a Share.

WST means Western Standard Time.

**PROXY FORM
CERVANTES SEAFOOD LTD (IN LIQUIDATION)
ACN 097 982 235**

I/We

being a Member of Cervantes Seafood Ltd entitled to attend and vote
at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 10.30am (WST) on 13 March 2007 at Level 1, 12 Prowse Street, West Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the Resolutions.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Shares and Options to Investment Promotions Pty Ltd	☐	☐	☐
Resolution 2	Issue of Shares - Working Capital	☐	☐	☐
Resolution 3	Termination of Winding Up	☐	☐	☐
Resolution 4	Re-Election of Mr Barry MacKinnon	☐	☐	☐
Resolution 5	Re-Election of Mr Robert Grover	☐	☐	☐
Resolution 6	Re-Election of Mr William McSharer	☐	☐	☐
Resolution 7	Re-election of Mr Chen Hao	☐	☐	☐
Resolution 8	Adoption of New Constitution	☐	☐	☐

In relation to the Resolutions, if the Chairperson is to be your proxy and you do **not** wish to direct your proxy how to vote on these Resolutions, please place a mark in this box

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him 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 Chairman of the meeting 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 Chairman intends to vote in favour of these Resolutions.

IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO THE RESOLUTIONS YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO THE RESOLUTIONS WILL BE DISREGARDED.

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.

If two proxies are being appointed, the proportion of voting rights this proxy represents is:

Signed this _____ day of _____ 2007 _____ %
By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Signature

Sole Director and Sole Company Secretary

CERVANTES SEAFOOD LTD (IN LIQUIDATION)
ACN 097 982 235

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
 2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
 3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
- For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
4. 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.
 5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.