



NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a meeting of members of SomnoMed Limited (the "Company") will be held at the Melaluca Room, Level 1, 151 Clarence St, Sydney, NSW 2000 on Friday 30 November 2007 at 11am for the purpose of transacting the business set out in this Notice.

BUSINESS

Resolution 1 – Approval to issue 10,526,316 ordinary shares in the Company under a Placement

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

"That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 10,526,316 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to Atlas Ventures (Nominee) Pty Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved."

Voting exclusion

The Company will disregard any votes cast on this resolution by Atlas Ventures (Nominee) Pty Limited and any associate of that company.

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

Resolution 2 – Approval to issue 26,315,790 ordinary shares in the Company under a Placement

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

"That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 26,315,790 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to E.L. & C. Baillieu Stockbroking Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved."

Voting exclusion

The Company will disregard any votes cast on this resolution by E.L. & C. Baillieu Stockbroking Limited and any associate of that company.

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

Resolution 3 – Approval to issue 13,157,895 ordinary shares in the Company under a Placement

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

"That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 13,157,895 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to Carnethy Investments Pty Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved."

Voting exclusion

The Company will disregard any votes cast on this resolution by Carnethy Investments Pty Limited and any associate of that company.

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

Resolution 4 – Approval to issue 26,315,790 ordinary shares in the Company under a Placement

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

“That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 26,315,790 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to Dottie Investments Pty Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved.”

Voting exclusion

The Company will disregard any votes cast on this resolution by Dottie Investments Pty Limited and any associate of that company.

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

Resolution 5 – Approval to issue 21,052,632 ordinary shares in the Company under a Placement

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

“That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 21,052,632 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to Ginga Pty Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved.”

Voting exclusion

The Company will disregard any votes cast on this resolution by Ginga Pty Limited and any associate of that company.

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

Resolution 6 – Approval to issue 26,315,790 ordinary shares in the Company under a Placement

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

“That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 26,315,790 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to Golden Words Pty Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved.”

Voting exclusion

The Company will disregard any votes cast on this resolution by Golden Words Pty Limited and any associate of that company.

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

Resolution 7 – Approval to issue 5,263,158 ordinary shares in the Company under a Placement

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

“That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 5,263,158 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to Indubilla Pty Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved.”

Voting exclusion

The Company will disregard any votes cast on this resolution by Indubilla Pty Limited and any associate of that company.

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

Resolution 8 – Approval to issue 15,789,474 ordinary shares in the Company under a Placement

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

“That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 15,789,474 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to M F Custodians Ltd on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved.”

Voting exclusion

The Company will disregard any votes cast on this resolution by M F Custodians Ltd and any associate of that company.

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

Resolution 9 – Approval to issue 13,157,895 ordinary shares in the Company under a Placement

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

“That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of 13,157,895 ordinary shares in the Company at an issue price of \$0.019 per share under a Placement to IP Capital Strategies Pty Limited and their nominee(s) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice be approved.”

Voting exclusion

The Company will disregard any votes cast on this resolution by IP Capital Strategies Pty Limited and any associate of that company.

However, the Company need not disregard a vote if:

- (c) 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; and
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Appointment of Proxy

1. A member who is unable to attend and vote at the meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below. The proxy need not be a member of the Company.
2. If a member wishes to appoint a proxy, and is entitled to cast 2 or more votes, then the member may appoint 2 proxies, and may specify the proportion or number of votes each proxy may cast.
3. A proxy form (and the power of attorney (if any) under which it is signed) must be received at the registered office of the Company not less than 48 hours before the time of the holding of the meeting:
 - by hand: Registries Limited, Level 2, 28 Margaret Street, Sydney, NSW 2000
 - by mail: Registries Limited, PO Box R67, Royal Exchange, NSW 1223
 - by facsimile: (02) 9279 0664

Corporate Representatives

Corporate members must either:

- appoint a proxy as set out above; or
- appoint a body corporate representative in accordance with the Corporations Act.

The appointment of a body corporate representative must be produced at the meeting.

Entitlement to vote

For the purpose of the meeting, those members holding shares at 7pm on 28 November 2007 will be voting members at the meeting.

Further Information

This notice should be read in conjunction with the Explanatory Memorandum.

By the Order of the Board of Directors.



T. A. Flitcroft
Company Secretary

Dated: 19th October 2007

EXPLANATORY NOTES ON ITEMS OF BUSINESS

This explanatory memorandum sets out further information regarding the proposed resolutions to be considered by shareholders of SomnoMed Limited ("the Company") at the meeting of members to be held at the Melaluca Room, Level 1, 151 Clarence St, Sydney, NSW 2000 on Friday 30th November 2007 at 11am

Resolutions 1 to 9 – Ratification of Share Issues

Resolutions 1 to 9 provide for Shareholder approval of the issue of a total of 157,894,739 fully paid Shares at \$0.19 cents per Share, of which:

- 10,526,316 of the Shares are to be issued to Atlas Ventures (Nominee) Pty Limited (Resolution 1);
- 26,315,790 of the Shares are to be issued to E.L. & C. Baillieu Stockbroking Limited (Resolution 2);
- 13,157,895 of the Shares are to be issued to Carnethy Investments Pty Limited (Resolution 3);
- 26,315,790 of the Shares are to be issued to Dottie Investments Pty Limited (Resolution 4);
- 21,052,632 of the Shares are to be issued to Ginga Pty Limited (Resolution 5);
- 26,315,790 of the Shares are to be issued to Golden Words Pty Limited (Resolution 6);
- 5,263,158 of the Shares are to be issued to Indubilla Pty Limited (Resolution 7);
- 15,789,474 of the Shares are to be issued to M F Custodians Ltd (Resolution 8);
- 13,157,895 of the Shares are to be issued to IP Capital Strategies Pty Limited and their nominee(s) (Resolution 9).

Listing Rule 7.1 provides that the Company cannot issue or agree to issue equity securities (which include Shares) without shareholder approval (unless the issue is pursuant to an exemption to Listing Rule 7.1) where the number of equity securities issued or agreed to be issued in the preceding 12 month period and the new issue exceeds 15% of the number of ordinary shares on issue at the beginning of the preceding 12 month period (increased by any issues undertaken in that period with shareholder approval or under an exemption to Listing Rule 7.1).

As the total number of Shares to be issued under Resolutions 1 to 8 will exceed 15% of the number of ordinary shares on issue as at 30 November 2006, the Company is therefore seeking shareholder approval in respect of each issue for the purposes of Listing Rule 7.1.

The Shares will be issued and allotted within 7 business days of approval by the general meeting (ie anticipated to be by 7 December 2007).

Information for all Shares issued and proposed to be issued

Terms

All Shares issued and to be issued are on the same terms as and rank equally with all existing Shares on issue.

Use of the funds

The funds raised will be used to provide additional working capital and sufficient resources for the Company to take advantage of global growth opportunities.