NORWOOD SYSTEMS LTD

ABN 62 009 423 189

NOTICE OF GENERAL MEETING

TIME: 9:15 am

DATE: Wednesday, 15 December 2006

PLACE: 71 Troy Terrace
SUBIACO WA 6008

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 8) 9380 7777.

CONTENTS PAGE

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Norwood Systems Ltd which this Notice of General Meeting relates to will be held at 71 Troy Terrace, Subiaco, Western Australia on 15 December 2006

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed:

(a) send the proxy form by post to Norwood Systems Ltd, PO Box 1281, Subiaco, WA 6904; or

(b) by facsimile to the Company on facsimile number (+ 61 8) 9380 7733,

so that it is received not later than 9:15am on 13 December 2006.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Norwood Systems Ltd (ABN 62 009 423 189) (**Company**) will be held at 71 Troy Terrace, Subiaco WA 6904 at 9:15 am on 15 December 2006.

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 at 5pm EST on 13 December 2006.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

RESOLUTION 1 – DISPOSAL OF ASSETS

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

> *"That, for the purpose of ASX Listing Rule 11.2 and for all other purposes, approval is given for the Company to dispose of its existing business and business related assets on the terms and conditions in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who may obtain a benefit, accept a benefit solely in the capacity of a security holder, if this resolution is passed and any associates of those persons.

RESOLUTION 2 – CHANGE OF NAME

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

> *"That, subject to the passing of Resolution 1, the name of the Company be changed to Enerji Ltd"*

RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

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

> *"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby approve and ratify the allotment and issue of 1,732,667 Shares at an issue price of $0.03* per *Share to the Placement Investors on such terms and conditions referred to in the Explanatory Memorandum."*

Voting Exclusion Statement: In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by a person who participated in the issue (i.e. any of the parties listed in paragraph 3.3(a) of the Explanatory Statement) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a Placement Investor 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 a Placement Investor chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 14 November 2006

BY ORDER OF THE BOARD

Michael O'Donnell
CHAIRMAN
NORWOOD SYSTEMS LTD

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 71 Troy Terrace, Subiaco, Western Australia on 15 December 2006 at 9:15 am.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. BACKGROUND

The business of Norwood Systems was acquired in November 2004 for £200,000. The previous owners of the business had been unable to secure further venture capital funding and had placed the business into administration.

Norwood's business centres on applications of Bluetooth telephony technology (**Business**). Bluetooth is widely used globally as a wireless data transfer system, and is most commonly encountered as the operating technology of earpieces which receive and transmit mobile telephone voice data.

Norwood developed sophisticated Bluetooth technology applications that could be used in much larger environments, typically large warehouses/factories where conventional telephone solutions could be improved on.

Despite the attractiveness of the technology, market acceptance was poor and the business suffered significant losses. Cost minimization strategies were imposed, but sales revenues still failed to meet the on-going costs of continued development.

Operational results in recent periods were:

	Year ended 31 December 2004	**Year ended 31 December 2005**	**Half Year ended 30 June 2006**
	$	**$**	**$**
Revenue	345,608	806,654	288,549
Costs	814,807	2,985,560	1,149,734
Loss	**469,199**	**2,178,906**	**861,185**

The Company has recently terminated the employment of all staff involved with the Business.

In early November 2006, the Directors entered into a Binding Terms Sheet with Jtech Australia Pty Ltd (**Jtech**) (**Agreement**) pursuant to which Jtech agreed to acquire the Business and Business-related assets as well as the assumption of a number of the liabilities of the Company in consideration for the payment of $450,000 payable as follows:

(a) $150,000 payable at settlement;

(b) $150,000 payable within 6 months of the date of the Agreement; and

(c) $150,000 payable within 12 months of the date of the Agreement.

Jtech has no contractual obligation to make either the 6 month or 12 month payments and can elect at either of those two dates to terminate the Agreement. The ownership of the EM® source codes and intellectual property in the Business will not pass to Jtech until the final milestone payment is paid by Jtech.

The Agreement is conditional upon the Company receiving the approval of its Shareholders pursuant to Resolution 1.

Following completion of the sale of the Business the Company will continue its monthly reporting of cash movements to the market. The Directors will also continue to focus their attention on locating new business opportunities for the Company following the sale of the Business and note that the Company will comply with all regulatory requirements in relation to any future acquisition made by the Company.

2. RESOLUTION 1 – DISPOSAL OF ASSETS

As outlined in the background section of this Explanatory Statement, the Company has entered into a Binding Terms Sheet pursuant to which the Company agrees, subject to Shareholder approval, to sell its business and business related assets to Jtech Australia Pty Ltd, a non-related party (**Purchaser**) in consideration of a cash payment of $450,000.

After completion of the sale, the Company's pro forma balance sheet will be as set out in Annexure A to this Explanatory Statement.

ASX Listing Rule 11.2

ASX Listing Rule 11.2 requires that a disposal of the main undertaking of a Company be approved by Shareholders. The proposed sale of the Company's Business and Business-related assets constitutes the disposal of the main undertaking of the Company. Accordingly, Resolution 1 seeks the approval for the proposed disposal of those assets.

The Directors, having considered the current state of the Company and the prospects for future profitability of the Business consider that the disposal of the Business is in the best interests to the Company and its Shareholders. The Directors therefore recommend that Shareholders approve the disposal of the Business, and give the following reasons for their recommendation:

(a) the Business is not profitable, and there is no short term prospect of profitability for the Business in its current form;

(b) having considered various proposals from interested parties, the proposal by JTech constitutes the best offer for the Business;

(c) beyond the current cash, there is little prospect of the Company being able to secure funding for the future operation of the Business; and

(d) the sale of the Business will enable the Directors to refocus their attention on other potential opportunities for the Company that may represent a better return to Shareholders.

3. RESOLUTION 2 – CHANGE OF NAME OF THE COMPANY

Resolution 2 is subject to the passing of Resolution 1.

Under the terms of the Agreement the Purchaser may elect to use the business name 'Norwood Systems' and in recognition thereof it is appropriate to change the name of the Company from 'Norwood Systems' to an unrelated name. The description "Enerji" has no special meaning and is not intended to indicate any future change in the direction of the Company.

4. RESOLUTION 3 - RATIFICATION OF ISSUE OF SHARES

4.1 Background

On 14 June 2006 , the Company completed a placement of 5,166,666 Shares at an issue price of $0.03 (3 cents) per Share to the investors set out in paragraph 3.3(b) below to raise approximately $150,000 before issue expenses for working capital.

4.2 Listing Rule 7.4

Listing Rule 7.4 permits a company to subsequently approve an issue of securities made without approval under Listing Rule 7.1. Resolution 3 has been included in this Notice to preserve the Company's ability to issue further securities (if necessary) under Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the total number of fully paid ordinary shares on issue in the company at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

Listing Rules 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and shareholders subsequently approve it.

4.3 Details of the Placement

In accordance with Listing Rule 7.5, Shareholders are advised as follows:

(a) 5,166,666 Shares were issued on 14 June 2006 to the following parties:

Allottee	No. of Shares
Foxmore Holdings Pty Ltd	1,500,000
Piat Corp Pty Ltd	750,000
Kirke Securities Limited	750,000
Queensway Investments Pty Ltd	700,000
Foster West Securities Pty Ltd <Spartalus A/C>	500,000
Wildest Pty Ltd	300,000

Goldenwire Investments Pty Ltd <The Golden Wire A/C>	300,000
Agudo Capital Pty Ltd <The Agudo A/C>	200,000
Foster West Securities Pty Ltd	166,666

(b) none of the allottees were related parties of the Company;

(c) the issue price of the Shares was $0.03 (3 cents) per Share;

(d) the funds raised from the issue of the Placement Shares were applied to working capital, including the cost of due diligence and eventual acquisition of the Norwood business; and

(e) the Shares issued were all fully paid ordinary shares in the capital of the Company, rank equally in all respects with all other Shares in the Company on issue and are listed on ASX.

5. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9380 7777 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

All references to currency are to Australian Dollars and cents.

ASX means the Australian Stock Exchange Limited ABN 98 008 624 691.

Board means the board of Directors as constituted from time to time.

Company means Norwood Systems Ltd ABN 62 009 423 189.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

Listing Rules means the official listing rules of the ASX, as amended from time to time.

Share or Shares means an ordinary fully paid share or shares in the Company.

Shareholder means a shareholder in the Company.

WST means Western Standard Time observed in Perth, WA.

ANNEXURE A

PRO-FORMA CONSOLIDATED BALANCE SHEET

The principle financial effects of the sale will be to increase cash reserves at settlement, and to reduce the future costs of maintaining the unprofitable operations.

Set out below is an un-audited pro forma Consolidated Statement of Financial Position of the Economic Entity at 30 September 2006 incorporating the following:

1. The expenditure of operational costs for the months of October and November 2006 including final payments to staff and business creditors.

2. The receipt of final shareholder subscriptions of $186,000 and issue of equity pursuant to the entitlements issue prospectus of 24 August 2006.

3. The receipt of $165,000 (including GST) on settlement and recognition of the balances due as receivable.

The pro forma Consolidated Statement of Financial Position of the Economic Entity at 30 September 2006 have been prepared to provide shareholders with information on the pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Pro-forma Consolidated
	$
Current Assets	
Cash	158,139
Receivables	307,476
Total	465,615
Current Liabilities	
Accounts payable	81,733
Provisions	60,000
Total	141,733
Net Assets	323,882
Shareholders' equity	
Share Capital	28,381,744
Option premium reserve	380,660
Accumulated Losses	(28,438,522)
Total	323,882

PROXY FORM

APPOINTMENT OF PROXY
NORWOOD SYSTEMS LTD
ABN 62 009 423 189

GENERAL MEETING

I/We

being a Member of Norwood Systems Ltd entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

☐ Mark this box if you wish to appoint the Chairman of the Meeting as your 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 9.15am on Wednesday, 15 December 2006 at 71 Troy Terrace, Subiaco, 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	Disposal of Assets	☐	☐	☐
Resolution 2	Change of name	☐	☐	☐
Resolution 3	Ratification of share issue	☐	☐	☐

OR

If you do **not** wish to direct your proxy how to vote, 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 Resolution and your votes will not be counted in computing the required majority if a poll is called on this/these Resolution/s. The Chairman intends to vote in favour of this/these Resolution/s.

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 FORM 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.

Signed this day of 2006

By:

Individuals and joint holders	**Companies (affix common seal if appropriate)**
Signature	Director
Signature	Sole Director and Sole Company Secretary
Signature	Sole Director and Sole Company Secretary

NORWOOD SYSTEMS LIMITED
ABN 62 009 423 189

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 2001. Section 127 of the Corporations Act 2001 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 2001, 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.

6. To vote by proxy, please complete and sign the proxy form enclosed:

   - send the proxy form by post to 71 Troy Terrace, Subiaco WA 6904; or
   - by facsimile to the Company on facsimile number (+ 61 8) 9380 7733,

   so that it is received not later than 9:15am WST on 13 December 2006.

   Proxy forms received later than this time will be invalid.