

Imagine Un Limited
ABN 97 009 201 763

**Notice of Annual General Meeting and
Explanatory Memorandum**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Imagine Un Limited will be held:

Date: Friday, 19 December 2008

Time: 3.00pm (Melbourne time)

Location: Level 25, 600 Bourke Street, Melbourne, Victoria 3000

Notice of Annual General Meeting

Imagine Un Limited

ABN 97 009 201 763

NOTICE is given that an Annual General Meeting of the members of Imagine Un Limited ABN 97 009 201 763 (**Company**) will be held at Level 25, 600 Bourke Street, Melbourne, Victoria 3000 at 3.00pm (Melbourne time) on Friday, 19 December 2008.

The business to be considered at the Annual General Meeting is set out below. Information on the proposal to which the business relates is contained in the Explanatory Memorandum which is annexed to this Notice of Annual General Meeting. This Notice of Annual General Meeting should be read in conjunction with the Explanatory Memorandum.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary contained in the Explanatory Memorandum.

AGENDA

BUSINESS

	<p>Receive and Consider Financial Statements and Reports.</p> <p>To receive and consider the financial statements of the Company and its controlled entities for the financial year ended 30 June 2008 and related Directors' Report, Directors' Declaration and Auditors' Report.</p>
Resolution 1	<p>Remuneration Report.</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of sections 250R(2) and 250R(3) of the Corporations Act 2001, the Remuneration Report for the financial year ended 30 June 2008, submitted as part of the Directors' Report for the financial year ended 30 June 2008 be adopted.”</i></p> <p>Please note that the vote on this item is advisory only and does not bind the Directors of the Company or the Company.</p>
Resolution 2	<p>Re-election of Director Mr Rodger Johnston.</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That Mr Rodger Johnston, a Director who ceases to hold office in accordance with clause 13.5 of the Company's Constitution and, being eligible, is re-elected as a Director of the Company.”</i></p>
Resolution 3	<p>Re-election of Director Mr Alexander Gershoig.</p>

	<p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That Mr Alexander Gershoig, a Director who ceases to hold office in accordance with clause 13.5 of the Company’s Constitution and, being eligible, is re-elected as a Director of the Company.”</i></p>
Resolution 4	<p>Approval of the issue of 8,480,000 new Shares to Michele Morrison.</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval be given to the issue of 8,480,000 new Shares to Michele Morrison at an issue price of \$0.025 per Share on the terms and conditions more particularly specified in the Explanatory Memorandum which is annexed to the Notice of Annual General Meeting in which this resolution is set out.”</i></p>
Resolution 5	<p>Approval of the issue of 2,500,000 new Shares to Michele Morrison.</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval be given to the issue of 2,500,000 new Shares to Michele Morrison at an issue price of \$0.02 per Share on the terms and conditions more particularly specified in the Explanatory Memorandum which is annexed to the Notice of Annual General Meeting in which this resolution is set out.”</i></p>
Resolution 6	<p>Approval of the placement of 9,520,000 new Shares to Elizabeth Sigston, a sophisticated investor.</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval be given to the placement of 9,520,000 new Shares to Elizabeth Sigston at an issue price of \$0.025 per Share on the terms and conditions more particularly specified in the Explanatory Memorandum which is annexed to the Notice of Annual General Meeting in which this resolution is set out.”</i></p>
Resolution 7	<p>Approval of the issue of 2,104,325 new Shares to Richard Evans.</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval be given to the issue of 2,104,325 new Shares to Richard Evans at an issue price of \$0.09 per Share in consideration of unpaid Director’s fees earned from December 2006 to December 2007 on the terms and conditions more particularly specified in the Explanatory Memorandum which is annexed to the Notice of Annual General Meeting</i></p>

	<i>in which this resolution is set out.”</i>
Resolution 8	<p>Approval of the issue of new Shares to Eternal (WA) as payment of the interest payable under the convertible note agreement between the Company and Eternal (WA).</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval be given to the issue of:</i></p> <p>(a) <i>up to a maximum of 3,000,000 new Shares to Eternal (WA) at an issue price of \$0.05 per Share; and</i></p> <p>(b) <i>the issue of up to a maximum of 1,500,000 new Shares to Eternal (WA) of an issue price of \$0.10 per Share,</i></p> <p><i>on the terms and conditions more particularly specified in the Explanatory Memorandum which is annexed to the Notice of Annual General Meeting in which this resolution is set out.”</i></p>
Resolution 9	<p>Approval of the grant of between 3,000,000 new Options and 4,000,000 new Options to Rodger Johnston.</p> <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval be given to the grant of between 3,000,000 new Options and 4,000,000 new Options to Rodger Johnston on the terms and conditions more particularly specified in the Explanatory Memorandum to which the Notice of Extraordinary General Meeting in which this resolution is set out is annexed.”</i></p>
Resolution 10	<p>Approval of changes to the Company’s Constitution to provide for electronic notices of meeting, direct voting and the apportionment 11% of the Company’s annual net profit (after taking into account all expenses and taxes but before allowing for the donation and tax deductibility related to that donation) as donations for philanthropic purposes.</p> <p>To consider and, if thought fit, pass the following resolution as a special resolution:</p> <p><i>“That, with effect from the close of the Annual General Meeting to be held on or around 19 December 2008 (AGM), the Constitution tabled at the AGM and signed by the Chairman for identification be amended by:</i></p> <p>(a) <i>replacing the existing clause 11.2 with the following new clause 11.2:</i></p> <p><i>“11.2 Notice</i></p>

	<p><i>A notice of a general meeting may be given by the Company to any Shareholder:</i></p> <ul style="list-style-type: none"> <i>(a) personally; or</i> <i>(b) by sending it by post to the Shareholder at the Shareholder’s registered address or to the address (if any) supplied by the Shareholder to the Company for the giving of notices of general meeting to the Shareholder; or</i> <i>(c) by sending it to the fax number or electronic address (if any) nominated by the Shareholder; or</i> <i>(d) in the case of an overseas Shareholder, by air mail or to the fax number nominated by that Shareholder or such other manner as will ensure prompt receipt by that Shareholder; or</i> <i>(e) by making a copy of the notice of general meeting readily accessible on a web site and directly notifying the Shareholder, in writing through one of the delivery methods specified in clauses 11.2(a) to 11.2(d), that the copy is accessible on the web site, and specifying the direct address on the web site where the notice may be accessed.”;</i> <p><i>(b) inserting the following new clause 12.20:</i></p> <p>“12.20 Direct Voting</p> <p><i>The Directors may, subject to law, determine that at any general meeting, a Shareholder who is entitled to attend and vote at that meeting is entitled to give their vote by a valid notice of their voting intention (Direct Vote). A Direct Vote includes a vote delivered to the Company by post, fax, electronic or other means approved by the Directors. The Directors may specify the form, method and timing of giving a Direct Vote at a meeting in order for the vote to be valid.”;</i></p> <p><i>(c) replacing the existing clause 26.1 with the following new clause 26.1:</i></p> <p>“26.1 Service</p> <p><i>A notice may be given by the Company to any Shareholder:</i></p> <ul style="list-style-type: none"> <i>(a) personally; or</i> <i>(b) by sending it by post to the Shareholder at the Shareholder’s registered address or to the address (if any) supplied by the Shareholder to the Company for the giving of notices of general meeting to the Shareholder; or</i> <i>(c) by sending it to the fax number or electronic address (if any) nominated by the Shareholder; or</i> <i>(d) in the case of an overseas Shareholder, by air mail or to the fax</i>
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	<p><i>number nominated by that Shareholder or such other manner as will ensure prompt receipt by that Shareholder; or</i></p> <p><i>(e) by making a copy of the notice readily accessible on a web site and directly notifying the Shareholder, in writing through one of the delivery methods specified in clauses 26.1(a) to 26.1(d), that the copy is accessible on the web site, and specifying the direct address on the web site where the notice may be accessed; or</i></p> <p><i>(f) where applicable, by the means provided for by clause 26.7”.; and</i></p> <p><i>(d) inserting the following new clause 22.10:</i></p> <p><i>“22.10 Apportionment of a Proportion of Profits to Donations for Philanthropic Purposes</i></p> <p><i>Subject at all times to the Corporations Act and the ASX Listing Rules, the Directors will following the end of a financial year allocate 11% of the net profit of the Company (if any) (after taking into account all expense and taxes but before allowing for the donation and tax deductibility related to that donation) in respect of that financial year to donations for such philanthropic purposes as they may determine, provided that 5% of the net profit of the Company (if any) (after taking into account all expenses and taxes but before allowing for the donation and tax deductibility related to that donation) in respect of a financial year will be allocated to Smile Foundation Limited (ACN 119 200 700) provided always that Smile Foundation Limited is a philanthropic organisation.”</i></p> <p>Note: This resolution is a special resolution and in order to be successful must be passed by at least 75% of the votes cast by shareholders entitled to vote on the Resolution.</p>
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Dated: 20 November 2008

**By order of the Board of
Imagine Un Limited**

**Rodger Johnston
Company Secretary**

NOTES:

1. Entitlement to Vote

The Company has determined that a person's entitlement to vote at the Annual General Meeting will, in accordance with Regulation 7.11.37 of the Corporations Regulations 2001, be the entitlement of that person set out in the register of members as at 7.00pm (Melbourne time) on Wednesday, 17 December 2008.

2. Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.

Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

A proxy need not be a member of the Company and may be an individual or body corporate. A body corporate-appointed proxy may appoint a representative to exercise the powers that the body corporate may exercise as the member's proxy.

The proxy form must be signed by the member or the member's attorney. Proxies given by corporations must be signed either under seal or under the hand of a duly authorised officer or attorney.

To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or an office copy or notarially certified copy of it) must be lodged at the office of Computershare Investor Services Pty Limited, **Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067**, or by fax to **(03) 9473 2555** not later than **48 hours** before the time for holding the meeting.

3. Voting Exclusion Statement

Resolutions 4 and 5

In accordance with the ASX Listing Rules, any vote cast in respect of Resolutions 4 or 5 by Michele Morrison, or any associate of Michele Morrison, will be disregarded.

However, the Company will 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 direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6

In accordance with the ASX Listing Rules, any vote cast in respect of Resolution 6 by Elizabeth Sigston, or any associate of Elizabeth Sigston, will be disregarded.

However, the Company will 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 direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7

In accordance with the ASX Listing Rules, any vote cast in respect of Resolution 7 by Richard Evans, or any associate of Richard Evans, will be disregarded.

However, the Company will 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 direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8

In accordance with the ASX Listing Rules, any vote cast in respect of Resolution 8 by Eternal (WA) Pty Ltd, or any associate of Eternal (WA) Pty Ltd, will be disregarded.

However, the Company will 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 direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 9

In accordance with the ASX Listing Rules, any vote cast in respect of Resolution 9 by Rodger Johnston, or any associate of Rodger Johnston, will be disregarded.

However, the Company will 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 direction on the proxy form; or
- (d) 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.

Explanatory Memorandum

This Explanatory Memorandum provides shareholders with information on the Resolutions to be considered at the Annual General Meeting of the Company to be held on Friday, 19 December 2008 at 3.00pm (Melbourne time) at Level 25, 600 Bourke Street, Melbourne.

Shareholders should read this Explanatory Memorandum and the Notice of Annual General Meeting in full before making any decision in relation to the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act, the Directors of a public company that is required to hold an Annual General Meeting must table the financial statements and reports of the Company for the previous year before the members at that Annual General Meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements in the Annual Report of the Company for the year ended 30 June 2008. A copy of the Annual Report has been forwarded to each Shareholder. A copy of the financial statements and the associated reports will also be tabled at the meeting.

Shareholders should note that the sole purpose of tabling the financial statements of the Company at the Annual General Meeting is to provide the Shareholders with the opportunity to be able to ask questions or discuss matters arising from the financial statements at the meeting. It is not the purpose of the meeting that the financial statements be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt, receive or consider the Company's financial statements will be put to the Shareholders at the meeting.

RESOLUTION 1 — REMUNERATION REPORT

Section 300A of the Corporations Act requires that the Directors Report must contain a Remuneration Report containing information about the Board's policy for determining the nature and amount of the remuneration of Directors and senior management. The Report must also explain the relationship between the remuneration policy and the Company's performance. Shareholders are required to vote on a non-binding resolution to adopt the Remuneration Report.

Please note that the vote on this item is advisory only and does not bind the Directors of the Company.

RESOLUTION 2 — RE-ELECTION OF DIRECTOR MR RODGER JOHNSTON

Under clause 13.5 of the Company's Constitution a Director appointed to fill a casual vacancy or as an addition to the existing Directors will hold office until the next following Annual General Meeting of the Company, at which the Director may be re-elected.

Mr Johnston was appointed as a Director on 31 October 2008 and will hold office until the Annual General Meeting in accordance with the requirements of clause 13.5 of the Company’s Constitution. As Mr Johnston is entitled and eligible for re-election, he seeks re-election as a Director of the Company at the Annual General Meeting. Mr Johnston is currently an Executive Director of the Company.

Mr Johnston is Managing Director of Rox Capital Pte Ltd, a Singapore based restructuring and capital markets consultancy. Mr Johnston brings over 30 years of professional and commercial experience to the Company, having commenced his career as an insolvency specialist.

Mr Johnston is currently a non-executive director of Colombo based Peoples Merchant Bank Limited. He also maintains a seat on the Advisory Committee of Climate Roundtable.

The Board (other than Mr Johnston) unanimously supports the re-election of Mr Johnston.

RESOLUTION 3 — RE-ELECTION OF DIRECTOR MR ALEXANDER GERSHOIG

Under clause 13.5 of the Company’s Constitution a Director appointed to fill a casual vacancy or as an addition to the existing Directors will hold office until the next following Annual General Meeting of the Company, at which the Director may be re-elected.

Mr Gershoig was appointed as a Director on 17 November 2008 and will hold office until the Annual General Meeting in accordance with the requirements of clause 13.5 of the Company’s Constitution. As Mr Gershoig is entitled and eligible for re-election, he seeks re-election as a Director of the Company at the Annual General Meeting. Mr Gershoig is currently a Non-Executive Director of the Company.

Mr Gershoig has a wide range of business management experience gained over the last 27 years. His industry exposure includes medical, fine foods distribution and telecommunications.

The Board (other than Mr Gershoig) unanimously supports the re-election of Mr Gershoig.

RESOLUTION 4 — ISSUE OF 8,480,000 NEW SHARES TO MS MICHELE MORRISON (AND/OR HER NOMINEE)

ASX Listing Rule 10.11 prohibits a company from issuing securities to a related party, except in certain specified circumstances.

Ms Michele Morrison, as a person who has been a Director of the Company within the last 6 months, is a related party of the Company. Accordingly, any issue of Shares to her requires the approval of the Company’s shareholders.

As shareholder approval is being sought under ASX Listing Rule 10.11 for the issue of new Shares to Michele Morrison, additional shareholder approval is not required under ASX Listing Rule 7.1.

A summary of the terms of the proposed issue of Shares, which includes the information required under ASX Listing Rule 10.13, is set out below:

Allottee:	Ms Michele Morrison (and/or her nominee).
The number of shares to be issued:	8,480,000.

Issue Price:	\$0.025 per Share.
Issue Date:	On the date of shareholder approval.
Terms of the Issue:	The Shares to be issued to Michele Morrison (and/or her nominee) must be credited as fully paid and rank equally in all respects with all other Shares.
Total funds raised:	\$212,000.
Intended use of funds raised:	The proceeds obtained by the Company in respect of any Shares issued will be towards the working capital requirements of the Company.

The Company has agreed to issue 8,480,000 new Shares to Michele Morrison (and/or her nominee) at an issue price of \$0.025 per Share, subject to obtaining the approval of its shareholders.

Michele Morrison has already provided the Company with moneys in the amount of \$212,000, which are to be applied by the Company towards the subscription by Michele Morrison (and/or her nominee) for new Shares at an issue price of \$0.025 per Share provided that shareholder approval for the issue of such Shares is obtained at a general meeting of the Company's shareholders.

If shareholder approval is not obtained at the Annual General Meeting, the Company is required to repay the moneys provided by Michele Morrison within 60 days of the Annual General Meeting.

RESOLUTION 5 — ISSUE OF 2,500,000 NEW SHARES TO MICHELE MORRISON (AND/OR HER NOMINEE)

ASX Listing Rule 10.11 prohibits a company from issuing securities to a related party, except in certain specified circumstances.

Ms Michele Morrison, as a person who has been a Director of the Company within the last 6 months, is a related party of the Company. Accordingly, any issue of Shares to her requires the approval of the Company's shareholders.

As shareholder approval is being sought under ASX Listing Rule 10.11 for the issue of new Shares to Michele Morrison, additional shareholder approval is not required under ASX Listing Rule 7.1.

A summary of the terms of the proposed issue of Shares, which includes the information required under ASX Listing Rule 10.13, is set out below:

Allottee:	Ms Michele Morrison (and/or her nominee).
The number of shares to be issued:	2,500,000.
Issue Price:	\$0.02 per Share.
Issue Date:	On the date of shareholder approval.
Terms of the Issue:	The Shares to be issued to Michele Morrison (and/or her nominee) must be credited as fully paid and rank equally in all respects with all other Shares.
Total funds raised:	\$212,000.
Intended use of funds raised:	The proceeds obtained by the Company in respect of any Shares issued will be towards the working capital requirements of the Company.

The Company has agreed to issue 2,500,000 new Shares to Michele Morrison (and/or her nominee) at an issue price of \$0.02 per Share, subject to obtaining the approval of its shareholders.

Michele Morrison has already provided the Company with moneys in the amount of \$50,000, which are to be applied by the Company towards the subscription by Michele Morrison (and/or her nominee) for new Shares at an issue price of \$0.02 per Share provided that shareholder approval for the issue of such Shares is obtained at a general meeting of the Company's shareholders.

If shareholder approval is not obtained at the Annual General Meeting, the Company is required to repay the moneys provided by Michele Morrison within 60 days of the Annual General Meeting.

RESOLUTION 6 – APPROVAL OF THE PLACEMENT OF 9,520,000 NEW SHARES TO A SOPHISTICATED INVESTOR

ASX Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of a company's shares on issue.

The Company is seeking the approval of shareholders under ASX Listing Rule 7.1 so that the placement of new Shares to a sophisticated investor unrelated to the Company will not need to be included in the 15%/12 month calculation for any future issues made by the Company.

A summary of the terms of the proposed placement, which includes the information required under ASX Listing Rule 7.3, is set out below.

Allottees:	Ms Elizabeth Sigston (and/or her nominee), who is a sophisticated investor unrelated to the Company and was selected by the Board of the Company to participate in the placement on the basis of being a sophisticated investor for the purposes of section 708(8) of the Corporations Act.
The number of shares to be issued:	9,520,000.
Issue Price:	\$0.025 per Share.
Issue Date:	On the date of shareholder approval.
Terms of the Issue:	The Shares to be issued must be credited as fully paid and rank equally in all respects with all other Shares.
Total funds raised:	\$238,000.
Intended use of funds raised:	The proceeds obtained by the Company in respect of any Shares issued will be towards the working capital requirements of the Company.

The Company has agreed to issue 9,520,000 additional new Shares to sophisticated investors that are unrelated to the Company at an issue price of \$0.025 per Share, subject to obtaining the approval of its shareholders.

Ms Elizabeth Sigston (and/or her nominee), who was selected by the Board of the Company to participate in the placement on the basis of being a sophisticated investor for the purposes of section 708(8) of the Corporations Act, has already provided the Company with moneys in the amount of \$238,000, which are to be applied by the Company towards the subscription by her for new Shares at an issue price of \$0.025 per Share provided that shareholder approval for the issue of such Shares is obtained at the Annual General Meeting.

If shareholder approval is not obtained at the Annual General Meeting, the Company is required to repay the moneys provided by Ms Sigston within 60 days of the Annual General Meeting.

RESOLUTION 7 — ISSUE OF NEW SHARES TO DIRECTOR MR RICHARD EVANS

ASX Listing Rule 10.11 prohibits a company from issuing securities to a related party, except in certain specified circumstances.

As a Director of the Company, Mr Richard Evans is a related party of the Company. Accordingly, any issue of Shares to him requires the approval of the Company's shareholders.

As shareholder approval is being sought under ASX Listing Rule 10.11 for the issue of new Shares to Richard Evans, additional shareholder approval is not required under ASX Listing Rule 7.1.

A summary of the terms of the proposed issue of Shares, which includes the information required under ASX Listing Rule 10.13, is set out below:

Allottee:	Richard Evans.
The number of shares to be issued:	2,104,325.
Issue Price:	\$0.09 per Share.
Issue Date:	On the date shareholder approval is obtained.
Terms of the Issue:	The Shares to be issued to Richard Evans must be credited as fully paid and rank equally in all respects with all other Shares.
Consideration:	The Shares to be issued to Richard Evans will be issued in lieu of Director's fees payable to Richard Evans in respect of his role as a Director of the Company from December 2006 to December 2007, which have not previously been paid.
Basis of calculation of Issue Price:	The Issue Price of the Shares to be issued to Richard Evans is based on the average closing price of the Shares across the last 5 trading days of each month in which the Director's fees were earned (ie. December 2006 to December 2007 inclusive).

RESOLUTION 8 – ISSUE OF NEW SHARES TO ETERNAL (WA) AS PAYMENT OF THE INTEREST PAYABLE UNDER THE CONVERTIBLE NOTE AGREEMENT BETWEEN THE COMPANY AND ETERNAL (WA)

The Convertible Note Agreement between the Company and Eternal (WA) provides that interest on the moneys invested pursuant to the convertible notes issued to Eternal (WA) on 30 November 2007 (ie. \$1 million) is payable to Eternal (WA) quarterly in arrears at a rate of 15% per annum. In essence, this means that the sum of approximately \$37,500 is payable by the Company to Eternal (WA) as interest on the convertible notes each quarter. The Company and Eternal (WA) have agreed that, subject to Resolution 8 being passed, all interest amounts owing to Eternal (WA) under the Convertible Note Agreement in respect of interest accrued between 1 December 2007 and 30 November 2009 will be paid to Eternal (WA) in the form of new Shares to Eternal (WA) at the following issue prices:

- \$0.05 per Share in respect of interest accrued between 1 December 2007 and 30 November 2008 (ie. approximately 3,000,000 Shares); and
- \$0.10 per Share in respect of interest accrued between 1 December 2008 and 30 November 2009 (ie. approximately 1,500,000 Shares).

The purpose of this agreement is to enable the Company to allocate what it would have otherwise had to pay in interest under the Convertible Note Agreement over a 2 year period (ie. approximately \$300,000 over a 2 year period) towards the Company's working capital requirements.

ASX Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of a company's shares on issue.

The Company is seeking the approval of shareholders under ASX Listing Rule 7.1 so that the issue of new Shares to Eternal (WA) will not need to be included in the 15%/12 month calculation for any future issues made by the Company.

A summary of the terms of the proposed issue of Shares, which includes the information required under ASX Listing Rule 7.3, is set out below:

Allottee:	Eternal (WA) Pty Ltd.
The number of shares to be issued:	4,500,000.
Issue Price:	<ul style="list-style-type: none"> • \$0.05 per Share in respect of 3,000,000 shares (ie. in relation to interest accrued between 1 December 2007 and 30 November 2008); and • \$0.10 per Share in respect of 1,500,000 shares (ie. in relation to interest accrued between 1 December 2008 and 30 November 2009).
Issue Date:	Within 1 month of obtaining shareholder approval.
Terms of the Issue:	The Shares to be issued to Eternal (WA) must be credited as fully paid and rank equally in all respects with all other Shares.
Total funds raised:	Nil, however, the issue of these Shares will obviate the need for the Company to pay a total of \$300,000 in interest to Eternal (WA).
Intended use of funds raised:	The interest saving that the Company will obtain the benefit of in respect of any Shares issued to Eternal (WA) in lieu of interest payable under the Convertible Note Agreement will be applied towards the working capital requirements of the Company.

RESOLUTION 9 – GRANT OF NEW OPTIONS TO RODGER JOHNSTON

ASX Listing Rule 10.11 prohibits a company from issuing securities to a related party, except in certain specified circumstances.

As a Director of the Company, Mr Rodger Johnston is a related party of the Company. Accordingly, any grant of Options to him requires the approval of the shareholders.

As shareholder approval is being sought under ASX Listing Rule 10.11 for the grant of new Options to Rodger Johnston, additional shareholder approval is not required under ASX Listing Rule 7.1.

A summary of the terms of the proposed grant of Options, which includes the information required under ASX Listing Rule 10.13, is set out below:

Key Commercial Terms

Holder:	Ms Rodger Johnston.
Issue price of options:	Nil.
Number of options to be issued:	No less than 3,000,000 Options and no more than 4,000,000 Options. The precise number of Options to be issued to Mr Rodger Johnston will be determined by the Board before they are issued.
Conversion ratio:	1:1.
Issue Date:	To be determined, but within 1 month of the date of the Annual General Meeting.
Expiry Date:	30 November 2012.
Exercise Price:	\$0.01 each.
Listed or Unlisted:	Unlisted.

The other principal terms and conditions of the proposed new Options are as follows:

- Rodger Johnston may exercise the Options by payment to the Company of the Exercise Price.
- The period during which Rodger Johnston may exercise an Option is fixed and may not be changed and Rodger Johnston must exercise the Options on or before the Expiry Date.
- If Rodger Johnston chooses not to exercise the Options by the Expiry Date, the Options will lapse.
- The Options are assignable and transferable.

The proceeds obtained by the Company in respect of any Options exercised will be applied towards the working capital requirements of the Company.

RESOLUTION 10 – APPROVAL OF CHANGES TO THE COMPANY’S CONSTITUTION TO ENABLE THE COMPANY TO:

- A) PROVIDE ELECTRONIC NOTICES OF MEETING TO SHAREHOLDERS,**
- B) IMPLEMENT DIRECT VOTING; AND**
- C) APPORTION 11% OF THE COMPANY’S ANNUAL NET PROFIT (AFTER TAKING INTO ACCOUNT ALL EXPENSES AND TAXES BUT BEFORE ALLOWING FOR THE DONATION AND TAX DEDUCTIBILITY RELATED TO THAT DONATION) AS DONATIONS FOR PHILANTHROPIC CAUSES**

It is proposed that the existing Constitution be amended to:

- provide the Company with the ability to distribute notices of meeting and other notices to shareholders electronically;
- enable shareholders, in respect of future meetings, to vote directly on resolutions; and
- apportion 11% of the Company’s annual net profit (after taking into account all expenses and taxes but before allowing for the donation and tax deductibility related to that donation) as donations for philanthropic causes.

a) Electronic notices of meeting

Proposed new clauses 11.2 and 26.1 will enable the Company to provide notices of meeting, and notices generally, to shareholders in the same way that recent amendments to the Corporations Act have allowed companies to distribute annual reports – that is, by making a copy of the notice of meeting readily accessible on a website, directly notifying shareholders in writing that the copy is accessible on the website and specifying the direct address on the website where the notice may be accessed.

These proposed new clauses will assist the Company in reducing the costs involved in sending notices to shareholders and further the Company’s aim to operate its business in an eco-friendly manner.

b) Direct voting

In addition to exercising their existing right to appoint a proxy holder, it is also proposed to amend the Constitution to permit direct voting by shareholders at general meetings of shareholders held in the future.

A direct vote will enable shareholders to vote directly on resolutions considered at future general meetings by sending their votes to the Company prior to the general meeting. That is, direct voting will enable shareholders to exercise their voting rights and have their votes counted without the need for the member to attend the general meeting personally or appoint a proxy. Shareholders may continue to appoint a proxy to exercise their voting rights, if they wish.

c) Apportioning 11% of the Company’s annual net profit (after taking into account all expenses and taxes but before allowing for the donation and tax deductibility related to that donation) as donations for philanthropic purposes

In recent times, the Company has expressed an interest in pursuing certain philanthropic endeavours as part of its commitment to corporate social responsibilities and values. To this effect, the Company is seeking to amend its Constitution to provide for the allocation of 11% of its annual net profit (after

taking into account all expenses and taxes but before allowing for the donation and tax deductibility related to that donation) to charitable institutions and philanthropic causes. As part of this allocation, the Company intends to allocate 5% of its net profit allocation (after taking into account all expenses and taxes but before allowing for the donation and tax deductibility related to that donation) in each year to The Smile Foundation.

The Smile Foundation is a philanthropic organisation which supports research into the diagnosis, treatment and cure of rare childhood diseases and conditions. The Smile Foundation was co-founded in 2007 by former Company Director, Malcolm Beville, in conjunction with other business people seeking to pursue a 'philanthropreneurial' approach to fundraising for charitable causes. This strategic approach comprises the granting of funds for outstanding research projects as well as investment in the biotech sector to facilitate medical research projects. High profile patrons of The Smile Foundation include Sir Gustav Nossal and Professor Ian Frazer. Elle McPherson is also one of the ambassadors of The Smile Foundation.

To date, The Smile Foundation has pledged funds to three different research projects focusing on neuromuscular diseases, mitochondrial disorders and x-linked mental retardation, with each project set to receive \$300,000 over the next three years.

It is anticipated that the Company's contribution in this regard will greatly assist The Smile Foundation in continuing its mission to facilitate grants and make investments in medical research of rare childhood diseases, as it will assist other worthy charitable institutions such as World Vision in making a difference.

It is important to note that although Malcolm Beville, a former director of the Company, is a director, and co-founder, of The Smile Foundation, neither he, nor any of his associates or related entities, have any beneficial interest or benefit in any way from any moneys donated to The Smile Foundation by any person.

GLOSSARY

Unless the context otherwise requires, the singular includes the plural and vice versa, and the following terms will have the following meaning:

Annual General Meeting means the general meeting of shareholders to be held on Friday, 19 December 2008 at 3.00pm (Melbourne time) at Level 25, 600 Bourke Street, Melbourne, Victoria 3000.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

Board means the board of Directors of the Company.

Company means Imagine Un Limited ABN 97 009 201 763.

Constitution means the existing constitution of the Company.

Convertible Note Agreement means the Convertible Note Agreement between the Company and Eternal (WA) pursuant to which the Company issued 1,000,000 Convertible Notes to Eternal (WA).

Convertible Notes means the convertible notes issued to Eternal (WA) on 30 November 2007 pursuant to the Convertible Note Agreement.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company.

Eternal (WA) means Eternal (WA) Pty Ltd ACN 112 766 097.

Notice of Annual General Meeting means the Notice of Annual General Meeting of the Company to which this Explanatory Memorandum is attached.

Resolution means a resolution set out in the Notice of Annual General Meeting.

Shares means fully paid ordinary voting shares in the capital of the Company.

The Smile Foundation means Smile Foundation Limited ACN 119 200 700.



IMAGINE[®]
THE DIFFERENCE

Imagine UN Limited

ABN 97 009 201 763

Lodge your vote:

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne Victoria 3001
Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

 **For your vote to be effective it must be received by 3.00pm Wednesday 17th December 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 registry, 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 your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding



Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Imagine Un 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 Imagine Un Limited to be held at Level 25, 600 Bourke Street, Melbourne, Victoria 3000 on Friday 19th December 2008 at 3.00pm and at any adjournment of that meeting.

Important for Item 7: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 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 Item 7 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of item 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		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8b	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-elect Mr Rodger Johnston as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Resolution 3	Re-elect [insert] as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 8,480,000 Shares to Michele Morrison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 2,500,000 Shares to Michele Morrison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Resolution 6	Approval of 9,520,000 Shares to Elizabeth Sigston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Resolution 7	Approval of 2,104,325 Shares to Richard Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Resolution 8a	Approval of up to 3,000,000 Shares @ \$0.05 per Share to Eternal (WA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____