
ANAECO LIMITED

ACN 087 244 228

NOTICE OF GENERAL MEETING

TIME: 9.30 am (WST)

DATE: 25th May 2010

PLACE: 3 Turner Avenue, Technology Park, Bentley, 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9361 4777.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.30 am (WST) on 25th May 2010 at:

3 Turner Avenue, Technology Park, Bentley, Western Australia

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

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 enclosed Proxy Form and return by:

- (a) post to AnaeCo Limited, PO Box 1287, Bentley DC, Western Australia 6983;
- (b) delivery to AnaeCo Limited, 3 Turner Avenue, Technology Park, Bentley, Western Australia; or
- (c) facsimile to the Company on facsimile number (+61 8) 9361 4888,

so that it is received not later than 9.30am (WST) on 23rd May 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 9.30 am (WST) on 25th May 2010 at 3 Turner Avenue, Technology Park, Bentley, 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 at 5.00pm (WST) on 23rd May 2010.

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

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES – SHARE PLACEMENT

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 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 6,444,442 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, 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.

2. RESOLUTION 2 – ISSUE OF SHARES TO DIRECTOR – IAN CAMPBELL

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 10.11 and for all other purposes, approval is given for the Company to issue 4,444,444 Shares to Ian Campbell (or his nominee), a Director, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Campbell (or his nominee) or any of his associates. However, 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.

3. RESOLUTION 3 – ISSUE OF SHARES TO DIRECTOR – MICHAEL DUREAU

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 10.11 and for all other purposes, approval is given for the Company to issue 222,222 Shares to Michael Dureau

(or his nominee), a Director, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Dureau (or his nominee) or any of his associates. However, 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.

4. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY – UNDERWRITING OF SHARE PURCHASE PLAN

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 10.11 and for all other purposes, approval is given for the Company to issue 3,762,210 Shares to CF2 Pty Ltd as Trustee for the CF Trust, an entity controlled by Ian Campbell, a Director, being the number of Shares not subscribed for under the Share Purchase Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Campbell (or his nominee) or any of his associates. However, 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.

DATED: 21 APRIL 2010

BY ORDER OF THE BOARD

**MR DAVID LYMBURN
COMPANY SECRETARY
ANAECO LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9.30 am (WST) on 25th May 2010 at 3 Turner Avenue, Technology Park, Bentley, Western Australia.

This 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. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES – SHARE PLACEMENT

1.1 General

On 15 February 2010, the Company announced certain capital raising initiatives. The Company advised that it had agreed to proceed with a placement of 11,111,108 Shares at an issue price of \$0.225 per Share to raise approximately \$2.5 million (**Placement**). Of this Placement, 6,444,442 Shares were issued utilising the Company's available capacity under ASX Listing Rule 7.1. The remaining 4,666,666 Shares are to be issued to certain Directors, subject to shareholder approval, this approval being the subject of Resolutions 2 and 3.

The Placement is being undertaken in conjunction with an underwritten share purchase plan to raise a minimum of \$1.5 million (**Share Purchase Plan**).

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 6,444,442 Shares (**Share Ratification**). The remaining Shares which are the subject of the announced Placement are yet to be issued and their issue is subject to shareholder approval pursuant to Resolutions 2 and 3.

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

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by the ASX Listing Rules

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 6,444,442 Shares were allotted on 24 February 2010;
- (b) the issue price was \$0.225 per Share;

- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to sophisticated and professional investors, none of whom were related parties of the Company, pursuant to Section 708 of the Corporations Act; and
- (e) the funds raised from this issue will be applied to working capital and to support project development and business development activities of the Company.

2. RESOLUTIONS 2 AND 3 – ISSUE OF SHARES TO DIRECTORS AS PART OF SHARE PLACEMENT

2.1 General

As announced to ASX on 15 February 2010, it was proposed that Ian Campbell and Michael Dureau, both Directors of the Company, participate in the announced Placement, subject to Shareholder approval, by subscribing for Shares.

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. Mr Campbell and Mr Dureau are considered to be related parties of the Company as they are directors of the Company. Accordingly, Resolutions 2 and 3 seek Shareholder approval pursuant to ASX Listing Rule 10.11 to enable each of the Directors to participate in the Placement.

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act provides that, for a public company to give a financial benefit to a related party of the company, the company must:

- (a) obtain the approval of the company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The Directors consider that participation in the Placement will be on arm's length terms as the offer will be made on the same terms to all parties, regardless of whether they are associated with the Company or not. Accordingly, the proposed participation by the Directors falls within the arm's length terms exception provided by Section 210 of the Corporations Act to the requirement to obtain shareholder approval under Part 2E of the Corporations Act.

2.2 Technical information required by the ASX Listing Rules

The following information is provided for Resolutions 2 and 3 pursuant to and in accordance with ASX Listing Rules 10.13:

- (d) the related parties who will be issued Shares are Ian Campbell and Michael Dureau (or their respective nominees) and they are related parties by virtue of being Directors;

- (e) the number of Shares each Director will subscribe for under the Share Placement is as follows:

Director	Number of Shares
Ian Campbell	4,444,444
Michael Dureau	222,222

- (a) the issue price of Shares will be \$0.225 per Share;
- (b) the Shares to be issued to the Directors will be issued no later than one month after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (d) the Company intends to use the funds raised from the Share Placement for working capital and to support project development and business development activities of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to Mr Campbell (or his nominee) or Mr Dureau (or his nominee) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Campbell (or his nominee) or Mr Dureau (or his nominee) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

3. RESOLUTION 4 – ISSUE OF SHARES TO DIRECTOR – UNDERWRITING OF SHARE PURCHASE PLAN

3.1 General

As announced to ASX on 2 March 2010, CF2 Pty Ltd as trustee for the CF Trust (**CF2**), an entity controlled by Ian Campbell, a Director of the Company, agreed to underwrite the amount sought to be raised under the Share Purchase Plan (\$1.5 million). As was further announced to ASX on 16 April 2010, \$653,503 was raised under the Share Purchase Plan, leaving a shortfall of \$846,497, representing 3,762,210 Shares (**Shortfall Shares**).

Shareholder approval pursuant to ASX Listing Rule 10.11 is required for the issue of these Shortfall Shares to CF2. A summary of ASX Listing Rule 10.11 is set out in Section 2.1 above. CF2 Pty Ltd is considered to be a related party of the Company as it is an entity controlled by Ian Campbell, a director of the Company.

A summary of Chapter 2E of the Corporations Act is set out in Section 2.1 above. The Directors consider that the issue of Shares to CF2 as underwriter of the amount sought to be raised under the Share Purchase Plan will be on arm's length terms, as the issue is made on the same terms as to all Shareholders under the Share Purchase Plan, and upon the same terms as the Share Placement. Accordingly, the proposed issue of Shares to CF2 falls within the arm's length terms exception provided by Section 210 of the Corporations Act to the requirement to obtain shareholder approval under Part 2E of the Corporations Act. CF2 received an underwriting fee of 6% of the amount underwritten.

3.2 Technical information required by the ASX Listing Rules

The following information is provided for Resolution 4 pursuant to and in accordance with ASX Listing Rules 10.13:

- (a) the related party to whom Shares will be issued is CF2 and it is a related party by virtue of being an entity controlled by Ian Campbell, a Director of the Company;
- (b) the number of Shares to be issued to CF2 is 3,762,210 Shares.
- (c) the issue price of Shares will be \$0.225 per Share;
- (d) the Shares to be issued to CF2 will be issued no later than one month after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the issues of the Shares for working capital and to support project development and business development activities of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to CF2 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to CF2 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

4. ENQUIRIES

Shareholders may contact the Company Secretary, Mr David Lymburn, on (+ 61 8) 9361 4777 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means AnaeCo Limited (ACN 087 244 228).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Share Purchase Plan means the share purchase plan announced by the Company on 15 February 2010, pursuant to which the Company sought to raise a minimum of \$1.5 million.

WST means Western Standard Time as observed in Perth, Western Australia.

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PROXY FORM

**APPOINTMENT OF PROXY
ANAECO LIMITED
ACN 087 244 228**

GENERAL MEETING

I/We

of

being a member of AnaeCo Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair'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 9.30 am (WST), on 25th May 2010 at 3 Turner Avenue, Technology Park, Bentley, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 3** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and that votes cast by the Chair of the General Meeting for Resolution 3 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 Chair will not cast your vote on Resolution 3 and your vote will not be counted in calculating the required majority if a poll is called on Resolution 3.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue of Securities – Share placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Issue of Shares to Director – Ian Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Shares to Director – Michael Dureau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Shares to Related Party – Underwriting of Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

ANAECO LIMITED
ACN 087 244 228

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to AnaeCo Limited, PO Box 1287, Bentley DC, WA 6983;
 - (b) delivery to AnaeCo Limited, 3 Turner Avenue, Technology Park, Bentley, Western Australia; or
 - (c) facsimile to the Company on facsimile number (+61 8) 9361 4888,

so that it is received not later than 9.30 am (WST) on 23rd May 2010.

Proxy forms received later than this time will be invalid.