

CONSEGNA GROUP LIMITED

ACN: 107 903 159

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2012 Annual General Meeting of Consegna Group Limited ACN 107 903 159 will be held at Level 29, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000, Australia, on Friday 30 November 2012 at 10:00 a.m. AEDT.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

1. Agenda for the Meeting

Financial statements and reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors' and the reports of the Directors and Auditors.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's annual financial statements and reports.

The Company's auditor, HLB Mann Judd, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

The Consegna Group Limited 2012 Annual Report can be viewed online at the Company's website www.consegna.com on the "Annual Reports" page under the "For Investors" tab.

Resolution 1 - Adoption of Remuneration Report

To consider and if thought fit, pass the following resolution as a non-binding resolution:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2012 included in the Directors' Report, which is attached to the Company's annual financial report as required under section 300A of the Corporations Act, be adopted by the Company."

Voting Exclusion Statement: In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (Excluded Persons). However, the Company need not disregard a vote if:

- it is cast by an Excluded Person as 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.

Resolution 2 - Election of Brendan Fleiter as a Director

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

“That, for the purposes of clause 11.12 of the Constitution and for all other purposes, Brendan Fleiter, a Director who retires after being appointed during the year, and being eligible, is re-elected as a Director.”

Resolution 3 - Election of Lord Simon Reading as a Director

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

“That, for the purposes of clause 11.12 of the Constitution and for all other purposes, Lord Simon Reading, a Director who retires after being appointed during the year, and being eligible, is re-elected as a Director.”

Resolution 4 - Election of Martin Rogers as a Director

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

“That, for the purposes of clause 11.12 of the Constitution and for all other purposes, Martin Rogers, a Director who retires after being appointed during the year, and being eligible, is re-elected as a Director.”

Resolution 5 – Approve the previous issue of 76,767,370 Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, previous issues of Shares totaling 76,767,370 Shares, as referred to in the Explanatory Statement, are approved.”

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any person who participated in the issues of Shares and any of their associates. However, the Company need not disregard a vote if:

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

Resolution 6 – Approve the previous issue of 30,000,000 Options

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

“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the previous issues of Options totaling 30,000,000 Options, as referred to in the Explanatory Statement, are approved.”

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any person who participated in the issues of Options and any of their associates. However, the Company need not disregard a vote if:

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

Resolution 7 – Approve the issue of up to 1,000,000 Convertible Notes

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue of up to 1,000,000 Convertible Notes with a total combined face value of up to \$1,000,000, as referred to in the Explanatory Statement, is approved.”

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any person who will participate in the issue and any of their associates. However, the Company need not disregard a vote if:

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

Resolution 8 – Approve the issue of up to 50,000,000 Options

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue of up to 50,000,000 Options, as referred to in the Explanatory Statement, is approved.”

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any person who will participate in the issue and any of their associates. However, the Company need not disregard a vote if:

- 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; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides

Resolution 9 – Approval of additional capacity to issue shares under ASX Listing Rule 7.1A

To consider and if thought fit, pass the following resolution as a special resolution:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman 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. Determination of voting entitlement

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognized as a shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7:00 p.m. AEDT on Wednesday 28 November 2012.

3. Votes

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

4. Proxies

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company at Consegna Group Limited, 'The Grain Store' 7/21 Northumberland Street, Collingwood VIC 3066 or by facsimile on +61 (0) 3 8080 0796 by 10:00 a.m. AEDT on 28 November 2012.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statement, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

If the proxy is the Chairman, the Chairman can also vote undirected proxies on the Resolution to adopt the Remuneration Report provided that proxy form expressly authorises the Chairman to vote even though the Resolution is connected with the remuneration of the key management personnel.

A form of proxy accompanies this Notice.

5. Questions and Comments by Shareholders at the Meeting

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, HLB Mann Judd. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to HLB Mann Judd if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2012. Relevant written questions for HLB Mann Judd must be received by the Company no later than 10:00 a.m. AEDT on 23 November 2012. A representative of HLB Mann Judd will provide answers to the questions at the Meeting.

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Consegna Group Limited

26 October 2012

Ph: +61 (0) 3 9 417 5001

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Resolution 1: Adoption of remuneration report

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2012.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act requires a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2013 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2012 Annual Report which can be viewed online at the Company's website, www.consegna.com.

Resolution 2: Election of Brendan Fleiter as a Director

In accordance with clause 11.12 of Constitution, Brendan Fleiter, a Director appointed subsequent to the last Annual General Meeting of the Company and retiring at the close of this Annual General Meeting, offers himself for election as a Director.

Details of Brendan Fleiter's qualifications, experience and special responsibilities are set out in the Company's 2012 Annual Report.

Resolution 3: Election of Lord Simon Reading as a Director

In accordance with clause 11.12 of the Constitution, Lord Simon Reading, a Director appointed subsequent to the last Annual General Meeting of the Company and retiring at the close of this Annual General Meeting, offers himself for election as a Director.

Details of Lord Reading's qualifications, experience and special responsibilities are set out in the Company's 2012 Annual Report.

Resolution 4: Election of Martin Rogers as a Director

In accordance with clause 11.12 of the Constitution, Martin Rogers, a Director appointed subsequent to the last Annual General Meeting of the Company and retiring at the close of this Annual General Meeting, offers himself for election as a Director.

Details of Martin Rogers' qualifications, experience and special responsibilities are set out in the Company's 2012 Annual Report.

Resolution 5 – Approve the previous issue of 76,767,370 Shares

From 13 July 2012 to 19 October 2012 the Company issued 76,767,370 Shares without prior shareholder approval and in accordance with ASX Listing Rule 7.1.

Pursuant to this Resolution 5, the Company is seeking subsequent Shareholder approval for the previous issue of 76,767,370 Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

In accordance with ASX Listing Rule 7.4, Shareholder approval is sought to ratify the previous issue of 76,767,370 Shares in the Company for which Shareholder approval has not already been obtained.

Details of the Share issues are set out in Table 1 below:

Table 1

Date	Purpose	Recipients	Shares Issue	Issue Price (\$)
13/07/12	Lind Partners Commencement Fee	HSBC Custody Nominees (Australia) Ltd	8,869,180	0.0197
20/07/12	Private Placement	A.J.G Pty Ltd	14,705,882	0.017
15/08/12	Private Placement pursuant to Lind Partners Funding Agreement	HSBC Custody Nominees (Australia) Ltd	7,692,308	0.013
17/08/12	Issued as consideration for fees payable	Alatina Alex loasa	3,000,000	0.017
14/09/12	Issued as consideration for fees payable	Professional Payment Services Pty Ltd	6,500,000	0.012
19/09/12	Private Placement pursuant to Lind Partners Funding Agreement	HSBC Custody Nominees (Australia) Ltd	7,500,000	0.01
19/09/12	Conversion of 50,000 Lind Partners Convertible Securities	HSBC Custody Nominees (Australia) Ltd	5,000,000	0.01
19/10/12	Private Placement pursuant to Lind Partners Funding Agreement	HSBC Custody Nominees (Australia) Ltd	10,000,000	0.01
19/10/12	Issued as consideration for fees payable	Professional Payment Services Pty Ltd	6,500,000	0.012
19/10/12	Issued as consideration for fees payable	Celebrity Agent Pte Ltd	4,000,000	0.012
19/10/12	Issued as consideration for fees payable	Cunningham Peterson Sharbanee Securities Pty Ltd	3,000,000	0.012
	Total		<u>76,767,370</u>	

For the purposes of ASX Listing Rule 7.5, the Company provides the following information:

- The Company issued 76,767,370 Shares.
- The Shares were issued at issue prices set out in Table 1.
- The Shares issued rank pari passu to all existing Shares.
- The Shares were issued to the Recipients set out in Table 1.
- The Shares were issued for the purpose set out in Table 1.

Passing Resolution 5, ratifying the previous issue of the 76,767,370 Shares will permit the Company to rely on Listing Rule 7.1 to raise further capital if required.

The Directors recommend that you vote in favour of this Ordinary Resolution.

Resolution 6 – Approve the previous issue of 30,000,000 Options

In July 2012 to the Company issued 30,000,000 Options without prior shareholder approval and in accordance with ASX Listing Rule 7.1.

Pursuant to this Resolution 6, the Company is seeking subsequent Shareholder approval for the previous issue of 30,000,000 Options for the purposes of ASX Listing Rule 7.4 and all other purposes.

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

In accordance with ASX Listing Rule 7.4, Shareholder approval is sought to ratify the previous issue of 30,000,000 Options in the Company for which Shareholder approval has not already been obtained.

Details of the Options issues are set out in Table 2 below:

Table 2

Date	Purpose	Allottees	Options Issued	Exercise Price	Expiry Date
13/07/12	Lind Partners Commencement Fee	The Australian Special Opportunity Fund, LP	10,000,000	\$0.0236	17/07/15
20/07/12	Corporate Services Fee	Exertus Capital Pty Ltd	20,000,000	\$0.030	28/02/15
	Total		30,000,000		

For the purposes of ASX Listing Rule 7.5, the Company provides the following information:

- The Company issued 30,000,000 Options.
- The Options were issued for nil consideration and no funds were raised from the issue.
- The Options were issued to the Allottees set out in Table 2.
- 10,000,000 Options were issued as payment for corporate advisory services provided by Veritas Securities.
- 20,000,000 Options were issued pursuant to the Lind Partners Funding Agreement announced to ASX on 16 July 2012.
- General terms and conditions of the Options are:
 - Each Option entitles the holder, on exercise, to one Share.
 - 10,000,000 Options issued to The Australian Special Opportunity Fund, LP on 13 July 2012 are exercisable at \$0.0236 and expire on 17 July 2012.
 - 20,000,000 Options issued to Exertus Capital Pty Ltd on 20 July 2012 are exercisable at \$0.03 and expire on 28 February 2012.
 - All Shares issued on the exercise of the Options will rank equally in all respects with the Company's existing issued Shares.
 - The Company will not apply to ASX for official quotation of the Options.
 - The Company will apply for quotation by ASX of all Shares issued upon the exercise of the Options.
 - An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
 - In the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the ASX Listing Rules.
 - If the Company makes a bonus issue of Shares or other securities to existing Shareholders:
 - the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for the bonus issue; and
 - no change will be made to the exercise price of the Options.
 - Adjustment for pro rata issue:

- If the Company makes a pro rata issue of Shares or other securities to existing Shareholders (other than a bonus issue) the exercise price of an Option will be adjusted according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share (weighted by reference to volume) of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

Passing Resolution 6, ratifying the previous issue of 30,000,000 Options will permit the Company to rely on Listing Rule 7.1 to raise further capital if required.

The Directors recommend that you vote in favour of this Ordinary Resolution.

Resolution 7 – Approve the issue of up to 1,000,000 Convertible Notes with a combined face value of up to \$1,000,000

ASX Listing Rules 7.1 & 7.3

ASX Listing Rule 7.1 provides that a listed Company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12 month period without the approval of shareholders.

In accordance with ASX Listing Rule 7.1, Resolution 7 seeks Shareholder approval for the issue of up to 1,000,000 Convertible Notes with a total combined face value of up to \$1,000,000 and the issue of up to 66,666,660 Shares upon conversion of such Convertible Notes (if this occurs).

For the purpose of ASX Listing Rule 7.1, the issue of a convertible security is treated as an issue of the capital of the Company on a fully converted basis.

By obtaining the prior approval of the Shareholders to the issue of Convertible Notes, the issue of those Convertible Notes will not count within the 15% limit under Listing Rule 7.1.

In accordance with ASX Listing Rule 7.3 the Company provides the following information to Shareholders in relation to Resolution 7.

The number of securities to be issued

The maximum number of securities to be issued is up to 1,000,000 Convertible Notes.

The date by which Consegna will issue the securities

The Convertible Notes will be issued progressively, and in any event, no later than 3 months after the date of this Meeting.

The issue price of the securities

Each Convertible Note will have an issue price/face value of \$1. Each 50,000 Notes (with a total combined face value of \$50,000) will be convertible into 3,333,333 Shares at an effective Share issue price of \$0.015 per Share.

The names of the allottees of the securities

The allottees have not yet been determined.

The Notes will be issued to professional and/or sophisticated investors identified by the Company and any brokers / financial advisers appointed by the Company to assist it in its capital raising. None of the persons subscribing for Notes or receiving Notes will be a Director (or an associate of a Director) or other related party of the Company (within the meaning of that term in ASX Listing Rule 10.11).

The terms of the securities

Each Convertible Note will have a face value of \$1. Notes can be converted into Shares in tranches of 50,000 Notes. Each 50,000 Notes will be convertible into 3,333,333 Shares (representing an effective Share issue price of \$0.015 per Share upon conversion) and will be convertible at the option of the Noteholder. Convertible Notes bear interest of 8% per annum payable until the Notes are converted into Shares or redeemed by a Noteholder. Notes are convertible into new Shares at the request of a Noteholder or alternatively Convertible Notes may be redeemed by a Noteholder any time on or after 26 October 2013.

All Shares to be issued upon conversion of Notes will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of Shares issued upon conversion of Notes.

The Noteholder has the right at any time on or after 26 October 2013 to redeem all or any of the Notes held by the Noteholder at the face value of the Notes. Upon redemption, the face value of the notes plus any outstanding interest becomes payable by the Company to the Noteholder.

If, while any Note remains capable of being converted, there is a reorganisation of the issued capital of the Company, the number of Shares a Noteholder is entitled to on the conversion of a Note will be adjusted so that the Notes are convertible into the same percentage of the issued ordinary share capital as the percentage into which they are convertible immediately prior to the relevant reorganisation event.

Subject to the ASX Listing Rules and the *Corporations Act 2001*, the Noteholder may transfer by way of instrument of transfer, assignment or novation all of its rights, benefits or obligations under this document to any third party.

The intended use of funds raised

Funds raised will be used for working capital purposes and to progress opportunities in relation to the further development and the commercialisation of the Company's BreatheAssist and Vibrovein product range.

Voting exclusion statement

A voting exclusion statement is included in the Notice of Meeting.

Resolution 8 – Approve the issue of up to 50,000,000 Options

Resolution 8 seeks Shareholder approval for the issue of up to 50,000,000 Options for the purposes of ASX Listing 7.1 and all other purposes. The Options will be issued as free attaching Options to Convertible Notes which are the subject of Resolution 7.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a listed Company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12 month period without the approval of shareholders.

For the purpose of ASX Listing Rule 7.1, the issue of a convertible security is treated as an issue of the capital of the Company on a fully converted basis.

By obtaining the prior approval of the Shareholders to the issue of Options, the issue of those Options will not count within the 15% limit under Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.1, Resolution 8 seeks Shareholder approval for the issue of 50,000,000 Options on the terms and conditions set out below.

ASX Listing Rule 7.3

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Statement for that purpose:

The number of securities to be issued

The maximum number of securities to be issued is 50,000,000 Options.

The date by which the Company will issue the securities

The Options will be issued progressively, and in any event, no later than 3 months after the date of this Meeting.

The issue price of the securities

The Options will be issued for nil consideration. The Options will be issued as free attaching Options to Convertible Notes which are the subject of Resolution 7.

The names of the allottees of the securities

The allottees have not been determined.

The allottees will be professional and/or sophisticated investors identified by the Company and any brokers / financial advisers appointed by the Company to assist it in the issue of Convertible Notes which are the subject of Resolution 7. None of the persons subscribing for Shares or receiving Shares will be a Director (or an associate of a Director) or other related party of the Company (within the meaning of that term in ASX Listing Rule 10.11).

The terms of the securities

- Each Option entitles the holder, on exercise, to one Share.
- Each Option will be exercisable at \$0.02.
- Each Option will expire 3 years from the date of issue.
- All Shares issued on the exercise of the Options will rank equally in all respects with the Company's existing issued Shares.
- The Company will not apply to ASX for official quotation of the Options.
- The Company will apply for quotation by ASX of all Shares issued upon the exercise of the Options.
- An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- In the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the ASX Listing Rules.
- If the Company makes a bonus issue of Shares or other securities to existing Shareholders:
 - the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for the bonus issue; and
 - no change will be made to the exercise price of the Options.
- Adjustment for pro rata issue:

If the Company makes a pro rata issue of Shares or other securities to existing Shareholders (other than a bonus issue) the exercise price of an Option will be adjusted according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share (weighted by reference to volume) of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

The intended use of funds raised

No funds will be raised from the issue of Options. It is anticipated that any funds raised from the exercise of Options (if this occurs) will be used for working capital purposes and to fund the

continued development and commercialisation of the Company's product range. There is no guarantee that the Options will be exercised at all.

Voting exclusion statement

A voting exclusion statement is included in the Notice of Meeting.

Resolution 9 – Approval of additional capacity to issue shares under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A

In August 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the annual general meeting (Additional Placement Capacity). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. Therefore, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% (Up to 10% pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1) of the Company's issued share capital. If the Additional Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company's issued capital pursuant to ASX Listing Rule 7.1.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

- a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;
- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d) less the number of fully paid shares cancelled in the 12 months.

- e) Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company.

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 3). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- 30 November 2013; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

Any approval of the Additional Placement Capacity at this Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new biotechnology assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for working capital purposes, to fund the continued development and commercialisation of the Company's product range and/or to fund the acquisition of new biotechnology assets.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

The allottees under the Additional Placement Capacity have not yet been determined but allottees may include existing shareholders, existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

ASX Listing Rule 7.1A was introduced in August 2012 and as such, the Company has not previously obtained approval for the Additional Placement Capacity.

A voting inclusion statement is included in this Notice. In accordance with ASX Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

Table 3 shows the dilution of Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2).

Table 3 also shows:

- I. two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- II. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Table 3

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0075 50% decrease in Issue Price	\$0.015 Current Issue Price	\$0.03 100% increase in Issue Price
Variable A - 1,038,162,555 Shares	10% Voting Dilution	103,816,256 Shares	103,816,256 Shares	103,816,256 Shares
	Funds Raised	\$778,622	\$1,557,244	\$3,114,488
50% increase in Variable A - 1,557,243,833 Shares	10% Voting Dilution	155,724,383 Shares	155,724,383 Shares	155,724,383 Shares
	Funds Raised	\$1,167,933	\$2,335,866	\$4,671,731
100% increase in Variable A - 2,076,325,110 Shares	10% Voting Dilution	207,632,511 Shares	207,632,511 Shares	207,632,511 Shares
	Funds Raised	\$1,557,244	\$3,114,488	\$6,228,975

Table 3 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue at 19 October 2012
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only Shares.
- The Current Issue Price of \$0.015 was the closing price of Shares as traded on ASX as at 19 October 2012. This price may fluctuate between the time of preparing this Notice and the date of the Meeting.

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Consegna Group Limited

26 October 2012

Ph: +61 (0) 3 9 417 5001

GLOSSARY

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

AEDT means Australian Eastern Daylight Savings Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the listing rules of ASX.

Board means the board of directors of the Company.

Company or Consegna Group means Consegna Group Limited (ACN 107 903 159).

Constitution means the Company's constitution.

Convertible Note or **Note** means an interest bearing note issued by the Company convertible into Shares and issued in accordance with the terms and conditions set out in the Explanatory Statement.

Corporations Act means Corporations Act 2001 (Cth).

Director means a current director of the Company.

Explanatory Statement means the explanatory statement to this Notice of Meeting.

Meeting means the 2012 Annual General Meeting of the Shareholders of the Company to be held on 30 November 2012, to which the Notice of Meeting and Explanatory Statement relate.

Noteholder means, in relation to any Note, a person entered in the Register as the holder of that Note from time to time.

Notice of Meeting means this notice of meeting of the Company dated 26 October 2012.

Option means and Option to acquire a Share

Resolution means a resolution referred to in the Notice.

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

Shareholder means a holder of Shares.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.

CONSEGNA GROUP LIMITED – PROXY FORM FOR 2012 ANNUAL GENERAL MEETING

I/We _____

Of _____

am/are a member of Consegna Group Limited (ACN 107 903 159) and I/we appoint as my/our proxy:

of _____

Or failing him or her, the Chairman of the Annual General Meeting of the Company, to be held at Level 29, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000, Australia, on Friday 30 November 2012 at 10:00 a.m. AEDT to vote for me/us at the meeting and at any adjournment of it. If 2 proxies are being appointed the proportion of voting rights this proxy is authorised to exercise is%. (The Company will supply an additional form on request).

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Brendan Fleiter as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Lord Simon Reading as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Martin Rogers as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approve the previous issue of 76,767,370 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approve the previous issue of 30,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approve the issue of up to 1,000,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approve the issue of up to 50,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approve Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote all undirected proxies in favour of each Resolution. If you do not wish to direct your proxy on how to vote, please tick this box:

By ticking this box, I/we expressly authorise the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1 to 9 (except where I/we have indicated a different voting intention above) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 1 is connected directly with the remuneration of members of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of the Resolutions and that votes cast by the Chairman, other than as proxy holder, would 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 votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Signature of Member(s): Date:.....

Individual or Member 1

 Director/Company Secretary

Member 2

 Director

Member 3

 Director

Contact Name:

Contact Ph (daytime).....

PROXY INSTRUCTIONS

A member entitled to attend and vote at a meeting is entitled to appoint not more than 2 proxies. Where more than 1 proxy is appointed, each proxy may be appointed to represent a specific portion of the member's voting rights. A proxy need not be a member of the Company. A proxy form must be signed by the member or his or her attorney. Proxies given by corporations must either be signed under seal or under the hand of a duly authorised officer of 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 a certified copy) must be lodged with:

Consegna Group Limited, 'The Grain Store', 7/21 Northumberland Street, Collingwood VIC 3066.

Or by facsimile on 61 (0) 3 8080 0796

Not later than 10:00 a.m. AEDT on Wednesday 28 November 2012