



World Reach Limited
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29 May 2012

The Manager
Market Announcements Platform
Australian Securities Exchange

Share Consolidation and Notice of General Meeting

Share Consolidation

The Company proposes to consolidate its share capital through the conversion of every 100 Shares in the Company into 1 share in the Company.

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. Listing Rule 7.20 provides that if an entity proposes to reorganize its capital, it must advise shareholders of certain matters, which are set out in the attached Explanatory Notes.

The Company has a large number of Shares on issue (1,110,456,777) due to historical equity based capital raisings and corporate transactions. For a company of this size, this is a large number of securities to have on issue and it subjects the Company to a number of disadvantages.

The Directors believe that a consolidation of the shares would assist in eliminating or mitigating these disadvantages and would establish a share price more appropriate for a listed entity of its size.

Notice of Meeting

To consider the Share Consolidation described above and a number of other matters for shareholders' approval, the Company has arranged a general meeting of shareholders. Please find attached a brief letter from the Chairman, a Notice of General Meeting, a set of Explanatory Notes and a Proxy Form, for the meeting, to be held on Friday 29 June 2012 at 10.00am.

Yours faithfully

A handwritten signature in black ink, appearing to read "Dennis Payne".

Dennis Payne
Company Secretary

28th May 2012

The Shareholder

Dear Shareholder,

Please find enclosed a notice of a General Meeting of the company to be held at the company's office on Friday 29th June 2012 at 10.00am (AEST).

I hope you can attend the meeting, however if you are unable to attend, I encourage you to complete the enclosed proxy form and return it by mail or fax to the company at the addresses noted on the instructions for completion of the proxy form, no later than 10.00am (AEST) on Wednesday 27th June 2012.

There are six Resolutions to be put to the meeting and background information relating to each of these Resolutions is fully set out in the Explanatory Notes attached to the Notice of Meeting. I urge you to read these carefully.

I look forward to seeing you at the meeting.

Yours faithfully



John McCormack
Chairman

WORLD REACH LIMITED

ACN 010 568 804

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (**Meeting**) of shareholders of World Reach Limited (**Company**) will be held at the Company's offices at Unit 5, 8 Anzed Court, Mulgrave, Victoria 3170 on Friday, 29 June 2012 at 10.00am.

AGENDA

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

1. **Election of Director**

THAT, Mr. John Bee, a Director appointed by the Board on 4 April 2012, in accordance with the Company's Constitution, being eligible and having offered himself for election, be elected as a Director of the Company.

2. **Grant of Options to Michael Capocchi**

THAT, for the purpose of Chapter 2E of the Corporations Act 2001 and for the purpose of ASX Listing Rule 10.11, approval is given for the grant of 60,000,000 options to Mr. Capocchi, exercisable at \$0.0065 (0.65 cents) a share on or before 1 July 2017 on the terms and conditions set out in the Explanatory Statement.

3. **Grant of Options to John Bee**

THAT, for the purpose of Chapter 2E of the Corporations Act 2001 and for the purpose of ASX Listing Rule 10.11, approval is given to the grant of 20,000,000 options to Mr. Bee, exercisable at \$0.0065 (0.65 cents) a share on or before 1 July 2017 on the terms and conditions set out in the Explanatory Statement.

4. **Approval to Issue Options and Activate the Ability to Issue Shares Following Convertible Note Placement**

THAT for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given in respect of:

- (a) the activation, under the terms of the Convertible Notes, of the ability to issue 178,571,425 ordinary Shares on conversion of the Convertible Notes; and
- (b) the issue of 17,857,150 Options,

to the six investors or their nominees, and on the terms and conditions and for the consideration set out in the Explanatory Notes.

5. **Ratification of Past Placement of 139,950,000 Shares**

THAT for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval be given in respect of the issue of 139,950,000 fully paid ordinary shares in the Company under the placement made on 5 January 2012, on the terms and conditions set out in the Explanatory Notes.

6. **Share Consolidation**

THAT for the purposes of section 254H of the Corporations Act and for all other purposes, approval be given for the consolidation of every 100 Shares on issue at 7pm (AEST) on 9 July 2012 into 1 Share, and that any fractions of a Share be rounded up to the next whole number of Shares

GENERAL NOTES

General Notes

1. Voting in Person

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

2. Voting by proxy

1.2.1 **(Appointing a Proxy):** A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote for the Shareholder at the Meeting. A Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint a second proxy. The appointment of the 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 Shareholder's voting rights. If a Shareholder 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 Shareholder of the Company.

1.2.2 **(Direction to Vote):** A proxy need not vote in that capacity on a show of hands on any Resolution nor (unless the proxy is the Chairman of the Meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a Resolution, and the proxy decides to vote in that capacity on that Resolution, the proxy must vote the way specified (subject to the other provisions of this notice of Meeting, including the voting exclusions noted below).

1.2.3 **(Voting restrictions with respect to undirected proxies):** The Corporations Act prohibits the Company's key management personnel and their closely related parties voting as proxy on Resolutions connected directly or indirectly with the remuneration of key management personnel (such as Resolutions 2 and 3), if the proxy appointment does not specify the way the person is to vote. The prohibition does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy. If a Shareholder appoints the Chairman of the Meeting as their proxy and the Shareholder does not direct the Chairman of the Meeting how to vote on Resolutions 2 and 3 the Shareholder authorises the Chairman of the Meeting in respect of Resolutions 2 and 3 to exercise the proxy:

1.2.3.1 notwithstanding that Resolutions 2 and 3 are connected directly or indirectly with the remuneration of the Company's key management personnel; and

1.2.3.2 even if the Chairman of the Meeting has an interest in the outcome of the vote on Resolutions 2 and 3, and that any votes cast by the Chairman of the Meeting in respect of Resolutions 2 and 3, other than as proxy holder, will be disregarded because of that interest.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised, having regard to the voting restrictions set out in this notice of general meeting) in favour of each Resolution.

1.2.4 **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form (and attach any authority under which it is signed or a copy which appears on its face to be an authentic copy) by:

1.2.4.1 post to World Reach Limited, Unit 5, 8 Anzed Court, Mulgrave VIC 3170; or

1.2.4.2 facsimile to the Company on facsimile number +61 3 9560 9055,

so that it is received by 10.00am (AEST) on Wednesday 27 June 2012, being not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

3. Corporate Representative

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. Unless it has previously been given to the Company, the representative should bring evidence of their appointment to the Meeting, together with any authority under which it is signed. The appointment must comply with section 250D of the *Corporations Act 2001* (Cth).

4. Attorney

A Shareholder may appoint an attorney to vote on their behalf. To be effective for the Meeting, the instrument effecting the appointment (or a copy which appears on its face to be an authentic copy) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the Meeting.

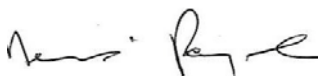
5. Voting Entitlement

A determination has been made by the Board of Directors of the Company in accordance with Regulation 7.11.3 7 of the Corporations Act that those persons who are registered as the holders of Shares in the Company at 7.00pm (AEST) on Wednesday 27 June 2012 will be taken to be the holders of Shares for the purposes of determining voting entitlements at the Meeting.

6. Explanatory Notes

Explanatory Notes accompany this Notice containing information about the business referred to in this Notice.

By Order of the Board

A handwritten signature in black ink, appearing to read "Dennis Payne", written in a cursive style.

Dennis Payne
Secretary

Dated: 28 May 2012

EXPLANATORY NOTES

General

These Explanatory Notes form part of the Notice of General Meeting dated 28 May 2012 (the **Notice**) and should be read in conjunction with that Notice as these Explanatory Notes contain important information on the proposed Resolutions. Shareholders should read these Explanatory Notes in full before making a decision on how to vote on the proposed Resolutions to be considered at the General Meeting.

Purpose of Explanatory Notes

The purpose of these Explanatory Notes is to:

- (a) explain the terms and effect of the Resolutions to Shareholders;
- (b) provide the background to, and the likely effect of, the issue of the Options and the issue of Shares consequent upon any conversion of the Convertible Notes and/or exercise of the Options; and
- (c) provide such information as is prescribed by the Act and the ASX Listing Rules or as is otherwise, in the opinion of the Directors, material to the decision of Shareholders whether to approve the Resolutions.

Interpretation

Words and expressions used in the Notice and these Explanatory Notes are defined in the Glossary. Unless otherwise stated, all references to sums of money, "\$" and "dollars" are references to Australian currency.

1. RESOLUTION 1 – ELECTION OF DIRECTOR

1.1. Background

Mr. John Bee was appointed as a Non Executive Director by the Board on 4 April 2012. In accordance with the Company's Constitution and being eligible, Mr John Bee offers himself for election at this meeting of the Company.

1.2. Director's Experience

John Bee is a Melbourne-based management consultant specialising in revenue growth. He has an MBA from Stanford University and following careers with McKinsey & Co and Egon Zehnder International established his own consulting practice. His other experience includes Head of Marketing at a large financial institution and senior sales executive with IBM. It is John's experience in strategic revenue growth that will greatly benefit the Company as it seeks ways to capitalize on the recently expanded range of Iridium and Inmarsat based products.

1.3. Director's Interest

John Bee and Margaret Bee, as trustees for the JBB Superannuation Fund, hold 72,000,000 ordinary Shares in the Company. John Bee is a member of the superannuation fund. As such he holds an interest in 6.4% of the currently issued Shares and is thereby a substantial holder of the World Reach Limited.

The Company recognizes that the ASX Corporate Governance Principles recommend that listed entities have a majority of independent Directors on the board. The board continues to seek independent Directors and may elect to appoint additional independent directors in the future if candidates with appropriate expertise are found.

1.4. Recommendation

The Directors recommend That Shareholders vote in favour of Resolution 1.

2. **RESOLUTIONS 2 AND 3 – GRANT OF OPTIONS TO DIRECTORS**

2.1. **Background**

Under Resolutions 2 and 3, the Company seeks Shareholder approval under Chapter 2E of the Corporations Act and Listing Rule 10.11 for the issue of Options to two of its Directors as remuneration and also as a long term incentive to:

- (a) Mr Capocchi following the execution of a new 5 year employment contract on 2 May 2012; and
- (b) Mr Bee following his appointment to the board on 4 April 2012.

2.2. **ASX Listing Rule and Corporations Act Disclosure Requirements**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to its Directors without shareholder approval, unless the giving of the financial benefit falls under one of the exceptions specified in the Act. Financial benefit is defined in the Corporations Act in broad terms and includes a public company issuing options. As none of the exceptions in the Act apply in this case, shareholder approval is required for the grant of the Options.

ASX Listing Rule 10.11 prohibits the issue of securities to Directors without shareholder approval (unless one of the exceptions set out in Listing Rule 10.12 applies, none of which apply here).

In accordance with Chapter 2E of the Corporations Act, the Company has lodged a copy of this Notice with ASIC.

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act, the following information is given to shareholders:

(a) **The identity of the related parties**

The Directors to whom financial benefits will be given if the resolutions are approved are:

Michael Capocchi (Managing Director); and
John Bee (Non-Executive Director).

(b) **The nature of the financial benefit**

The financial benefit to be given is the grant of the 60,000,000 Options to Mr Capocchi and 20,000,000 Options to Mr Bee as part of their remuneration and incentive packages with the Company and in consideration of their services to the Company. No cash consideration will be paid by Mr Capocchi or Mr Bee on the grant of the Options.

The grant of the Options will form part of the Directors' remuneration as, in the Board's opinion, the financial, legal and other responsibilities assumed by Directors of public companies provide a risk that monetary fees alone do not adequately reward and do not provide adequate incentive to enable the Company to attract and keep board members and Directors of the requisite level of experience and qualifications.

In determining the number of Options to be granted to each Director, consideration was given to the relevant experience and role of each of the Directors, their respective overall remuneration terms, and the current market price of the Company's shares.

All existing Options held by Mr Capocchi following previous issues under the Employee Share Option Plan and those as a Director approved by shareholders, (31,500,000) will subsequently and immediately be cancelled by the Company. The previous issues of Options to Mr Capocchi are at exercise prices ranging from 1.25 cents to 3.0 cents and in view of the current market price of the Company's shares (0.5 cents at the date of this Notice) the Company and Mr Capocchi believe that it is unlikely that these Options will be exercised before their expiry dates.

The Options to be issued to Directors under Resolutions 2 and 3 have the following terms:

- (a) Each Option entitles the holder to one (1) fully paid ordinary Share in the capital of the Company.

- (b) The Options vest with the holder as follows:
- One third of the Options vest on 1 July 2014, (**Vesting Date**)
 - One third of the Options vest on 1 July 2015, (**Vesting Date**)
 - One third of the Options vest on 1 July 2016. (**Vesting Date**)
- (c) The Options are exercisable before 5.00pm (AEST) on 1 July 2017 (**Expiry Date**).
- (d) The Options are exercisable at a price of \$0.0065 each.
- (e) If the holder is no longer a Director of the Company for any reason, the Options will automatically lapse.
- (f) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from the ASX for the Options.
- (g) The Options are not transferable.
- (h) In accordance with Listing Rule 6.19, Option holders will not have a right to participate in new issues without exercising their Options prior to the record date of such a new issue.
- (i) In the event of a reorganization of the capital of the Company the rights of an Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganization of capital at the time of the reorganization.

The issue of the Options will result in the Company recognizing an estimated expense in the years in which the Options vest as follows:

- Year ended 30 June 2015 : \$53,333
- Year ended 30 June 2016 : \$58,667
- Year ended 30 June 2017 : \$61,333

A total expense of \$173,333.

(c) Valuation

The fair value of the Options to be granted has been assessed by an independent expert Mr. Paul Lom of DMR Corporation Pty Ltd whose full report is attached hereto (Schedule 2). Mr. Lom has assessed the value of the Options to be granted to each Director as

- i. Mr. Capocchi:
- Vesting on 1 July 2014 : \$40,000
 - Vesting on 1 July 2015 : \$44,000
 - Vesting on 1 July 2016 : \$46,000

A total value of \$130,000

- ii. Mr. Bee:
- Vesting on 1 July 2014 : \$13,333
 - Vesting on 1 July 2015 : \$14,667
 - Vesting on 1 July 2016 : \$15,333

A total value of \$43,333

(d) Director's remuneration

As at the date of this Notice, the annual remuneration (inclusive of superannuation where applicable) payable to the two Directors for the current and previous financial years is set out below:

	<u>Current Year</u>	<u>Year ended 30 June 2011</u>
M. Capocchi	\$395,000	\$383,027
J. Bee	\$10,000	n/a

(e) Directors' interest in the outcome

On a fully diluted basis including conversion of the Convertible Notes and exercise of existing Options, the percentage interest in the Company of Mr Capocchi and Mr Bee if Resolutions 2 and 3 are approved by Shareholders will increase if the Options are granted as follows:

	Current	After full vesting of the Options
M. Capocchi	11.3%	12.5%
J. Bee	3.6%	4.5%

Each of Mr Capocchi and Mr Bee, because he has a material personal interest in the outcome of the Resolution relevant to him, declines to make a recommendation, in relation to that Resolution and because he has a commonality of interest in the outcome of the Resolution relevant to his fellow Director, feels good corporate governance requires him to decline to make a recommendation in relation to that Resolution.

(f) Dilution effect

If the Options are issued, and all are subsequently exercised, the Company will issue an additional 80,000,000 Shares, which will dilute the holdings of existing Shareholders by 6.9% (assuming no other change in the capital of the Company except the cancellation of Mr Capocchi's existing employee/Director Options). If existing Options are exercised and existing convertible notes are converted the interests of existing shareholders would be diluted by 3.9% by the exercise of the Options.

(g) Share price history

in the 12 months before the date of this Notice, the highest, lowest and last trading price of the Company's ordinary shares on the ASX was:

Highest:	\$0.007
Lowest:	\$0.002
Last:	\$0.005

(h) Date of Issue

The Options will be issued within 1 month of approval by the Company's Shareholders.

(i) Use of Funds

No funds will be raised from the issue of the Options. However, if all the Options are issued and are subsequently exercised, the Company will receive \$520,000. Any funds raised on the exercise of the Options will be applied as working capital.

(j) Further information

The Directors are not aware of any other information that may be reasonably required by members in order to decide whether or not it is in the Company's interests to pass the proposed Resolutions.

2.3. Voting Exclusion Statement:

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 2 and 3 by either of Mr Capocchi and Mr Bee and their associates. However the Company need not disregard a vote if

- (a) 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
- (b) 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.

2.4. Recommendation

Mr John McCormack, Chairman of the Board of Directors, who does not have a material interest in the outcome of the Resolutions recommends that Shareholders vote in favour of Resolutions 2 and 3.

3. RESOLUTION 4 – ISSUE OF OPTIONS AND THE ABILITY TO ISSUE SHARES FOLLOWING CONVERTIBLE NOTE PLACEMENT

3.1. Background

As announced on the ASX on 4 April 2012, the Company entered into agreements with six investors (**Noteholders**) for the issue of 25 unsecured Convertible Notes. On 16 April 2012, the Company announced the issue of the Convertible Notes.

Approval is sought pursuant to ASX Listing Rule 7.1 for:

- (a) the activation, under the terms of the Convertible Notes, of the ability to issue up to 178,571,425 ordinary Shares on conversion of the Convertible Notes; and
- (b) the issue of 17,857,150 Options,

to the six investors or their nominees on the terms and conditions and for the consideration set out in section 3.3 below.

3.2. ASX Listing Rule 7.1

Subject to a number of exceptions, Listing Rule 7.1 limits the number of securities the Company may issue without Shareholder approval in any 12 month period to 15% of its issued ordinary securities.

Shareholders should note that if Resolution 4 is not approved by Shareholders, the Company may issue such number of ordinary Shares and Options within the 15% limitation prescribed in Listing Rule 7.1.

Notwithstanding this, if Shareholder approval is obtained then the issue of Shares on conversion of the Convertible Notes and the issue of Options to those persons set out in Section 3.3 (e) will not be included in the calculation to determine the number of securities that may be issued in the next 12 months without Shareholder approval. The Board considers it prudent to preserve its right to issue securities in the future to the full extent permitted by the Listing Rules.

Accordingly, Shareholders are being asked to approve the ability to issue up to 178,571,425 ordinary Shares on conversion of the Convertible Notes and the issue of 17,857,150 Options to the investors for the purpose of Listing Rule 7.1.

3.3. ASX Listing Rule 7.3

The following information is provided in accordance with ASX Listing Rule 7.3:

(a) Maximum number of Shares to be issued

Shareholder approval is being sought for the ability to issue up to 178,571,425 ordinary Shares on conversion of the Convertible Notes at a conversion price of \$0.0035 per ordinary Share. The number of ordinary Shares and the conversion price is prior to the Consolidation proposed under Resolution 5.

(b) Maximum number of Options to be issued

Shareholder approval is being sought for the issue of 17,857,150 Options. The number of Options is prior to the Consolidation proposed under Resolution 5.

(c) Date of Allotment and Issue

The Options will be allotted and issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by the ASX).

The Shares to be issued on conversion of the Convertible Notes will be issued in accordance with the terms of the Convertible Notes and the ability to convert takes effect on shareholder approval.

(d) **Issue Price of Convertible Notes and Options**

The Convertible Notes were issued at \$25,000 for each Convertible Note totalling \$625,000. The Options will be issued at no additional consideration from the investors and there is also no additional consideration from the conversion of the Convertible Notes.

(e) **Name of Allottees**

The Convertible Notes have been, and the Shares and Options will be, allotted to the following entities, none of which are related parties:

Entity	Convertible Notes	Options	Total Consideration
Artpreciation Pty Ltd <The Pang Super Fund A/c>	8	5,714,288	\$200,000
Geoffrey Garrott & Margaret Garrott <Derwentwater Super Fund A/c>	8	5,714,288	\$200,000
Tabedge Pty Ltd <Ras Superannuation Fund >	5	3,571,430	\$125,000
John Seward	2	1,428,572	\$50,000
Twartz Family Trust	1	714,286	\$25,000
John Cappellin	1	714,286	25,000
Total	25	17,857,150	\$625,000

(f) **Current Capital Structure**

The current capital structure of the Company (prior to the issue of the Convertible Notes or Options contemplated under this Resolution 4), is as follows:

Ordinary Shares		1,110,456,777
Options:		
Options currently issued under the Employee Share Option Plan	55,750,000	
Options currently issued to Directors approved by shareholders	15,000,000	
Options currently issued under previous Convertible Note Issue	91,406,250	
Total Options		162,156,250
Existing Convertible Notes (not including those issued on 16 April 2012)		44

(g) **Future Capital Structure – Directors Options Issued**

In the event:

- Resolutions 2 and 3 under this Notice are passed;
- the Options are issued pursuant to Resolutions 2 and 3 (although they do not vest with the holders until 1 July 2014 (one third), 1 July 2015 (one third), and 1 July 2016 (one third), and
- the Company cancels the previously existing Options held by Mr Capocchi,

the capital structure of the Company will be as follows:

Ordinary Shares		1,110,456,777
Options:		
Options currently issued under the Employee Share Option Plan	34,250,000	
Options currently issued to Directors approved by shareholders	5,000,000	
Options currently issued under previous Convertible Note Issue	91,406,250	

New Options issued to Directors after Resolutions 2 and 3	80,000,000	
Total Options		210,656,250
Existing Convertible Notes (not including those issued on 16 April 2012)		44

(h) **Future Capital Structure – Convertible Notes and Options Issued (impact of Resolution 4)**

Assuming the Directors Options under Resolutions 2 and 3 are issued and the Company cancels the previously existing Options held by Mr Capocchi (see (g) above) and in the event:

- Resolution 4 under this Notice is passed;
- including the issue of Convertible Notes on 16 April 2012; and
- all Options are issued pursuant to this Resolution 4,

the capital structure of the Company will be as follows:

Ordinary Shares		1,110,456,777
Options:		
Options currently issued under the Employee Share Option Plan	34,250,000	
Options currently issued to Directors approved by shareholders	5,000,000	
Options currently issued under previous Convertible Note Issue	91,406,250	
New Options issued to Directors after Resolutions 2 and 3	80,000,000	
New Options issued under new Convertible Note issue (after Resolution 4)	17,857,150	
Total Options		228,513,400
Convertible Notes including those issued on 16 April 2012		69

(i) **Future Capital Structure – Convertible Notes and Options Converted and Exercised (impact of Resolution 4)**

Assuming the Directors Options under Resolutions 2 and 3 are issued and the Company cancels the previously existing Options held by Mr Capocchi (see (g) above) and in the event:

- Resolution 4 under this Notice is passed;
- all Convertible Notes and Options are issued pursuant to this Resolution,
- all previous Convertible Notes are converted and all previous Options under Convertible Note issues are exercised and,
- all Convertible Notes are converted and all Options issued pursuant to this Resolution are exercised,

the capital structure of the Company will be as follows:

Ordinary Shares		1,948,291,602
Options:		
Options currently issued under the Employee Share Option Plan	34,250,000	
Options currently issued to Directors approved by shareholders	5,000,000	
Options currently issued under previous Convertible Note Issue	-	
New Options issued to Directors after Resolutions 2 and 3	80,000,000	
New Options issued under new Convertible Note Issue (after Resolution 4)	-	
Total options		119,250,000
Convertible Notes		-

(j) **Terms of the Convertible Notes and Options**

The terms of the Convertible Notes and Options are summarised in Schedule 1. Any Shares to be issued will be issued on the same terms and will rank equally with existing fully paid ordinary Shares.

(k) **Intended Use of Funds Raised**

It is proposed that the Company will use the funds raised for working capital including payment of existing contractual debts.

(l) **Allotment**

Refer to paragraph 3.3(c) above.

(m) **Voting Exclusion Statement**

The Company will disregard any votes cast on this resolution by:

- (i) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed;
- (ii) an associate of a person who may participate in the proposed issue and an associate of a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (iii) a person who is to receive securities in relation to the entity.

However the Company need not disregard a vote if:

- (i) 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
- (ii) 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.

3.4. **Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 4.

4. **RESOLUTION 5 – RATIFICATION OF PAST PLACEMENT OF 139,950,000 SHARES**

4.1. **Background**

Approval is sought pursuant to ASX Listing Rule 7.4 for the previous issue of 139,950,000 ordinary shares in the Company issued to sophisticated and professional investors who are not related parties. Such approval will enable the Company to refresh its ability to issue further securities in the future without seeking shareholder approval in accordance with ASX Listing Rule 7.1.

4.2. **ASX Listing Rule 7.4**

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a company may issue without shareholder approval in any 12 month period to 15% of its issued ordinary securities.

ASX Listing Rule 7.4 allows for shareholders to subsequently approve an issue of securities, provided the issue was not in breach of ASX Listing Rule 7.1. The issue of the ordinary shares did not breach ASX Listing Rule 7.1. Shareholders are being asked to approve the issue of the ordinary shares in accordance with ASX Listing Rule 7.4.

If the issue of the ordinary shares issued to the party set out in section 4.3 below is treated as having been made with shareholder approval pursuant to ASX Listing Rule 7.4, the Company's capacity to issue further securities is restored. The Directors consider it prudent to retain the capacity to issue up to 15% of its issued capital so that the Company has the maximum flexibility in its funding options for future investment opportunities. Accordingly, the Company seeks shareholder approval to the issue of the ordinary shares as set out in Resolution 5.

4.3. **ASX Listing Rule 7.5**

(a) **Number of Securities**

The number of securities allotted and issued was 139,950,000 Shares.

(b) **The price at which the Shares were issued**

The Shares were issued for consideration of \$0.0028 per ordinary share. The total funds raised by the share issue was \$391,860 (before the costs of the issue).

(c) **Terms of the Shares issued**

The Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) **Name of the allottees**

The ordinary shares were issued to Lynton Properties Pty Ltd, a sophisticated investor.

(e) **Use of funds**

The funds raised were used as working capital.

(f) **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 5 by:

- (i) a person who participated in the issue of securities; and
- (ii) an associate of a person who participated in the issues of securities.

However the Company need not disregard a vote if:

- (i) 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
- (ii) 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.

4.4. **Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 5.

5. **RESOLUTION 6 – SHARE CONSOLIDATION**

5.1. **Regulatory Requirements**

The Company proposes to consolidate its share capital through the conversion of every 100 Shares in the Company into 1 share in the Company.

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. Listing Rule 7.20 provides that if an entity proposes to reorganize its capital, it must advise shareholders of certain matters, which are set out below.

5.2. **Background**

The Company has a large number of Shares on issue (1,110,456,777) due to historical equity based capital raisings and corporate transactions. For a Company of this size, this is a large number of securities to have on issue and it subjects the Company to a number of disadvantages including:

- (a) that the Company has a far greater number of Shares on issue than comparable companies, meaning that its share price is far lower for reasons other than valuation;
- (b) negative perceptions associated with a low share price; and
- (c) administrative inconvenience.

The Directors believe that a consolidation of the Shares would assist in eliminating or mitigating these disadvantages and would establish a share price more appropriate for a listed entity of its size.

The Consolidation will not result in any change to the substantive rights and obligations of Shareholders. The Company's balance sheet and tax position will also remain unaltered as a result of the Consolidation.

5.3. **Shares**

Resolution 6 seeks Shareholders' approval for the issued capital of the Company to be altered by consolidating every 100 Shares into 1 Share (**Consolidation**). Any fractional entitlements as a result of holdings not being evenly divisible by 100 will be rounded up to the nearest whole number.

For example, if you currently hold 1,000 Shares, as a result of the Consolidation, you will hold 10 Shares.

At the date of this Explanatory Statement, the Company has 1,110,456,777 Shares on issue. The Consolidation will reduce the number of shares on issue to approximately 11,104,568.

The pro-forma capital structure of the Company on completion of the Consolidation (based on the number of shares on issue at the date of these Explanatory Notes) is as follows:

Fully paid ordinary shares

Pre-consolidation	Post-consolidation
Number	Number
1,110,456,777	11,104,568

5.4. **Options**

The Company has unlisted Options on issue. In accordance with the option terms and Listing Rule 7.22, these Options will be consolidated on the same basis as the Shares, that is, every 100 Options will be consolidated into 1 Option, and their exercise price amended in inverse proportion to the consolidation ratio.

The effect of the Consolidation on the number of options and the exercise price of Options (taking into account the new Options to be issued and cancelled in accordance with Resolutions 2, 3 and 4) is set out below:

Options	Pre-consolidation		Post-consolidation	
	Exercise Price	Number	Exercise Price	Number
31 October 2012	\$0.025	14,750,000	\$2.50	147,500
31 October 2012	\$0.05	12,906,250	\$5.00	129,063
31 October 2012	\$0.075	11,062,500	\$7.50	110,625
1 April 2013	\$0.025	3,500,000	\$2.50	35,000
1 April 2013	\$0.05	3,062,500	\$5.00	30,625
1 April 2013	\$0.075	2,625,000	\$7.50	26,250
31 December 2013	\$0.0065	7,550,000	\$0.65	75,500
1 July 2014	\$0.006	43,500,000	\$0.60	435,000
30 September 2014	\$0.0065	11,700,000	\$0.65	117,000
31 December 2015	\$0.0125	5,000,000	\$1.25	50,000
1 January 2016	\$0.0065	7,500,000	\$0.60	75,000
1 February 2017	\$0.0045	7,500,000	\$0.45	75,000
Per Resolutions 2 and 3 (expiry 1 July 2017)	\$0.0065	80,000,000	\$0.60	800,000
Per Resolution 4 (expiry 2 years after issue)	\$0.007	17,857,150	\$0.70	178,572

5.5. **Convertible Notes**

The Company has unlisted Convertible Notes on issue. In accordance with the Convertible Notes terms, these Convertible Notes will be consolidated on the same basis as the Shares, and their converting price amended in inverse proportion to the consolidation ratio, that is, every 100 Shares available under the Convertible Notes will be consolidated into 1 Share and every 100 Options under the Convertible Notes will be consolidated into 1 Option.

The effect of the Consolidation on the number and converting price of Convertible Notes is set out below:

Convertible Note	Pre-consolidation		Post-consolidation	
	Converting Price	Number of Shares	Converting Price	Number of Shares
1 July 2013	\$0.002	550,000,000	\$0.20	5,500,000
1 July 2015	\$0.0035	178,571,425	\$0.35	1,785,714

5.6. **Holding Statements**

From the date of Consolidation, all existing holding statements for Shares, Options and Convertible Notes will cease to have any effect, except as evidence of entitlement to a certain number of Shares, Options and Convertible Notes on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares, Options and Convertible Notes held prior to Consolidation and post-Consolidation.

5.7. **Taxation implications**

Shareholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation implications arising from the Consolidation.

5.8. **Indicative Timetable for Consolidation**

If Resolution 6 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in the Listing Rules):

Event	Date
Company announces Consolidation and dispatches Notice of Meeting	29 May 2012
Meeting held	29 June 2012
Company announces to ASX that Shareholders have approved the Consolidation	29 June 2012
Last day of trading in pre-Consolidation securities	2 July 2012
Trading in Consolidated Shares will commence on a deferred settlement basis	3 July 2012
Last day for the Company to register transfers on a pre-Consolidated basis	9 July 2012
<ul style="list-style-type: none"> First day for the Company to register securities on a Consolidated basis First day for the Company to issue holdings statements for Shares, Options and Convertible Notes on a Consolidated basis 	10 July 2012
<ul style="list-style-type: none"> Last day to enter new securities into holders security holdings prior to the dispatch of new holding statements on a Consolidated basis. Dispatch of new holding statements for consolidated Shares, Options and Convertible Notes Deferred settlement trading ends 	16 July 2012
Normal T+3 trading in Consolidated Shares start on ASX	17 July 2012
Settlement of trades conducted on a deferred settlement basis and first settlement of trades conducted on the normal T+3 basis	20 July 2012

The above dates are indicative only and are subject to change without notice.

5.9. **Recommendation**

The Directors recommend That Shareholders vote in favour of Resolution 6.

Glossary

In this Notice, unless the context otherwise requires:

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

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited (ACN 008 624 691);

ASX Listing Rules means the listing rules of ASX;

Board means the board of Directors of the Company;

Company means World Reach Limited (ACN 010 568 804);

Consolidation means the proposed consolidation of 100 ordinary Shares held by a Shareholder into 1 ordinary Share;

Constitution means the constitution of the Company;

Convertible Note means notes issued by the Company which are convertible into ordinary Shares;

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

Director means a director of the Company;

Expiry Date means 1 July 2017 in relation to Options to be issued to Directors;

Maturity Date means 1 July 2015 in relation to the last issue of Convertible Notes;

Meeting means the general meeting of the Company to be held on 29 June 2012;

Noteholder means the holder of a Convertible Note;

Notice means the notice of General Meeting of the Company dated 28 May 2012;

Options means an option in the capital of the Company;

Resolutions means the resolutions set out in the Notice to be proposed at the General Meeting;

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

Shareholders means the registered holders of Shares.

Vesting Date means the date on which Directors Options can be exercised by the holder, being 1 July 2014 (one third), 1 July 2015 (one third) and 1 July 2016 (one third).

Schedule 1 – Resolution 4 Convertible Note and Option Terms**1. Convertible Note Terms**

Set out below is a summary of the key terms of the Convertible Notes as set out in the Convertible Note Subscription Agreement for each Noteholder:

- (a) each Convertible Note has a principal amount of \$25,000 and is unsecured;
- (b) each Convertible Note bears interest at a rate of which is the higher of:
 - (i) 8%; or
 - (ii) the 90 day authorised dealers bank bill rate as published in the Australian Financial Review on the relevant day plus 3%,
- (c) interest accrues daily and is payable quarterly in arrears;
- (d) the conversion price is \$0.0035 per fully paid ordinary Share;
- (e) if prior to conversion the Company makes an allotment of bonus Shares the Noteholder shall be allotted, on conversion, Shares of the same class and on the same terms and conditions and in the same number as the bonus Share issue.
- (f) In the event of any reorganisation of the issued capital of the Company, the number of ordinary Shares into which the Convertible Notes will be converted will be reconstructed in a manner which will not result in any benefit or detriment being conferred on the Noteholders which are not conferred on holders of ordinary Shares.
- (g) the maturity date of the Convertible Notes is 1 July 2015 (**Maturity Date**);
- (h) the Conversion of the Notes is subject to shareholder approval to the conversion having been obtained;
- (i) the Convertible Notes may be converted into Shares at the discretion of either the Company or the Noteholder, by the converting party providing the other party with a conversion notice on or prior to the Maturity Date, or otherwise paid in cash if not converted by the Maturity Date;
- (j) if a Noteholder still holds Convertible Notes which have not been converted at the Maturity Date, the Noteholder may, on giving at least 2 days notice in writing to the Company, require the Company on or any time after the Maturity Date to redeem in cash any of the Noteholder's remaining Convertible Notes; and
- (k) the Notes or the ordinary Shares issued following conversion are transferable after the expiry of any escrow period. The escrow period is the period until the disclosure statement required by section 708A of the Corporations Act is made or until the expiry of 12 months following the issue of the Securities, whichever is the earlier date.

2. Option Terms

Set out below is a summary of the key terms of the Options issued in accordance with Resolution 4 and as set out in the Convertible Note Subscription Agreement for each Noteholder:

- (a) Each Option entitles the holder to one (1) fully paid ordinary Share in the capital of the Company.
- (b) The Options vest immediately upon issue. The Options will be allotted and issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by the ASX).
- (c) The Options are exercisable for a period of two years starting on the date of issue of the Options.
- (d) The Options are exercisable at a price of \$0.007 per ordinary Share.
- (e) All ordinary Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued ordinary Shares. The Options will be unlisted. No quotation will be sought from the ASX for the Options.
- (f) The Options are transferable.
- (g) The Options do not carry any voting entitlement.
- (h) In accordance with Listing Rule 6.19, Option holders will not have a right to participate in new issues without exercising their Options prior to the record date of such a new issue.
- (i) In the event of a reorganization of the capital of the Company the rights of an Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganization of capital at the time of the reorganization.

Schedule 2 – DMR Corporation Pty Ltd Report on Director Options Valuation

See attached report.

8 May 2012

The Directors
World Reach Limited
8 Anzed Court
Mulgrave VIC 3170

Dear Sirs

Value of Options

1. Introduction

- 1.1 We have been requested by Mr. Dennis Payne, Chief Financial Officer of World Reach Limited (“World Reach” or the “Company”) to provide World Reach with independent advice in respect of the fair value (as defined by Appendix A of AASB 2) of the options proposed to be granted to two directors of World Reach. Approval of the grant of the options will be sought at a forthcoming meeting of shareholders scheduled to be held on or about 14 June 2012.
- 1.2 We understand that Mr Michael Capocchi is to be issued 60 million options and Mr John Bee is to be issued 20 million options.
- 1.3 We understand that these options will not be issued pursuant to the World Reach Share Option Incentive Plan, however they are to be issued on terms and conditions that correspond to the World Reach Share Option Incentive Plan, namely:
 - the options may be exercised any time after vesting and before their expiry when they will automatically lapse;
 - the options will lapse if they are not exercised within one calendar month of the cessation of employment, for any reason, of an option holder;
 - the options are not transferable without the written consent of the directors, except in the case of a takeover offer;
 - the options are exercisable at \$0.0065 per share;
 - the options expire on 1 July 2017.
- 1.4 The options are to vest as to 1/3rd on 1 July 2014, 1/3rd on 1 July 2015 and 1/3rd on 1 July 2016.

2. Valuation Methodology

- 2.1 Options are generally valued using one of a number of option pricing models and AASB 2 does not mandate the use of a particular model in valuing director options.
- 2.2 We have reviewed the terms of the options and based on this review we have concluded that there is a reasonable probability that the options will be exercised before their expiry date. Our principal reason for this view is the lack of transferability of the options and the fact that they lapse following cessation of employment. Our view is supported by empirical evidence that employee and director options are often exercised well before their expiry date. For this reason we have valued the options using the binomial model, which has been tailored specifically for use in valuing employee options.
- 2.3 The binomial model used incorporates the Hull-White adjustment. The Hull-White adjustment requires an assumption to be made that the options will be exercised when the share price reaches a selected multiple of the option exercise price.
- 2.4 The model used determines the value of an option as a function of the following variables:
- 1) the current share price of the underlying shares
 - 2) exercise price of the option
 - 3) volatility of the share price
 - 4) vesting conditions
 - 5) time to maturity
 - 6) risk free rate of interest
 - 7) expected dividend yield
 - 8) an exercise price multiple

3. Assumptions used

- 3.1 Set out below is a discussion of each of the variables and the assumptions that we have selected in applying the binomial model to the options.
- 3.2 The share price of the underlying shares

World Reach is a company incorporated in Australia and listed on the Australian Securities Exchange.

World Reach released its half year report on 28 February 2012. The volume weighted average share price (based on closing daily prices) (“VWAP”) since the release of the half year report was \$0.004 on a volume of 34,592,704 shares. On 10 April 2012 World Reach announced that it has raised additional funding by the issue of convertible notes. The VWAP since that announcement was also \$0.004 on a volume of 28,828,551 shares.

Based on the above share prices, we consider that \$0.004 represents the current market value of shares in World Reach.

3.3 The exercise price of the options

The exercise price of the options is \$0.0065 per share.

3.4 The volatility of the share price

The volatility of the share price is a measure of uncertainty about the returns provided by the shares. Generally it is possible to predict future volatility of a stock by reference to its historical volatility.

A share with a greater volatility has a greater time value component of the total option value.

The volatility estimate used in option pricing models is typically calculated with reference to the annualised standard deviation of daily share price returns on the underlying security over a specified period.

We source historical volatility information for Australian listed companies from a quarterly research report issued by SIRCA Limited (“SIRCA”), a leading provider of financial data in the Australian market.

The December quarter 2011 SIRCA report estimated the volatility of World Reach shares to be 115.01%. Based on our experience we consider this to be unusually high and we considered the historical volatility of share price returns for companies comparable to World Reach as set out below:

Company	Market Capitalisation (\$mil)	Volatility (%)
Broad Investments	1.9	89.72
Queste Communications	2.8	67.90
Reverse Corp	3.6	50.92
My Net Fone	8.9	59.24
Eftel	22.6	73.09
SmartTrans Holdings	25.0	130.60
Electro Optic Systems	31.3	76.90
World Reach	2.8	115.01
AVERAGE		82.92

We have concluded that a share price volatility of 83% is appropriate when valuing the World Reach options.

3.5 Vesting conditions

The options are to vest as to 1/3rd on 1 July 2014, 1/3rd on 1 July 2015 and 1/3rd on 1 July 2016.

3.6 Time to maturity

All of the options have an expiry date of 1 July 2017 and we have assumed this date to be the maturity date of the options, however this assumption is impacted by paragraph 3.9 below.

3.7 Risk free rate of interest

We have used a risk free rate of 3.15% in valuing the options. This rate is based on current Treasury Bond yields, with a maturity approximating the expiry date of the options.

3.8 Expected dividend yield

World Reach does not have a history of paying dividends and we have assumed that no dividends will be paid during the currency of the options.

3.9 An exercise price multiple

As stated in Section 2, options issued to employees and directors are often exercised prior to their expiry date. This occurs due to the lack of liquidity of the options. World Reach does not have a history that we could use to predict the likely exercise date.

Based on the available empirical evidence from a number of published studies emanating from the USA, we have concluded that options are generally exercised when the market price of the underlying shares reaches a multiple of 2.0 times the exercise price. This evidence is based on the issuance of options at an exercise price that is approximately equal to the current share price at the grant date.

This factor has been taken into account in the application of the Binomial Option Valuation Model we have used.

4. Valuation

4.1 Based on the assumptions set out in Section 3 above we have assessed the value of the options (using the Binomial Model) to be:

Option Holder	No. of Options	Vesting Date	Value of One Option \$	Total Value \$
Michael Capocci	20,000,000	1 July 2014	0.0020	40,000
	20,000,000	1 July 2015	0.0022	44,000
	<u>20,000,000</u>	1 July 2016	0.0023	<u>46,000</u>
	<u>60,000,000</u>			<u>130,000</u>
John Bee	6,666,667	1 July 2014	0.0020	13,333
	6,666,667	1 July 2015	0.0022	14,667
	<u>6,666,667</u>	1 July 2016	0.0023	<u>15,333</u>
	<u>20,000,000</u>			<u>43,333</u>

- 4.2 The above value is our estimate of the fair value of the options. The value incorporates an assumption that the options will be exercised when the share price reaches a multiple of 2.0 times the exercise price. As this multiple is not based on the specific experience of World Reach, by way of a cross check we have calculated the value of the options by excluding the assumption set out in 3.9 above and assuming that they would be exercised at their expiry date of 1 July 2017. This calculation reveals the maximum value of the options using the Black-Scholes Option valuation method to be \$0.0024.
- 4.3 Having considered all of the factors outlined in this report, including the above cross check, we have concluded that the fair value of the options is set out in the table at paragraph 4.1 above.
- 4.4 This report has been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

Should you require any further information, please do not hesitate to contact us.

Yours faithfully

DMR Corporate Pty Ltd



Paul Lom

APPOINTMENT OF PROXY

If you would like to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of World Reach Limited and entitled to attend and vote hereby appoint

A The Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or

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 General Meeting of World Reach Limited to be held at the company's office, Unit 5, 8 Anzed Court, Mulgrave, Victoria at 10.00am on Friday, 29 June 2012 and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Important for Resolutions 2 and 3: If the Chairman of the Meeting is your proxy or is appointed your proxy by default.

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 2 and 3 as set out below and in the Notice of Meeting. **If you do not mark this box and you have not directed your proxy how to vote on Resolutions 2 and 3, the Chairman of the Meeting will not cast your votes on Resolutions 2 and 3 and your votes will not be counted in computing the required majority if a poll is called on this item.**

If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Part B below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolutions 2 and 3.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 2 and 3.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 2 and 3 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 2 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel.

B To direct your proxy how to vote on any resolution please insert in the appropriate box below

	For	Against	Abstain*
Resolution 1 Election of Director, John Bee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Grant of Options to Michael Capocchi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Grant of Options to John Bee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to Issue Options and Activate the Ability to Issue Shares following Convertible Note Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Past Placement of 139,950,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Share Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll

C SIGNATURE AND NAME OF SECURITYHOLDERS-THIS MUST BE COMPLETED

Securityholder 1 (Individual)
or
Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)
or
Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)
or
Director

Name:.....

Name:.....

Name:.....

Holding No (if known):.....

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001 (Cwlth).

How to complete this Proxy Form

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your shares using this form.

2. Appointment of a Proxy using this Form

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3. Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company or you may copy this form.

To appoint a second proxy you must:

- (a) On each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both forms together.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must attach the instrument effecting the appointment (or a copy which appears on its face to be an authentic copy) 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10.00am (AEST) on Wednesday 27 June 2012, being no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged:

By posting or facsimile to World Reach Limited as follows:

World Reach Limited
5/8 Anzed Court, Mulgrave,
Victoria, Australia 3170
Facsimile: 03 9560 9055

Or by delivering it to the above address