



28 October 2011

Dear Shareholder

Annual General Meeting of Members

My Directors and I have pleasure in inviting you to attend the Annual General Meeting of members of Digislide Holdings Limited ("Digislide"). This Annual General Meeting is to be held on Wednesday, 30 November 2011 at Digislide 100-102 Cavan Road Dry Creek South Australia 5094 at 10.00 am (Adelaide time).

Enclosed herewith are the:

- Notice of Meeting setting out the items of business for consideration at the Meeting;
- Explanatory Memorandum; and
- Proxy Form.

The attached documents set out the business to be considered at this Annual General Meeting.

If you are attending the Meeting, please bring this letter with you to facilitate registration. If you are unable to attend, we encourage you to exercise your right to vote by completing the attached Proxy Form and posting or faxing the signed form back to the Company.

Individuals seeking to attend the Meeting on behalf of corporate Shareholders should bring with them a "representative authority" duly completed and executed by that corporate shareholder.

We look forward to seeing you at the Meeting.

Yours faithfully

Leon Milford
Chairman



Digislide Holdings Limited

ACN 105 012 066

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

and

PROXY FORM

Date of Meeting

Wednesday 30 November 2011

Time of Meeting

10.00 am (Adelaide time)

Place of Meeting

Digislide 100-102 Cavan Road Dry Creek Street Adelaide SA 5094

TO BE VALID, FORMS OF PROXY FOR USE AT THE GENERAL MEETING
MUST BE COMPLETED AND RETURNED TO

BOARDROOM PTY LIMITED

GPO BOX 3993

SYDNEY NSW 2001

Or

BY FAX TO + 61 2 9290 9655

NO LATER THAN 10.00 am ON MONDAY, 28 NOVEMBER 2011

NOTICE OF GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of Digislide Holdings Limited ACN 105 012 066 (**Company**) will be held at Digislide 100-102 Cavan Road Dry Creek Street Adelaide SA 5094 on Wednesday 30 November 2011 at 10.00 am (Adelaide time) to consider the following resolutions.

The attached Explanatory Memorandum contains information in relation to each of the resolutions and should be read in conjunction with this Notice of Annual General Meeting.

1. Ordinary business

1.1 Financial Statements and Reports

To receive and consider the Financial Statements for the financial year ended 30th June 2011 and the Directors' Report, Directors' declaration and Audit Report.

1.2 Resolution 1: Remuneration Report

To consider and, if thought fit, to adopt the Company's Remuneration Report for the financial year ended 30th June 2011 as set out in the Company's 2011 Annual Report.

In accordance with Section 250R of the Corporations Act 2001, the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

Recent changes to the Corporations Act restrict the ability of certain persons to vote on a resolution to adopt a remuneration report.

Section 250R(4) of the Corporations Act provides that a vote on a remuneration resolution must not be cast (in any capacity) by or on behalf of the following persons:

- a member of the key management personnel (details of whose remuneration are included in the remuneration report); or
- a closely related party of such a member of the key management personnel.
A closely related party includes (but is not limited to):
- the spouse, a child or a dependant of a member of key management personnel,
- a child or dependent of the spouse of the member of key management personnel,
- anyone else who is one of the family of the member of key management personnel and who may be expected to influence the member, or who may

- be influenced by the member, in the member's dealings with the Company, or
- a company controlled by the member of key management personnel.

1.3 Re-election of Directors

Resolution 2: Re-election of Mr Leon Milford as Director

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

"That Mr Leon Milford, being a Director of the Company, who retires in accordance with clause 47.1(b) of the Company's Constitution and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company".

1.4 Directors Fees FY 2012

Resolution 3: approval for aggregate fees payable to Directors

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

"That for the purposes of ASX Listing Rule 10.17 and for all other purposes the aggregate amount payable in respect of directors' fees be amended and fixed at \$150,000 for the financial year ending 30 June 2012 as outlined in the Explanatory Memorandum."

Voting exclusion statement

A vote on this Resolution 3 must not be cast (in any capacity) by or on behalf of:

- a director; or
- an associate of a director.

However, the above does not prevent the casting of a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of a director or an associate of the director.

1.5 Issue of equity securities

Resolution 4: ratification of issue of Shares

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue and allotment of 1,782,623 shares in the capital of the Company issued at the price and to the persons as specified in the Explanatory Memorandum accompanying and forming part of this Notice of General Meeting."

Voting exclusion statement

A vote on this Resolution 4 must not be cast (in any capacity) by or on behalf of:

- an allottee being HAJ Investments and Consulting
- an associate of the allottee or,
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities.

However, the above does not prevent the casting of a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of a allottee or an associate of the allottee.

2. Shareholders who are entitled to vote

The Board has determined that for the purposes of voting at the Annual General Meeting, Shareholders will be taken to be those persons recorded on the Company's register of Shareholders as at 7.00 pm on Friday, 25 November 2011.

3. Proxy votes

In accordance with section 249L of the Corporations Act 2001 (Cth), Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company;
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To be effective, a completed proxy form must be received by the Company no later than 10.00 am (Adelaide time) on Monday, 28 November 2011 at the Company's share registry. Proxies may be lodged:

BY MAIL Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001
Australia

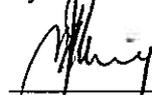
BY FAX + 61 2 9290 9655

or

IN PERSON Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW
2000 Australia

For the convenience of Shareholders a Proxy Form is enclosed, together with instructions for appointment of a proxy.

By order of the Board



Jeff King
Company Secretary

Dated: 28 October 2011

EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

Introduction

This Explanatory Memorandum has been prepared for the information of the Shareholders of the Company to assess Resolutions 1 to 4 to be put at the Annual General Meeting of the Company on Wednesday, 30 November 2011 at 10.00 am (Adelaide time).

The resolutions are ordinary resolutions and accordingly require approval by a simple majority of Shareholders present at the meeting and entitled to vote on the resolution by show of hands or on a poll.

This Explanatory Memorandum should be read in conjunction with the Notice of Annual General Meeting.

Capitalised terms in this Explanatory Memorandum are defined in its Glossary.

1. Notice requirements and disclosures for Resolutions

1.1 Financial Statements and Reports

The Financial Report, Directors' Report, Directors Declaration and Auditor's Report for the Company for the year ended 30 June 2011 will be laid before the Annual General Meeting

Whilst shareholders will be provided the opportunity to ask questions there is no requirement for the Shareholders to approve these reports.

1.2 Resolution 1: Remuneration Report

The Company remuneration arrangements for the Directors, including the Managing Director, are set out in the Directors' report (refer remuneration report) which forms part of the Annual Report for the year ended 30 June 2011.

The Corporations Act requires a resolution to be put to shareholders for adoption of the remuneration report. This resolution is advisory only and the vote by Shareholders does not bind the Company or the Directors.

1.3 Resolution 2: Re-election of Mr Leon Milford as Director

In accordance with Clause 47.1(b) of the Company's Constitution Mr Leon Milford retires, and being eligible, offers himself for election as a Director of the Company. Mr Milford is currently a non-executive director and Chairman of the Company.

1.4 Resolutions 3: approval for aggregate fees payable to Directors

Listing Rule 10.17 requires Shareholders to approve the quantum of fees to be paid to Directors where there is an increase in the aggregate of fees. At last years AGM, shareholders approved an increase in aggregate fees of \$260,000. The Board has met and reviewed the remuneration paid to non-executive directors and has agreed to reduce annual director fees together with the annual aggregate of fees.

The reduction of directors' fees has arisen after a review of the fees paid to non-executive directors of comparable listed companies and, following Board agreement, that directors fees for FY2011 and hereafter will be paid in cash rather than trade dollars or from shareholder approved issue of shares. Annual non-executive directors' fees for FY2012 have been reduced from \$50,000 to \$20,000 and Chairman's fees from \$60,000 to \$30,000 inclusive of Audit and remuneration Committee commitments.

The effect of the resolution is to reduce and set the maximum of the amount payable as Director's fees at \$150,000 per annum, which in the opinion of the Board, will be sufficient to meet the fees of any new directors when appointed. This does not include any amounts payable to the Managing Director. With the expansion of the Company's activities, the Board has intentions to appoint up to an additional 2 non-executive directors. The passing of this resolution equates to a reduction in the maximum fees payable to directors, from the \$260,000 to \$150,000. Whilst shareholders are not required to formally approve decreases under Listing Rule 10.17 the Board for internal Governance reasons seeks shareholder approval for the revised aggregate amount of fees.

1.5 Resolution 4: Ratification of issue of Shares

ASX Listing Rule 7.5 – Shareholder to ratify the Issue of Securities

Listing Rule 7.1 requires the Company issue no more than 15% of its capital in any one year. The Company may issue more shares than that with Shareholder approval and in certain other circumstances not presently relevant. Obtaining this shareholder approval would give the Company the capacity to issue further capital by refreshing the Company's 15% threshold, should it wish to do so during the next 12 months without having to seek further Shareholder approval.

ASX Listing Rule 7.5 requires the following information be given to Shareholders and approval is sought from Shareholders for the issue of Shares in the Company on these terms.

For the purposes of Listing Rule 7.5, Shareholders are advised of the following:

- (a) 1,782,623 Shares were issued and allotted on the 24 August 2011 at the VWAP as set out in Appendix A being the 5 trading days prior to the date of issue.
- (b) the Shares were issued on the same terms as the Company's existing Shares;
- (c) the allottees are detailed in Appendix A Section 1 of this Explanatory Memorandum;
- (d) the funds raised by this share issue were used to provide working capital to the Company on the basis as set out in this section of the Explanatory Memorandum; and
- (e) a voting exclusion statement is included in the Notice

Background and reason for the ratification of the issue of Shares pursuant to Resolution 4.

The Company has periodically issued shares for working capital purposes to meet the company's ongoing operating expenses and cash flow management. The issue of these Shares raised \$61,143.97 in working capital for the Company.

Pursuant to Resolution 4, Shareholders approval is sought to ratify the issue and allotment of the Shares and Options under Listing Rule 7.4.

Directors Recommendations

The Directors unanimously recommend that Shareholders approve all Resolutions

The Directors confirm that this Notice of General Meeting and Explanatory Memorandum contains all information, that is known to the Company and its Directors, that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interest to pass this Resolution.

2. Glossary of terms

In this Notice of General Meeting and Explanatory Memorandum and any associated documents the following terms have the following meaning:

Board	Board of Directors of Digislide
Corporations Act	the Corporations Act 2001 (Cth)
Company or Digislide	Digislide Holdings Limited (ACN 105 012 066)
Constitution	the Constitution of Digislide, as amended from time to time
Director	a Director of Digislide
Equity securities	Means a Share, a Note or an Option
Explanatory Memorandum	means the explanatory memorandum set out in this document
Notice of Annual General Meeting	means the Notice of Annual General Meeting set out in this document
Meeting	This Annual General Meeting of members of Digislide to be held on 30 November 2011
Notice	the notice dated 28 October 2011 convening the Meeting
Share	a fully paid ordinary share in the capital of Digislide
Shareholder	the registered holder of one or more Shares
VWAP	volume weighted average share price

Appendix A:

Section 1: allottee details pursuant Resolution 4

Conversion of debt to equity	Amounts owed	Debt details (see Notes below)	Shares issued	VWAP issue price per Share
HAI Investments and Consulting	\$61,143.97	1	1,782,623	\$0.0343
Total	\$61,143,97		1,782,623	

Note:

1. Conversion of debt/company expense