

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Members of FAT Prophets Australia Fund Limited ACN 111 772 359 (**Company**) will be held on Monday 15 November 2010 at the Gadwall Suite, The Como Melbourne, located at 630 Chapel Street, South Yarra, Victoria 3141 at 2.00 pm (Melbourne time).

ORDINARY BUSINESS

1. Chairman's Address

Report on results and activities during the financial year.

2. Financial Statements for the year ended 30 June 2010

To receive and consider the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2010.

3. Re-Election of Director – Andrew Brown

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

"That Andrew Brown, a Director who retires from office by rotation in accordance with rule 6.4 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

4. Re-Election of Director – Adrian Redlich

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

"That Adrian Redlich, a Director who retires from office in accordance with rule 6.2(c) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

5. Re-Election of Director – Henry Adam Lindell

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

"That Henry Adam Lindell, a Director who retires from office in accordance with rule 6.2(c) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

6. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following in accordance with section 250R(2) of the *Corporations Act*:

"That the Remuneration Report (which forms part of the Directors Report) for the year ended 30 June 2010 be adopted."

Note: This resolution will be determined as if it were an ordinary resolution, but under section 250R(3) of the *Corporations Act*, the vote is advisory only and does not bind the Directors or the Company.

7. Appointment of Auditor

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

"That MNSA Pty Ltd be appointed as auditor of the Company."

SPECIAL BUSINESS

8. Change of Company Name

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

“That the name of the Company be changed to Merricks Capital Special Opportunity Fund Limited.”

Entitlement to Vote

The Company has determined that for the purposes of the Annual General Meeting all Shares will be taken to be held by the persons who, according to records of the Company's share registrar, held them as registered Shareholders at 2.00pm (Melbourne time) on 13 November 2010. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Voting by Proxy

Any shareholder of the Company entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote instead of that shareholder.

The proxy does not need to be a Member of the Company. A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry; or
- (b) received at the share register's fax number specified below,

not later than **48 hours before the Annual General Meeting**.

The Company's share registry:

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Postal address:

Registries Limited
GPO Box 3993
SYDNEY NSW 2001

Fax number:

(02) 9290 9655

A form of proxy is provided with this notice.

Further Information

If you have any queries in relation to the Annual General Meeting, please contact Adam Lindell, on (03) 8319 8111 or adam.lindell@merrickscapital.com

Dated this 13th day of October 2010

By order of the Board of Directors



Henry Lindell
Director

EXPLANATORY MEMORANDUM

This Explanatory Memorandum provides information for members in respect of the resolutions to be considered at the Annual General Meeting of FAT Prophets Australia Fund Limited (**Company**) to be held at 2.00pm on 15 November 2010 at the Gadwall Suite, The Como Melbourne, 630 Chapel Street, South Yarra, Victoria.

ORDINARY BUSINESS

1. Chairman's Address

Report on results and activities during the financial year.

2. Financial Statements

As required by section 317 of the *Corporations Act* the Financial Report, Directors' Report and Auditor's Report of the Company, contained within the Annual Report 2010 and will be laid before the meeting.

Members will be provided with the opportunity to ask questions about the reports or about the Company generally but there will be no formal resolution put to the meeting.

3. Re-Election of Director – Andrew Brown

In accordance with rule 6.4 of the Company's Constitution, Andrew Brown must retire from office, and offer himself for re-election at the Annual General Meeting of the Company.

Andrew Brown has 30 years experience in the Australian equity market as a stockbroker, corporate investor and funds manager. Andrew has an honours degree majoring in economics and econometrics from the University of Manchester, England, and completed the National Association of Securities Dealers (USA) Series 7 Examination (1983). During the past three years, Andrew has served as a Director of the following other public companies:

- Adelaide Resources Limited (Chairman – ongoing)
- Aequus Capital Limited (appointed 14/4/2005; resigned 18/12/2008)
- Cheviot Bridge Limited (non-executive Director – ongoing)
- Cheviot Kirribilly Vineyard Property Group (executive Director – ongoing)
- Enerji Limited (appointed 20/8/2007; resigned 8/7/2008)
- Equities and Freeholds Limited (appointed 2/10/2007; resigned 16/3/2010)
- Snowball Group Limited (appointed 25/6/2003; resigned 9/10/2007)
- Tidewater Investments Limited (Managing Director – ongoing)

Andrew became a Director of the Company in December 2005, is a Non Executive Director and member of the Audit Committee.

4. Re-Election of Director - Adrian Redlich

Adrian Redlich was appointed by the Directors under Rule 6.2(c) of the Company's Constitution. As provided in the Constitution, his appointment will terminate at the end of the Meeting, being the first general meeting of the Company after his appointment. Adrian Redlich, being eligible, has offered himself for re-election as a Director in accordance with the Company's Constitution.

Adrian is the co-Founder and Chief Investment Officer of Merricks Capital. From 2005 to 2007 Adrian worked at Citadel Investment Group in Chicago as the Head of Quantitative Alpha Generation, Global Equities. This team was primarily responsible for the evolution and refinement of the investment process of Citadel's Global Equities & Derivative Portfolio, which ran the world's largest fundamental long/short market neutral portfolio. During this time Adrian was also directly responsible for an Asian focused derivative portfolio.

Between 2000 and 2005, Adrian was a Director at Merrill Lynch (New York & Hong Kong), where he was Head of the Global Valuation and Analytics Group. Prior to this, Adrian was a Vice President at Merrill Lynch (Melbourne, Australia) where he worked as a commodities and mining analyst from 1993 to 2000. Adrian holds a Bachelor of Economics from Monash University, Melbourne, Australia (1994). He also completed the Quantum Financial Services (Australia) Diploma of Financial Services (2007) and the National Association of Securities Dealers (USA) Series 7 Examination (2000).

5. Re-Election of Director – Henry Adam Lindell

Henry Adam Lindell was appointed by the Directors under Rule 6.2(c) of the Company's Constitution. As provided in the Constitution, his appointment will terminate at the end of the Meeting, being the first general meeting of the Company after his appointment. Henry Adam Lindell, being eligible, has offered himself for re-election as a Director in accordance with the Company's Constitution.

Adam is the co-Founder and Chief Operating Officer of Merricks Capital. Prior to joining Merricks in 2007, Adam was a Partner of a national Australian Law Firm, where he specialised in mergers & acquisitions, funds management, capital raisings, initial public offerings, private equity and leveraged buy-outs.

Adam holds a Bachelor of Arts (Honours) and a Bachelor of Law (Honours) from Monash University (1997).

6. Remuneration Report

As required by section 250R(2) of the Corporations Act, a resolution that the Company's Remuneration Report be adopted must be put to a vote. The Report is contained within the Directors' Report in the Company's Annual Report 2010.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objectives and in relation to current and emerging market practices.

Section 250R(3) of the Corporations Act provides that the vote on this resolution is advisory only and does not bind the directors or the Company. In accordance with

section 250SA of the Corporations Act, members of the Company will be provided with an opportunity to ask questions or make comments on the Remuneration Report.

7. Appointment of Auditor

The previous auditor of the company Mark Schiliro as an individual auditor has resigned due to inability to meet the auditor rotation requirements of the Corporations Act.

As a result the Directors, pursuant to section 327C of the Corporations Act, appointed MNSA Pty Ltd to perform the 2010 Audit and half-year review of the Company. The appointment was effective until the next Annual General Meeting.

MNSA Pty Ltd has consented to continue to act as auditor of the Company if appointed by resolution of the members of the Company. As required under section 328B of the Corporations Act, a copy of the notice of nomination of MNSA Pty Ltd received by the Company from Rowe Street Investments Pty Limited, a member of the Company, is attached to this notice.

8. Change of Company Name

The Directors believe that it is appropriate for the Company to change its name to reflect the August 2010 resignation of the previous investment manager, Fat Prophets Funds Management Australia Pty Limited, and the change of investment emphasis of the Company. The proposed new name, Merricks Capital Special Opportunity Fund Limited, reflects the type of assets in which the Company is likely to invest.

Under the Corporations Act, a company may change its name by passing a special resolution, adopting a new name and lodging an application in the prescribed form with ASIC. The change of name will take effect when ASIC alters the details of the Company's registration. A change of the Company's name will not create a new legal entity nor affect the Company's existing property, rights or obligations.

Notice of Nomination of Auditor

ROWE STREET INVESTMENTS PTY. LIMITED

ACN 003 331 075

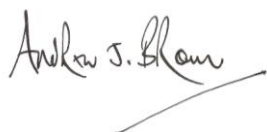
Mr Michael Bastin
Company Secretary
FAT Prophets Australia Fund Limited
Level 1, 600 Chapel Street
South Yarra Victoria 3141

13 October 2010

Dear Mr Bastin,

For the purposes of section 328B(1) of the *Corporations Act 2001* (Cth), Rowe Streets Investments Pty Limited ACN 003 331 075, being a member of FAT Prophets Australia Fund Limited, hereby nominates MNSA Pty Ltd as auditor of the company.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Andrew J. Brown', with a long horizontal stroke extending to the right.

Andrew J. Brown
Director and Authorised Person
Rowe Street Investments Pty. Limited