

21 October 2013

Dear Shareholder

Thank you for your support throughout the year. On behalf of the Board, I am delighted to invite you to attend the 2013 Annual General Meeting of Geodynamics Limited or to listen to the live audiocast of the event.

Enclosed with this letter is our Notice of Meeting together with your Proxy form. If you are unable to attend the Annual General Meeting, you may appoint a proxy to vote for you at the meeting by completing the attached Proxy form. Alternatively, you are invited to vote online at www.investorcentre.linkmarketservices.com.au.

In the interests of saving on paper distribution and minimising costs, we encourage shareholders to elect to receive these documents electronically in future and to vote online for the resolutions identified in the Notice of Meeting. Shareholders who wish to opt in to receive future documents by email should register their communication options by completing the enclosed form and returning it to the registry in the reply paid envelope supplied or by providing this information online via Link Market Services Limited's web portal at www.investorcentre.linkmarketservices.com.au.

The Annual General Meeting will commence at **6.00 pm (AEST), Thursday 28 November 2013** and for the first time will be held at the Queensland University of Technology (QUT) at:

**Room Three Sixty
Level 10, Y Block, QUT
2 George Street, Brisbane 4000**

After the official business concludes, we will provide shareholders with a presentation on the progress of the Company and the opportunity to ask any questions of our management team and Board of Directors. You are then invited to join us afterwards to meet and talk to the Directors and senior staff in an informal environment.

For catering and seating purposes, we would appreciate you registering your intention to attend by Monday 18 November 2013. If you are unable to attend in person, you are welcome to register to listen to the live audiocast of the Annual General Meeting. Please visit our website www.geodynamics.com.au/rsvp to register or contact Geodynamics directly on 07 3721 7500.

On behalf of the Directors, we look forward to seeing you at this meeting.

**Yours sincerely
Geodynamics Limited**



**Keith Spence
Chairman
ENCS**



GEODYNAMICS
LIMITED

GEODYNAMICS LIMITED ABN 55 095 006 090

***NOTICE OF ANNUAL GENERAL
MEETING 2013***



Notice is hereby given that the Annual General Meeting of Shareholders of Geodynamics Limited (the "Company") will be held in Room Three Sixty, Level 10, Y Block, Queensland Institute of Technology, 2 George Street, Brisbane, QLD at 6.00pm (Brisbane time) on Thursday, 28 November 2013.

ORDINARY BUSINESS

ITEM 1 – FINANCIAL REPORT AND DIRECTORS' AND AUDIT REPORTS

- To receive and consider the Financial Report, including the Directors' Declaration, for the year ended 30 June 2013 and the related Directors' Report and Auditor's Report.

ITEM 2 – REMUNERATION REPORT

- To consider, and if thought fit, to pass the following resolution as a non-binding ordinary resolution under s250R(2) of the *Corporations Act*:

'That the Remuneration Report for the financial year ended 30 June 2013 be, and is hereby adopted.'

Notes:

1. The vote on this resolution is advisory only and does not bind the Directors or the Company.
2. If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must stand for re-election.

Voting exclusion

The Company will disregard and not count any votes cast (in any capacity) on Item 2 by or on behalf of either or both the following persons:

- (a) a member of the Company's Key Management Personnel; or
- (b) a Closely Related Party of a member of the Company's Key Management Personnel.
unless:
 - (i) does so in relation to a resolution where they hold a Directed Proxy Form; or
 - (ii) is the Chairman of the Meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and
- (d) the vote is not cast on behalf of a person described in paragraph (a) and (b) above.

ITEM 3 – ELECTION OF DIRECTORS

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

'That, Dr Jack Hamilton who retires by rotation at the Company's Annual General Meeting in accordance with Article 14.4 of the Company's Constitution, and being eligible, be re-elected as a director of the Company.'

SPECIAL BUSINESS

ITEM 4 – GRANT OF SHARE APPRECIATION RIGHTS TO CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

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

"That, for the purposes of Listing Rule 10.14, section 200E of the Corporations Act 2001 and for all other purposes, approval is given for the grant of up to a maximum of 9.5 million share appreciation rights (SARs) to the Chief Executive Officer and Managing Director, Mr Geoff Ward, under the Geodynamics Limited Share Appreciation Rights Plan on the terms summarised in the Explanatory Notes."

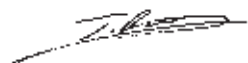
Voting exclusion statement:

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Item 4 by or on behalf of Mr Ward and any of his 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 a direction on the proxy form to vote as the proxy decides.

In addition, the *Corporations Act* also provides that a member of the Company's Key Management Personnel and their closely related parties are not permitted to cast a vote as a proxy on Item 4 for another person who is permitted to vote, unless:

- The proxy holds a Directed Proxy Form; or
- The proxy is the Chairman of the meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.



By Order of the Board
Tim Pritchard
Company Secretary
21 October 2013

- 1 The Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 7.00 pm (Sydney time) on Tuesday 26 November 2013. Accordingly, those persons are entitled to attend and vote at the meeting.
- 2 If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
- 3 To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
- 4 A member who is entitled to vote at the meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company.
- 5 Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
- 6 The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the *Corporations Act* and the constitution of that corporation.
- 7 To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit):
 - 7.1 By mail c/- Link Market Services Limited, Locked Bag A14, Sydney South, New South Wales 1235.
 - 7.2 Online by logging into the Link website using the holding details as shown on the proxy form.
 - 7.3 By facsimile to +61 2 9287 0309.
 - 7.4 By hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney, New South Wales 2000.
- 8 Any proxy form received after this deadline including at the meeting will be treated as invalid.
- 9 A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Item 2.
- 10 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - 10.1 The proxy holds a Directed Proxy Form;
 - 10.2 Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and
 - 10.3 The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
- 11 Clause 10.2 does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
- 12 The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions, including Remuneration Resolutions.
- 13 The following definitions apply in this document:

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporations Act 2001, and include certain members of their family, dependents and companies they control.

Directed Proxy Form means a proxy form which specifies how a proxy is to vote.

Key Management Personnel of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 30 June 2013.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Undirected Proxy Form means a proxy form which does not specify how the proxy is to vote.

This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held at 6.00 pm (Brisbane time) on Thursday, 28 November 2013. These explanatory notes should be read with, and form part of, the accompanying Notice of Annual General Meeting.

ITEM 1 – ANNUAL FINANCIAL REPORT

The *Corporations Act 2001* requires the Reports of the Directors and of the Auditors and the Annual Financial Report, including the Financial Statements, to be laid before the Annual General Meeting and the Company's Constitution provides for such Reports and Statements to be received and considered at the Meeting. Neither the *Corporations Act* nor the Constitution requires a vote of shareholders at the Annual General Meeting on such Reports or Statements. However, shareholders will be given ample opportunity to raise questions on the Reports and Statements at the Meeting. The Company's auditor will be available at the meeting to answer any questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and the independence of the auditor in relation to the conduct of the audit.

ITEM 2 – REMUNERATION REPORT

The Company's Remuneration Report for the financial year ended 30 June 2013 is set out in the Directors' Report contained within the Company's 2013 Annual Report. Section 250R(2) of the *Corporations Act 2001* requires Geodynamics to propose a resolution that the Remuneration Report be adopted. Prior to holding this vote, shareholders will be given reasonable opportunity to ask questions or make comments on the Remuneration Report.

The vote on this resolution is advisory only and does not bind the Directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Under the *Corporations Act 2001*, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

The 2012 Remuneration Report received positive shareholder support at the 2012 Annual General Meeting with a vote of 95.9% in favour.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – see the voting exclusion in the notes to the resolution.

As the Directors have a personal interest in the proposed resolution, they make no recommendations as to how shareholders should vote on the resolution.

ITEM 3 – RE-ELECTION OF DR JACK HAMILTON AS A DIRECTOR

Clause 14.4 of the Company's Constitution requires one third of the Directors (excluding the Managing Director and any casual Director), or, if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, to retire from office by rotation. The Directors to retire in each year shall be those who have been longest in office since their last election. Dr Jack Hamilton retires from office by rotation and seeks re-election as a Director.

Resident of Melbourne.

Term of office – Non-Executive Director since October 2006.

Independent – Yes.

Skills, experience and expertise

Dr Jack Hamilton was formerly CEO of Exergen Pty Ltd, a low emission coal resource development Company and prior Director of NWS Ventures with Woodside Energy. Dr. Hamilton is also a non-executive director of Southern Cross Electrical Engineering Ltd and Calix Ltd. Dr Hamilton graduated from Melbourne University with a Bachelor of Chemical Engineering and Doctorate of Philosophy in 1981. He has over 28 years' experience both locally and internationally in operations management, in refining, petrochemicals and gas production, marketing, strategy and LNG project management.

Board committee membership – Chairman of the Health, Safety and Environment (HSE) Committee, Member of the Audit and Risk Management Committee.

The Directors (with Dr Hamilton abstaining) recommend that shareholders vote in favour of this resolution.

ITEM 4 – GRANT OF SHARE APPRECIATION RIGHTS TO CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

Background

The Board has recently undertaken a comprehensive review of the employment and remuneration arrangements for the Chief Executive Officer (CEO) and Managing Director, Mr Geoff Ward, with the assistance of an external independent adviser, Guerdon Associates.

Following that review, the Board and Mr Ward have agreed to:

- Convert Mr Ward's current fixed term contract (which was due to expire on 31 January 2015) to an open ended contract, retaining the balance of remaining terms other than those outlined below.
- Reduce his base remuneration by 10% to \$450,000, with a corresponding reduction to his short term incentive component (which is set at 50% of base remuneration and is subject to achieving agreed key performance metrics).
- Increase the long term incentive (LTI) component of Mr Ward's remuneration package to a maximum of 50% of base remuneration, subject to meeting performance hurdles linked to share price growth. This new LTI component is subject to the approval of shareholders.

Through these changes, Mr Ward's fixed remuneration and his maximum short term incentive have been each reduced by 10%, while the overall 'at-risk' element of his total remuneration package has increased by 25% (namely, from 40% to 50% of his total package).

The previous November 2011 approvals by shareholders of options and deferred shares which comprised Mr Ward's LTI on commencement with the Company in 2011, and for the past 3 years, have now been fully allocated. It is noted that no options have vested to date, and, given the current GDY share price, it is unlikely that the vesting conditions for the remaining two option tranches will be met prior to vesting dates (being 31 January 2014 and 31 July 2014). The deferred shares approved by shareholders for grant to Mr Ward will have been fully issued by the 2013 AGM.

The Board is of the view that it is in the interests of GDY shareholders for the CEO to continue to participate in a long term equity related plan which aligns with shareholder value creation.

In order to provide a long term performance incentive to the CEO going forward, the Board has approved the adoption of the Geodynamics Limited Share Appreciation Rights Plan (Plan). A SAR is a right to receive shares in the Company or an equivalent cash payment, as determined by the Board, based on the increase in the GDY share price over a specified period, subject to satisfying certain conditions (including a performance condition). SARs have been recommended to the Company as an LTI instrument for reasons including:

- The value of SARs delivered by way of shares is less dilutive than options
- SARs provide greater alignment with share price growth than do deferred share grants
- The value of SARs may, at the then determination of the Board, be delivered by way of cash
- SARs have value only if share price has increased

Shareholder approval is now being sought for an initial grant of share appreciation rights (SARs) under the Plan to Mr Ward.

Recognising that there are no current long term incentive arrangements in place for the CEO, the Board considers it appropriate for this first 'transitional' grant to comprise two tranches, one tranche with the SARs eligible for vesting after 2 years, the second tranche being eligible to vest after 3 years. Each of these initial tranches will have a maximum of 4 additional tests occurring at 6 monthly intervals. The percentage of each tranche to vest will depend on the growth in GDY share price over the period, with a minimum share price hurdle to be achieved for any of the SARs to vest. In each case, share price will be determined using the 90 calendar day volume weighted average price (VWAP).

It is intended that as part of the renegotiated employment arrangements, the Board will make future annual grants of SARs under the Plan, which will have a 3-year performance period with a maximum of 4 additional tests occurring at 6-monthly intervals. The Board will seek shareholder approval for each subsequent grant of SARs in line with principles of good corporate governance.

Summary of Plan

A summary of the key terms of the Plan are provided below:

- Under the Plan, the Board may grant SARs to 'eligible employees' of Geodynamics and its related bodies corporate. No Non-executive Directors will participate in the Plan.
- The Board may determine the vesting conditions and lapsing conditions and any other terms applicable to a grant of SARs.
- In general, SARs will not carry any dividend or voting rights. SARs are also non-transferable, except in limited circumstances or with the consent of the Board.
- The Company may issue new shares or procure the acquisition of shares on-market to satisfy vested SARs, and may establish an employee share trust for the purpose of holding shares.
- In the event of fraud, dishonesty or material misstatement of financial statement, the Board may make a determination, including lapsing unvested SARs, to ensure that no unfair benefit is obtained by a participant.
- In the event of a takeover, scheme of arrangement or other transaction which may result in a person becoming entitled to exercise control over the Company, the Board has discretion to determine whether any unvested SARs should vest, lapse or become subject to different vesting conditions.
- In general, where a participant ceases employment prior to SARs vesting, all unvested SARs will lapse. However, the Board has discretion to determine the treatment of any unvested SARs where a participant ceases employment in 'good leaver' circumstances. The Board has adopted a Good Leaver Policy, which provides guidance on the exercise of discretion in these circumstances.
- The Plan will be administered by the Board which, subject to the ASX Listing Rules and applicable legal requirements, is given the power to make all required determinations under the Plan and to waive or modify the application of the terms of the Plan and the SARs granted under it as it considers appropriate.

A copy of the rules of the Plan is available by request from the Company Secretary.

Approvals sought

Under the ASX Listing Rule 10.14, a listed company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval. Accordingly, the Company seeks shareholder approval under listing rule 10.14 for the proposed grant of SARs to Mr Ward under the terms of the Plan.

Approval is also sought under section 200E of the *Corporations Act* in the event that the Board exercises its discretion to vest a number of SARs to Mr Ward on cessation of employment in limited circumstances.

Key terms of grant

The key terms of the grant of SARs proposed to be made to Mr Ward under the Plan are set out below.

Maximum number of SARs	<p>As noted above, the Board's intention is to grant Mr Ward a long term incentive based on a maximum of 50% of his base remuneration (\$225,000). The proposed grant under the Plan is for up to a maximum of 9.5 million SARs. The SARs will be granted in two equal Tranches as follows:</p> <table><tr><th>Tranche</th><th>Percentage</th><th>Earliest Vesting Date</th></tr><tr><td>1</td><td>50% of total award</td><td>1 September 2015</td></tr><tr><td>2</td><td>50% of total award</td><td>1 September 2016</td></tr></table> <p>The number of SARs will be calculated by dividing the remuneration value of \$225,000 by an estimate of the average fair value of the Tranche 1 and Tranche 2 SARs. The fair values will be determined by an independent expert using a Monte-Carlo valuation model based on a range of input assumptions (including volatility, performance conditions, time to vest, share price at grant, etc).</p> <p>The actual number of SARs to be granted to Mr Ward will be determined using a fair value calculation using the VWAP of GDY's ordinary shares for the 90 calendar days immediately prior to the Grant Date (being the date of allocation of the SARs). For example, based on a 90 day VWAP GDY share price of \$0.10 the average fair value is estimated to be approximately \$0.0265. The number of SARs is determined by dividing \$225,000 by \$0.0265 resulting in a grant of 8,490,566.</p>			Tranche	Percentage	Earliest Vesting Date	1	50% of total award	1 September 2015	2	50% of total award	1 September 2016															
Tranche	Percentage	Earliest Vesting Date																									
1	50% of total award	1 September 2015																									
2	50% of total award	1 September 2016																									
Date of grant	<p>If shareholder approval is obtained, the Board intends that the SARs will be granted to Mr Ward shortly after the meeting (but, in any event, within 12 months after the date of the meeting), and it will be the fair value determined by an independent expert at that time.</p>																										
Performance condition	<p>The performance condition is based on growth in the GDY share price. The Board has selected this measure as it is open and transparent, and it also provides strong alignment with shareholder value creation. The following vesting schedule will apply to the Tranche 1 SARs:</p> <table><tr><th></th><th>Growth in GDY share price</th><th>% of SARs in Tranche 1 of 2013 grant that vest</th><th>% of total SARs in 2013 grant that vest</th></tr><tr><td>THRESHOLD:</td><td>20%</td><td>30%</td><td>15%</td></tr><tr><td>MAXIMUM:</td><td>90%</td><td>100%</td><td>50%</td></tr></table> <p>The following vesting schedule will apply to the Tranche 2 SARs:</p> <table><tr><th></th><th>Growth in GDY share price</th><th>% of SARs in Tranche 2 of 2013 grant that vest</th><th>% of total SARs in 2013 grant that vest</th></tr><tr><td>THRESHOLD:</td><td>30%</td><td>30%</td><td>15%</td></tr><tr><td>MAXIMUM:</td><td>100%</td><td>100%</td><td>50%</td></tr></table> <p>Note: No SARs in either Tranche 1 or Tranche 2 will vest if the growth in GDY's share price is below the Threshold. Vesting will occur on a straight line basis between the Threshold and Maximum points, such that an additional 1% of SARs in respect of each Tranche will vest for every 1% increase in the share price above the Threshold share price.</p> <p>The SARs in each Tranche will be initially tested against the performance condition on the Earliest Vesting Date applicable to that Tranche.</p>				Growth in GDY share price	% of SARs in Tranche 1 of 2013 grant that vest	% of total SARs in 2013 grant that vest	THRESHOLD:	20%	30%	15%	MAXIMUM:	90%	100%	50%		Growth in GDY share price	% of SARs in Tranche 2 of 2013 grant that vest	% of total SARs in 2013 grant that vest	THRESHOLD:	30%	30%	15%	MAXIMUM:	100%	100%	50%
	Growth in GDY share price	% of SARs in Tranche 1 of 2013 grant that vest	% of total SARs in 2013 grant that vest																								
THRESHOLD:	20%	30%	15%																								
MAXIMUM:	90%	100%	50%																								
	Growth in GDY share price	% of SARs in Tranche 2 of 2013 grant that vest	% of total SARs in 2013 grant that vest																								
THRESHOLD:	30%	30%	15%																								
MAXIMUM:	100%	100%	50%																								
Additional testing dates	<p>Any SARs that do not vest in either Tranche 1 or Tranche 2 will be subject to a maximum of 4 additional tests occurring every 6 months from the Earliest Vesting Date for the relevant Tranche (each a Testing Date).</p> <p>The performance condition will be progressively increased to require an additional 5% growth in GDY's share price at each Testing Date above the Threshold and Maximum levels set out in the tables above. For example, any Tranche 1 SARs that do not vest at the Earliest Vesting Date of 1 September 2015 will be tested after 6 months against an adjusted performance condition requiring 25% share price growth at Threshold and 95% growth at Maximum. At the next Testing Date, the Threshold and Maximum levels will increase to 30% and 100%, respectively.</p> <p>This explains the difference in the Threshold and Maximum levels between Tranche 1 and Tranche 2 as outlined in the tables above.</p> <p>If the SARs have not, pursuant to these performance conditions, vested by the final applicable retesting date, the SARs will lapse.</p>																										

Price payable for SARs	No amount will be payable in respect of the grant of, or on the vesting of, the SARs.
Allocation of Shares	<p>The SARs will vest to the extent the performance condition is met at the relevant Vesting Date.</p> <p>Subject to the Plan Rules, each SAR that vests will deliver a reward value based on the increase in GDY share price over the performance period. The reward value will be converted into Shares using the following formula:</p> $\frac{\text{Number of SARs} \times (\text{Closing Price} - \text{Opening Price})}{\text{Closing Price}}$ <p>where:</p> <ul style="list-style-type: none"> • Opening Price is the VWAP of GDY's ordinary shares for the 90 calendar days immediately prior to the Grant Date. • Closing Price is the VWAP of GDY's ordinary shares for the 90 calendar days immediately prior to the relevant Vesting Date. <p>The shares allocated will not be subject to any additional trading restrictions.</p> <p>Under the Plan Rules, the Company retains the discretion, at the determination of the Board, to make a cash payment (less any deduction for taxes that the Company is required to make from the payment) in respect of reward value of the vested SARs (i.e. instead of delivering the reward value in Shares).</p>
Cessation of employment	<p>If Mr Ward ceases employment with Geodynamics prior to SARs vesting, the default position is that all unvested SARs will lapse on that date.</p> <p>However, in certain circumstances (such as cessation for reasons of death, disability or otherwise in "good leaver" circumstances approved for this purpose by the Board), the Board may determine the treatment of any unvested SARs.</p>
Other required information – ASX Listing Rules	<p>Listing Rule 10.14 - No current directors other than Mr Ward are entitled to participate in the Plan.</p> <p>As this is a new Plan, no securities have been issued under it to date.</p> <p>There are no loans in relation to the acquisition of SARs or securities issued under the Plan.</p>
Other required information – section 200E Corporations Act	<p>In the event that the Board exercises its discretion to vest a number of SARs to Mr Ward on cessation of employment in limited circumstances, the value of any such SARs that may vest cannot currently be ascertained.</p> <p>The circumstances that may affect the calculation of this value include:</p> <ul style="list-style-type: none"> • performance against the performance condition at the time employment ceases • the part of the performance period that has elapsed at the time employment ceases, and • the number of SARs that lapse on cessation of employment.

Impact on Capital Structure

Until SARs vest and shares (if any) are issued, the grant of SARs will not impact on the number of ordinary shares on issue for the Company. The Company is unable to provide any guidance on the number of ordinary shares that may be issued on the vesting of the SARs as the calculation is subject to a number of variables.

The Board (other than Mr Ward) unanimously recommends that shareholders vote in favour of Item 4.



PRINCIPAL and REGISTERED OFFICE Level 3, 19 Lang Parade, MILTON QLD 4064 **Telephone:** +61 7 3721 7500 **Facsimile:** +61 7 3721 7599
POSTAL ADDRESS PO Box 2046, MILTON QLD 4064 **Internet** www.geodynamics.com.au **Email** info@geodynamics.com.au



By mail:
Geodynamics Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474

MR SAM SAMPLE
100 SAMPLE STREET
SAMPLETOWN NSW 2000



X99999999999

SHAREHOLDER PROXY FORM

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

STEP 1

APPOINT A PROXY

☐

**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 body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **6:00pm (Brisbane time) on Thursday, 28 November 2013, at Room Three Sixty, Level 10, Y Block, QUT, 2 George Street, Brisbane, Qld, 4000** and at any adjournment or postponement of the meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours** before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

STEP 2

VOTING DIRECTIONS

ORDINARY BUSINESS

Item 2

Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Item 3

Re-election of Dr Jack Hamilton as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

SPECIAL BUSINESS

Item 4

Grant of share appreciation rights to Chief Executive Officer & Managing Director Mr Geoff Ward

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * 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.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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 company's constitution and the *Corporations Act 2001* (Cth).

GDY PRX301R



HOW TO COMPLETE THIS PROXY FORM

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.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may 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.

Appointment of a 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's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

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; and
- (b) return both forms together.

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 shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, 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.

Corporate Representatives

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 in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **7:00pm (Sydney time) on Tuesday, 26 November 2013**, being not 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 using the reply paid envelope or:



ONLINE > www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Geodynamics Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 OR
Level 12, 680 George Street, Sydney NSW 2000.

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