



Coote Industrial Ltd
627 – 635 Bickley Rd
Maddington WA 6109

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18 November 2009

Dear Shareholder,

Extraordinary General Meeting

On behalf of the Board of Directors, I am writing to provide you with Notice of an Extraordinary General Meeting (EGM) of the Shareholders of Coote Industrial.

The meeting is to be held at the following place and time:

Date: Monday 21 December 2009
Time: 10.30 am (WST)
Venue: Studio 2, Burswood Convention Centre
Burswood Entertainment Complex
Great Eastern Highway
Burswood

At this meeting you will be asked to consider, and if thought fit, pass two resolutions which seek shareholder approval for the issue of Shares by Coote Industrial.

Resolution 1 – Ratification of a previous placement of tranche 1 shares

Resolution 2 – Approval of a further placement of tranche 2 shares

Details surrounding those resolutions are provided in the enclosed documentation, which includes:

1. The Notice of the EGM together with Explanatory Statement
2. Proxy form for the EGM together with instructions

If you are not able to attend the EGM in person, you are urged to complete and lodge the enclosed Proxy Form, which must be received by our share registry by no later than 10:30 am (WST) on Saturday, 19 December 2009 in order to be valid for the scheduled meeting.

Please read the Notes on the reverse side of the Proxy Form which provide instructions on completion and lodgement of proxies. The Explanatory Statement includes detailed information on the items which form the business of this meeting and I urge you to read it carefully.

The Board unanimously supports the resolutions and recommends them to shareholders.

For and on behalf of the Board of Directors of Coote Industrial Limited,

A handwritten signature in black ink, appearing to read 'Donald Hector'.

Donald Hector
Chairman

Enclosures:

1. Notice of the EGM
2. Explanatory Statement
3. Proxy Form



COOTE INDUSTRIAL LIMITED
(ACN 120 432 144)
NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of Coote Industrial Ltd (“the Company”) will be held at Studio Two, Burswood Convention Centre, Burswood Entertainment Complex, Great Eastern Hwy, Burswood on Monday 21 December 2009 at 10.30 am (WST) (“Meeting”).

The attached Explanatory Statement accompanies and forms part of this Notice.

AGENDA

ORDINARY BUSINESS

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

Resolution 1 – Ratification of a Previous Placement of Tranche 1 Shares

“THAT, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, shareholders ratify the issue and allotment by the Company on 24 November 2009 of 18,461,271 fully paid ordinary shares in the capital of the Company (“Tranche 1 Shares”) to professional and sophisticated investors to whom disclosure is not required to be given under Chapter 6D of the Corporations Act 2001 by virtue of an exemption in s.708 of the Corporations Act 2001 at A\$0.26 per share and otherwise on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion Statement

For the purpose of Listing Rule 7.5.6 and for all other purposes, the Company will disregard any votes cast on Resolution 1 by any person who participated in the placement of the Tranche 1 Shares and any of their associates. However, the Company need not disregard a vote if:

1. 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
2. It is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval of a Further Placement of Tranche 2 Shares

“THAT, for the purposes of ASX Listing Rule 7.1 and all other purposes, shareholders approve the issue and allotment by the Company of up to 96,923,344 fully paid ordinary shares in the capital of the Company (“Tranche 2 Shares”) to professional and sophisticated investors to whom disclosure is not required to be given under Chapter 6D of the Corporations Act 2001 by virtue of an exemption in s.708 of the Corporations Act 2001 at an issue price of \$A0.26 per share to be issued no later than 3 months from the date of this meeting and otherwise to be issued on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

For the purpose of Listing Rule 7.3.8 and all other purposes, the Company will disregard any votes cast on Resolution 2 by any person who will participate in the placement of the Tranche 2 Shares (if the names of any such investors are known as at the date of the meeting, and they are shareholders of the Company) and by any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if this Resolution 2 is passed and any associates of those persons. However, the Company need not disregard a vote if:

1. 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
2. It is cast by a 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.

By order of the Board of Directors

Kevin Pallas
Company Secretary

Dated this 18th day of November 2009



EXPLANATORY STATEMENT

Introduction

These explanatory notes accompany and form part of the Notice of EGM and should be read in conjunction with the Notice and enclosed Proxy Form. These documents are important and you should read them carefully. If you have any queries regarding the matters set out in these documents you should contact the Company Secretary of Coote Industrial, or consult your professional adviser.

Background

On 17 November 2009 the Company announced that it would undertake a Capital Raising by making a placement to sophisticated and professional investors in two tranches as follows:

1. 18,461,271 Shares at A\$0.26 to be issued without prior shareholder approval using the Company's existing placement capacity under Listing Rule 7.1 to raise A\$5m, and
2. Subject to shareholder approval at this EGM, the issue of a further 96,923,344 Shares at A\$0.26 to raise A\$25m.

The purpose of the \$30 million Capital Raising is to repay debt (\$20 million), fund working capital to meet increasing volume of contracted work (\$8.4 million) and to pay offer costs (\$1.6 million).

The Company also announced a Share Purchase Plan (SPP) under which it will offer to existing eligible shareholders of the Company (Shareholders) the right to subscribe for up to a further 36,922,543 shares. Up to \$10 million of funds will be raised under this SPP for additional working capital to fund growth.

Resolution 1 – Ratification of a Previous Placement of Tranche 1 Shares

This resolution asks Shareholders, for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, to ratify the issue and allotment by the Company on 24 November 2009 of 18,461,271 fully paid ordinary shares in the capital of the Company ("Tranche 1 Shares") to professional and sophisticated investors to whom disclosure is not required to be given under Chapter 6D of the Corporations Act by virtue of an exemption in s.708 of the Corporations Act at an issue price of A\$0.26 per share and otherwise on the terms and conditions set out in this Explanatory Statement.

Listing Rule 7.4 Approval

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Equity securities which are issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not required to be included in the 15% limit imposed by Listing Rule 7.1.

The Company issued the Tranche 1 Shares without obtaining prior approval of its Shareholders, as the Tranche 1 Shares could be issued within the 15% limit imposed by Listing Rule 7.1.

ASX Listing Rule 7.4 will treat the issue of the Tranche 1 Shares as having been made with approval for the purposes of Listing Rule 7.1 if the issue of the Tranche 1 Shares did not breach Listing Rule 7.1, and Shareholders subsequently approve it. As set out above, the issue of the Tranche 1 Shares did not breach Listing Rule 7.1.

Under Resolution 1, the Company seeks ratification by the Shareholders of the issue and allotment by the Company of the Tranche 1 Shares so as to 'refresh' the effect of Listing Rule 7.1 for the purposes of any further issues of securities made by the Company in the next 12 months.

For the purposes of Listing Rule 7.5, the following information is given to Shareholders in relation to the issue by the Company of the Tranche 1 Shares.

Issue Date:

24 November 2009

Allottees:

Sophisticated and professional investors to whom disclosure is not required to be given under Chapter 6D of the Corporations Act by virtue of an exemption in s.708 of the Corporations Act

Issue Price:

A\$0.26

Number of fully paid ordinary shares issued:

18,461,271

Terms of the securities:

Tranche 1 Shares are fully paid ordinary shares and have been issued on the same terms as, and rank pari passu with, all of the existing fully paid ordinary shares in the Company.

Use or intended use of the funds raised:

The funds raised by the Placement (including the issue of the Tranche 1 Shares) will be used by the Company for the purposes described above under the heading 'Background'.



EXPLANATORY STATEMENT

Resolution 2 – Approval of a Further Placement of Tranche 2 Shares

Resolution 2 asks Shareholders to approve, for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue and allotment by the Company of up to 96,923,344 fully paid ordinary shares in the capital of the Company (“Tranche 2 Shares”) at an issue price of \$A0.26 per share to sophisticated and professional investors to whom disclosure is not required to be given under Chapter 6D of the Corporations Act by virtue of an exemption in s.708 of the Corporations Act, such shares to be issued no later than 3 months from the date of this EGM.”

Background

As set out above, the directors propose to issue up to 96,923,344 Tranche 2 Shares to sophisticated and professional investors at an issue price of A\$0.26 per share if Shareholders approve this Resolution 2.

As at the date of this Explanatory Statement, the issued share capital of the Company after the issue of Shares the subject of this resolution 2 (and assuming the issue of Shares the subject of resolution 1) will be as follows:

	Shares
Current issued share capital	123,075,146
Issue of Tranche 1 Shares to investors	18,461,271
Issue of Tranche 2 Shares to investors	96,923,344
Total issued share capital	238,459,761

The Company intends to rely on relief provided in section 708 of the Corporations Act, permitting the Company to offer the Shares without a prospectus (provided the requirements under that section are complied with).

ASX Listing Rule 7.1 Approval

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities (subject to certain exemptions not relevant to the Company’s present circumstances).

Equity securities which are issued with the approval of holders of a company’s ordinary securities in accordance with Listing Rule 7.1 are not required to be included in the 15% limit imposed by Listing Rule 7.1.

The Directors propose to issue up to 96,923,344 ordinary fully paid shares of the Company to investors to whom disclosure is not required to be given under Chapter 6D of the Corporations Act by virtue of an exemption in s.708 of the Corporations Act, which represents 79% of the Company’s current issued share

capital (of 123,075,146 shares). The Company therefore seeks shareholder approval to issue the Tranche 2 Shares to investors pursuant to Listing Rule 7.1. When the Shares which the Company proposes to issue to such investors are aggregated with those Tranche 1 Shares which it will issue to sophisticated and professional investors (as referred to in resolution 1), the Company proposes to issue new Shares representing 94% of its current issued capital.

If approval is obtained under this Resolution 2, the Company will be able to issue in aggregate up to 96,923,344 ordinary shares at an issue price of A\$0.26 within 3 months from the date of this EGM.

In compliance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Shares which are proposed to be issued if this Resolution 2 is approved.

Issue Date:

Not later than 3 months from the date of this EGM.

Allottees (basis):

The Shares will be issued to investors to whom disclosure is not required to be given under Chapter 6D of the Corporations Act by virtue of an exemption in s.708 of the Corporations Act (for example, sophisticated or professional investors being persons to whom a disclosure document is not required to be provided by virtue of s.708(8) or s.708(11) of the Act).

Issue Price:

The Shares will be issued at A\$0.26 per share.

Number of fully paid ordinary shares issued:

96,923,344.

Terms of the securities:

Tranche 2 Shares are fully paid ordinary shares and will be issued on the same terms as, and rank pari passu with, all of the existing fully paid ordinary shares in the Company.

Use or intended use of the funds raised:

The funds raised by the Placement (including the issue of the Tranche 2 Shares) will be used by the Company for the purposes described above under the heading ‘Background’.

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

COOTE INDUSTRIAL LTD

REGISTERED OFFICE:

Level 1
10 Kings Park Road
West Perth WA 6005

ABN: 99 120 432 144

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au



MR BILL BO BAGGINS
123 HOBBIT CLOSE
UNDERHILL WA 6016

Code: CXG

Holder Number: 1 1234567890

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Empty box for meeting chairperson appointment.

OR

Row of 15 empty boxes for appointing another person.

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson 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 Extraordinary General Meeting of the Company to be held at 10.30am (WST) on Monday 21 December 2009 at Studio 2, Burswood Convention Centre, Burswood Entertainment Complex, Great Eastern Highway, Burswood and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

For Against Abstain*

1. RATIFICATION OF A PREVIOUS PLACEMENT OF TRANCHE 1 SHARES

Three empty boxes for voting on resolution 1.

2. APPROVAL OF A FURTHER PLACEMENT OF TRANCHE 2 SHARES

Three empty boxes for voting on resolution 2.

SAMPLE ONLY
NOT FOR USE

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* 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.

Small empty box for appointing chairperson as proxy.

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box.

By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him/her other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairperson of the Meeting intends to vote undirected proxies in favour of the resolution.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Signature box for Individual or Security Holder.

Sole Director and Sole Company Secretary

Security Holder 2

Signature box for Security Holder 2.

Director

Security Holder 3

Signature box for Security Holder 3.

Director / Company Secretary

2729354798

Reference Number:

Reference number input box.

1

CXG

1

My/Our contact details in case of enquiries are:

NAME

Grid of 15 empty boxes for name entry.

TELEPHONE NUMBER

Grid for telephone number entry: () followed by 10 empty boxes.

NOTES

1. Name and Address

This is the name and address on the Share Register of Coote Industrial Ltd. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson 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 Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of Coote Industrial Ltd.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) 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 +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities 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 of your votes; and
(b) Return both forms in the same envelope.

5. Signing Instructions

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

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held 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 lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 10.30am (WST) on Saturday 19 December 2009, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

SAMPLE ONLY
NOT FOR USE

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.