



NOTICE OF GENERAL MEETING
and
EXPLANATORY MEMORANDUM
and
PROXY FORM

Date of Meeting: 16 June 2006
Time of Meeting: 10.00 am (Brisbane Time)
Place of Meeting: Level 3
200 Creek Street
Brisbane, Qld

This Notice of General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser before voting.

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JAB TECHNOLOGIES LIMITED
ABN 42 087 426 953

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of shareholders of Jab Technologies Limited ("the Company") will be held at Level 3, 200 Creek Street, Brisbane, on **16 June 2006** at 10 am (Brisbane time).

ORDINARY BUSINESS

RESOLUTION 1- AUTHORISE THE ISSUE OF 8,000,000 SHARES AND 8,000,000 FREE ATTACHING OPTIONS

To consider and, if thought fit, approve with or without modification the following ordinary resolution:

"That in accordance with Listing Rule 6.25 of the NSX Listing Rules, and for all other purposes, the Company and the Directors of the Company are hereby authorised and directed to issue:

- (a) Up to 8,000,000 fully paid ordinary shares in the Company at an issue price of 15.0 cents (\$0.15) per share ("OIS Shares"); and*
- (b) Up to 8,000,000 free attaching options to subscribe for ordinary shares in the Company exercisable at \$0.20 each on or before 31 December 2009 ("Attaching Options") on the basis of one Attaching Option for every OIS Share subscribed for,*

*to such persons who subscribe for the OIS Shares under the Offer Information Statement dated **15 May 2006** lodged by the Company with the Australian Securities Commission on **15 May 2006** and to be issued by the Company in or about May 2006 pursuant to section 709(4) of the Corporations Act 2001, on the terms and conditions contained in this Notice of General Meeting and attached Explanatory Memorandum."*

Note:

- a) The OIS Shares will have the same rights and entitlements as existing shares in the capital of the Company.
- b) The Attaching Options will have the same rights and entitlements as existing options granted by the Company, except that 6,000,000 of the 8,865,029 existing options granted by the Company expire on 31 March 2009, and not on 31 December 2000. The terms of the Attaching Options are set out in the Explanatory Memorandum accompanying this Notice.
- c) Immediately following the completion of the Meeting and subject to approval by Shareholders of Resolution 1, the Company will apply to NSX to have the OIS Shares and Attaching Options ("OIS Securities") granted official quotation on the NSX. In the event that NSX does not grant approval for the official quotation of the OIS Securities within three (3) months of the date of the Offer Information Statement, none of the OIS Securities will be allotted.
- d) The OIS Securities will be issued and allotted as soon as practicable after the granting of official quotation of the OIS Securities by NSX.
- e) The maximum funds to be raised by the Company as a result of the issue of the OIS Securities will be \$1,200,000.
- f) The funds raised by the issue of the OIS securities will be used to:
 - i. Fund further research and development of the Company's "EZBiz" range of services - \$160,000;
 - ii. Help fund the acquisition of business assets to complement the Company's product and service offering - \$800,000;
 - iii. Meet expenses incurred in issuing the Offer Information Statement - \$40,000; and
 - iv. Provide working capital generally - \$200,000.
- g) The minimum subscription for the issue of OIS Securities under the Offer Information Statement is \$300,000 (comprising 2,000,000 OIS Shares). If the minimum subscription has not been received within three (3) months after the date of the Offer Information Statement, none of the OIS Securities will be allotted.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the constitution of the Company.

Dated this 15th day of May 2006.

BY ORDER OF THE BOARD

John Lemon
Company Secretary

JAB TECHNOLOGIES LIMITED

ABN 42 087 426 953

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum forms part of a Notice convening a General Meeting of Shareholders of the Company to be held at the Company's registered office at Level 3, 200 Creek Street, Brisbane on 16 June 2006 at 10.00am. This Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the resolution proposed. Terms used in this Explanatory Memorandum are defined in Section 6.

2. RESOLUTION 1– AUTHORISE THE ISSUE OF UP TO 8,000,000 NEW ORDINARY SHARES AND 8,000,000 ATTACHING OPTIONS

Resolution 1 seeks shareholder authorisation to issue up to 8,000,000 new ordinary shares ("OIS Shares") and up to 8,000,000 free attaching options ("Attaching Options"). The options will have an exercise price of 20 cents and expire on 31st December 2009.

The OIS Shares and Attaching Options will be issued to such persons who subscribe for the OIS Shares under an Offer Information Statement dated 15 May 2006 ("the OIS"). The OIS was lodged with the Australian Securities and Investments Commission on 15 May 2006 and the Company expects to issue the OIS later in May 2006.

On March 2006 the Company, in a release to the NSX, announced that it had released its "EZBiz" e-business service, in line with projections contained in the Company's prospectus which was issued last year to facilitate the Company's initial public offering (IPO), and listing on the NSX in September 2005. The Company is seeking to further expand its range of EZBiz service offerings and is also currently evaluating a number of potential business acquisitions with a view to increasing the Company's product and service offerings. Funds raised through the issue of the OIS Securities will be expended on these activities as detailed in the Notice of General Meeting, and will also be used to meet the costs associated with the Offer Information Statement and to provide working capital generally, as also detailed in the Notice of General Meeting.

Under NSX Listing Rule 6.25 the issue of new shares or options above and beyond 15% of the number of shares or options respectively of the Company on issue is subject to and conditional upon receiving the approval of the Company's shareholders in general meeting.

At the date of this notice the Company had 14,862,911 shares and 8,865,029 options on issue. If the maximum number of OIS Shares and Attaching Options are issued under the Offer Information Statement, the issued securities of the Company will be as follows:

NUMBER OF SHARES	
Existing shares on issue	14,862,911
Max no. of shares to be issued under OIS	8,000,000
TOTAL	22,862,911

NUMBER OF OPTIONS	
Existing options on issue	8,865,029
Max no. of options to be issued under OIS	8,000,000
TOTAL	16,865,029

The Attaching Options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 31 December 2009 together with payment for the exercise price of twenty cents (\$0.20) per Attaching Option and the option certificate (if any) for those options for cancellation by the Company.

The Attaching Options will be issued on the following terms and conditions which are intended to be the same terms and conditions as for the Company's options already on issue:

- The Attaching Options are options to subscribe for ordinary shares in the capital of the Company;
- The exercise price of the Attaching Options shall be twenty cents (\$0.20) per Attaching Option;
- Each of the Attaching Options shall be transferable in whole or in part, subject to the provisions of the Constitution of the Company and the NSX Listing Rules;
- Upon the valid exercise of the Attaching Options in payment of the exercise price, the Company will issue ordinary shares ranking pari passu with the then issued ordinary shares in the Company;
- On a re-organisation of capital, the rights of the Attaching Option holder will be changed to comply with the NSX Listing Rules then applying to a re-organisation of capital;
- The Attaching Option holders will only participate in new issues of the Company upon the prior exercise of their Attaching Options;
- If there is a pro-rata issue (except a bonus issue) to the option holders, the exercise price of an Attaching Option may be reduced according to the following formula:

$$O' = O - E \left[\frac{P - (S + D)}{N + 1} \right]$$

Where:

O'	=	the new exercise price of the Attaching Option.
O	=	the old exercise price of the Attaching Option.
E	=	the number of underlying securities into which one Attaching Option is exercisable.
P	=	the average market price per security [weighted by reference to volume] of the underlying securities during the five (5) trading days ending on the day before the ex right date or the ex entitlements date.
S	=	the subscription price for a security under the pro-rata issue.
D	=	the dividend due but not yet paid on existing underlying securities [except those to be issued under the pro-rata issue]
N	=	the number of securities with rights or entitlements that must be held to receive a right to one new security.

If there is a bonus issue to the holders of ordinary shares in the Company, the number of Shares over which the Attaching Option is exercisable may be increased by the number of Shares which the holder of the Attaching Option would have received if the option had been exercised before the record date for the bonus issue;

Other than as required by the NSX Listing Rules, the terms of the Attaching Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the options shall not be changed to reduce the exercise price, increase the number of options or change any period for exercise of the Attaching Options;

Any notice of any exercise of Attaching Options received by the Company will be deemed a notice of exercise of options as at the last business day of the month in which the notice is received; and

Shares to be issued pursuant to the exercise of any Attaching Options will be allotted or issued on the terms and conditions set out in the Offer Information Statement and, in any event, not more than fourteen (14) days after receipt of the properly executed notice of exercise and application money in respect of the Attaching Option, and share entitlement notices will be dispatched thereafter. The Directors will make application for listing of the share allotted pursuant to the exercise of any Attaching Option as soon as practicable after the date of issue or allotment of the shares.

3. SHAREHOLDER VOTING

The Board has made a determination that all the shares of the Company will be taken, for the purposes of determining the right of shareholders to attend and vote at the Meeting, to be held by the persons who held them at 7pm on 14 June 2006 (being a time that is not more than 48 hours before the Meeting).

4. OTHER INFORMATION

If after reading this Notice of General Meeting and attached Explanatory Memorandum a shareholder is in doubt as to how he/she should vote on the resolution and/or as to how it may affect him/her, he/she should seek advice from his/her accountant, solicitor or other professional advisor as soon as possible. Queries as to the lodgement of proxies and other formalities in relation to the Meeting to be held on 16 June 2006 should be directed to the Company Secretary (telephone 07 - 3833 3872).

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Attached to the Notice of General Meeting accompanying this Explanatory Memorandum is a proxy form for use by shareholders. All shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the meeting in person.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the Meeting under section 250D of the Corporations Act 2001 (Cwlth).

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) and certificates appointing body corporate representatives or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) or certificate appointing a body corporate representative must be deposited at or posted to the Company at C/- Level 6, 200 Creek Street, Brisbane, 4001 (PO Box 728, Spring Hill, Queensland 4004) or sent by facsimile transmission to fax (07) 3833 3888, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

6. INTERPRETATION

"**Board**" means the Directors of the Company from time to time.

"**Company**" means Jab technologies Limited ABN 42 087 426 953.

"**Constitution**" means the constitution of the Company.

"**Directors**" means the Directors of the Company.

"**Listing Rules**" means the official listing rules of the NSX.

"**Meeting**" means the meeting of shareholders convened by the Notice for [] June 2006 and any adjournment thereof.

"**Notice**" means the notice in respect of the Meeting.

"**NSX**" means Stock Exchange of Newcastle limited ACN 009 851 653.

"**Offer Information Statement**" means the Offer Information Statement dated [] May 2006 issued by the Company.

"**Shares**" means ordinary fully paid shares in the capital of the Company.

"**Shareholders**" means holders of ordinary fully paid shares in the capital of the Company.

In this Explanatory Memorandum references to "**Sections**" are to Sections hereof.