

CONCENTRATED CAPITAL LIMITED

ACN 087 730 667

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of shareholders of Concentrated Capital Limited ("**Company**") will be held in the Boardroom, at Tolhurst Noall Limited, Level 29, 35 Collins Street, Melbourne, on 25 November 2002 at 11.00am.

The Proxy Form and Explanatory Memorandum accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting.

Unless the context indicates a contrary intention, definitions used in this Notice of Annual General Meeting have the same meaning as in the Explanatory Memorandum.

ORDINARY BUSINESS

Annual Financial Report

To receive the Annual Financial Report of the Company for the year ended 30 June 2002, together with the Directors' Report and Declaration in relation to that financial year and the Auditors' Report on those financial statements.

Resolution 1 – Re-Election of Mr Gibbs

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

"That Mr David Gibbs, who retires in accordance with Article 8.1 (e) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 2 – Re-Election of Mr Grace

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

"That Mr Andrew Grace, who retires in accordance with Article 8.1 (e) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 3 – Re-Election of Mr Rose

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

"That Mr David Rose, who retires in accordance with Article 8.1 (e) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 4 – Confirmation of Appointment of Auditors

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

"That the appointment of Ernst & Young as auditors of the company be confirmed"

SPECIAL BUSINESS

Resolution 5 – Remuneration of Directors

To consider and if thought fit, to pass, with or without amendment the following, as a **special resolution**:

“To approve annual Directors remuneration of \$100,000 in total of which up to half of this amount will be satisfied by allotments of shares in the Company, allotted quarterly in advance, at the weighted average of the past 10 days trading prior to allotment”

Resolution 6 – Future Capital Raising

To consider and if thought fit, to pass, with or without amendment the following, as a **special resolution**:

“To approve a capital raising of up to 1,500,000 ordinary shares by placement, on terms and conditions agreed by the Board, subject to the pricing of such placement not being less than 90% of the weighted average of the past 10 days trading prior to the placement ”

BY ORDER OF THE BOARD

Steve Danne

Company Secretary
Dated: 23 October 2002

<p><i>The Notice of Annual 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.</i></p>
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CONCENTRATED CAPITAL LIMITED

ACN 087 730 667

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders in Concentrated Capital Limited ("**Company**") in connection with the business to be considered at the Annual General Meeting of shareholders to be held in the Boardroom, at Tolhurst Noall Limited, Level 29, 35 Collins street, Melbourne, Victoria on 25 November 2002 at 11.00am (EST).

The Explanatory Memorandum should be read in conjunction with the accompanying Annual Notice of General Meeting. For the assistance of shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum.

Full details of the business to be considered at this Annual General Meeting are set out below.

ANNUAL FINANCIAL REPORT

The first item of the Notice of Annual General Meeting deals with the presentation of the Company's Annual Financial Report for the year ending 30 June 2002. Shareholders should consider this document and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

RESOLUTION 1 – ROTATION OF DIRECTORS

It is a requirement under Article 8.1 ((e) (2)) of the Company's Constitution that Mr Gibbs retire by rotation. Mr Gibbs offers himself for re-election. The remaining Directors recommend to shareholders that Mr Gibbs be re-elected.

RESOLUTION 2 – ROTATION OF DIRECTORS

It is a requirement under Article 8.1 ((e) (2)) of the Company's Constitution that Mr Grace retire by rotation. Mr Grace offers himself for re-election. The remaining Directors recommend to shareholders that Mr Grace be re-elected.

RESOLUTION 3 – ROTATION OF DIRECTORS

It is a requirement under Article 8.1 ((e) (2)) of the Company's Constitution that Mr Rose retire by rotation. Mr Rose offers himself for re-election. The remaining Directors recommend to shareholders that Mr Rose be re-elected.

RESOLUTION 4 – CONFIRMATION OF APPOINTMENT OF AUDITORS

It is a requirement of the Corporations Act that the appointment of auditors of the company be made by the shareholders in general meeting. Ernst & Young have consented to act as auditors of the company and have been appointed by the company to act. The Directors recommend to shareholders that the appointment of Ernst & Young be confirmed.

RESOLUTION 5 – REMUNERATION OF DIRECTORS

Resolution 5 seeks shareholder approval for the Company to remunerate its Directors a maximum of \$100,000 on an annual basis ending 30 June of each year.

The Company will disregard any votes cast on this resolution by any Director of the Company or any associate of any of Director provided that 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.

a) Cash Value of Remuneration

It is proposed that the cash value of remuneration paid to each Director will amount to 50% of their entitlement. This remuneration will be paid on a prorated basis each month.

b) Allotment of Shares

It is proposed to allot to each Director shares equivalent to the remaining 50% of that Directors fees predicated on the allotment value being the weighted average of the past 10 days trading prior to the allotment of the shares and such allotment being undertaken quarterly in advance.

All shares allotted shall rank pari passu in all respects with other fully paid shares in Concentrated Capital Limited.

The nature of the financial benefit to be given to each of the Directors results from the allotment of shares equal to 50% of the Directors fees that they would be entitled to pursuant to Board resolution.

If any Director ceases to hold office as a Director of the Company for any reason whatsoever his entitlement to remuneration (cash and shares) shall cease with effect from the date of termination.

Where any person is appointed as a Director, that person shall become entitled to remuneration as a Director with effect from his appointment and shall be entitled to receive shares in the Company in accordance with the resolution.

RESOLUTION 6 – CAPITAL RAISING

Resolution 6 seeks shareholder approval for the Company to issue up to a further 1,500,000 ordinary shares to fund future investment opportunities and meet associated working capital obligations.

At present, the Board has not resolved to make such a placement however, in the event that such a placement is made, the terms and conditions of the placement would be as follows:

- ☐ The placement would be of ordinary shares on terms and conditions agreed by the Board and the parties to whom the shares were being placed.
- ☐ The placement would be priced at an amount not less than 90% of the weighted average of the past 10 days trading in the shares of a Company prior to the placement.
- ☐ All shares allotted pursuant to the placement shall rank parri passu in all respects with the other fully paid shares in Concentrated Capital Limited.
- ☐ The placement would comply with NSX Listing Rules and the Corporations Act.

GLOSSARY OF TERMS

"Annual General Meeting" or "Meeting" means the Annual General Meeting of shareholders of the Company to be held in the Boardroom, Tolhurst Noall Limited, Level 29, 35 Collins Street, Melbourne, Victoria on 25 November 2002 at 11.00 am (EST) or any adjournment thereof.

"ASIC" means the Australian Securities & Investments Commission.

"Board" means the board of the Company.

"Company" means Concentrated Capital Limited (ACN 087 730 667).

"Corporations Act" means the Corporations Act 2001.

"Director" means a director of the Company.

"Directors" means the board of directors of the Company as constituted from time to time.

"EST" means Eastern Standard Time.

"Explanatory Memorandum" means this explanatory memorandum.

"Notice of Annual General Meeting" means the notice of Annual General Meeting, which accompanies the Explanatory Memorandum.

"NSX" means Stock Exchange of Newcastle Limited.

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