
MONITOR ENERGY LTD

ABN 25 009 121 644

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9.00 am WST
DATE: Wednesday, 28 November 2007
PLACE: 707 Wellington Street
Perth, Western Australia 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 08 93888041.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Monitor Energy Ltd to which this Notice of Meeting relates will be held at 9.00am (WST) on Wednesday, 28 November 2007 at:

Citigate Hotel, 707 Wellington Street, Perth Western Australia 6000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

(a) by post to Monitor Energy Ltd, 35 Richardson Street, West Perth, Western Australia 6005; or

(b) by facsimile to the Company on facsimile number (08) 9211 5700,

so that it is received not later than at 9.00am (WST) on Monday, 26 November 2007.

Proxy forms received later than this time will be invalid.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders of Monitor Energy Ltd (**Monitor** or **Company**) will be held at Citigate Hotel, 707 Wellington Street, Perth, Western Australia at 9.00am (WST) on 28 November 2007.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 26 November 2007.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive the financial report of the Company for the year ended 30 June 2007, together with the directors' report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”

Short Explanation: The Corporations Act provides that by a resolution that the remuneration report be adopted and must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

2. RESOLUTION 2 – RE-ELECTION OF MR SCOTT SPENCER

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

“That, Mr Scott Spencer, being a Director, retires by rotation in accordance with clause 11.3 of the Constitution and, being eligible, is hereby re-elected as a Director.”

3. RESOLUTION 3 – ADOPTION OF EMPLOYEE INCENTIVE SCHEME

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

“That, for the purposes of the Corporations Act, Exception 9 of Rule 7.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to establish, administer and issue securities under its employee incentive scheme as an exception to Listing Rule 7.1 and on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting”.

4. RESOLUTION 4 – RATIFICATION OF PREVIOUS ISSUE AND ALLOTMENT OF SHARES

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

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue and allotment of 31,000,000 Shares at an issue price of 2 cents each and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

1. Prior to making a decision with respect to Resolution 4, Shareholders should refer to Section 4 of the Explanatory Statement which accompanies this Notice of Meeting.
2. In accordance with ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 4 by any person who participated in the issue and any person associated with those persons.

RESOLUTION 5 – RESIGNATION OF AUDITOR

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

“That the resignation of Deloitte Touche Tohmatsu as Auditor to the Company having been received said resignation be accepted, subject to ASIC approval.”

RESOLUTION 6 – APPOINTMENT OF AUDITOR

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

“That the consent of Ord Partners to act as Auditor to the Company having been received, that Ord Partners be so appointed, subject to ASIC approval.”

DATED: 24 OCTOBER 2007

BY ORDER OF THE BOARD

Suzie Foreman
Company Secretary

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if 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 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Citigate Hotel, 707 Wellington Street, Perth, Western Australia at 9.00am (WST) on 28 November 2007.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT (NON-BINDING)

1.1 Background

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- (a) board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;
- (b) discussion of the relationship between such policy and the Company's performance; and
- (c) the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2. RESOLUTION 2 - RE-ELECTION OF MR SCOTT SPENCER

2.1 Background

Clause 11.3 of the Constitution provides that, at the annual general meeting in every year one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director), must retire from office. A retiring Director is eligible for re-election. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

Mr Scott Spencer retires and seeks re-election in accordance with clause 11.3 of the Constitution. Details regarding Mr Scott Spencer are set out in the Company's 2007 Annual Report.

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3. RESOLUTION 3 – ADOPTION OF EMPLOYEE INCENTIVE SCHEME

3.1 Background

The Company has established an Employee Incentive Scheme, the terms of which are set out in “Annexure A” (“Scheme”). Resolution 3 is a resolution which seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Scheme without prior shareholder approval and in reliance on the exception to Listing Rule 7.1

3.2 Approvals Required

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain securities, including options. The effect is that shareholder approval is required before the company may issue securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period.

Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exemption from Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue when the notice of meeting contains or is accompanied by certain prescribed information (set out below) (Exception 9 of Listing Rule 7.2).

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company flexibility to issue securities, shareholders are requested to approve the issue of securities under the Plan as an exemption from Listing Rule 7.1. This approval will be effective for a period of 3 years from the date of the Resolution. It should be noted that Resolution 3 does not approve the issue of any Scheme Options to any Director of the Company. Scheme Options cannot be granted to Directors or associates of the Company unless prior approval of shareholders is obtained in accordance with the Listing Rules.

The main purposes of the Scheme is to give an additional incentive to Directors and employees of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors and employees for their efforts.

If plan options are exercised, it will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of options exercised. It will also increase the number of Shares that are on issue by the number of options exercised.

Shares issued pursuant to the exercise of Scheme Options will rank pari passu in all respects with the Company's existing Shares.

Application will not be made for official quotation on the ASX of the Scheme Options.

In accordance with Listing Rule 7.2, Shareholders are provided with the following information: A summary of the significant terms of the Employee Incentive Scheme follows:

- (a) The maximum number of Plan Options that can be issued under the Plan is that number which equals 5% of the then current number of Shares on issue.

- (b) Directors and employee of the Company will be eligible to participate in the Scheme. Subject to the Listing Rules, the Board of Directors shall determine the number of Scheme Options (if any) to be allocated to the various Directors, employees and consultants of the Company.
- (c) Directors of the Company will be entitled to participate in the Scheme subject to all necessary approvals pursuant to the Corporations Act and the Listing Rules being obtained.
- (d) The issue price of each Scheme Option will be nil.
- (e) The exercise price of each Scheme Option to be:
- (i) 125% of the market value (as defined in "Annexure A") of the Company's Shares on the date on which the options are issued;
 - (ii) 2 cents; or
 - (iii) any greater price determined by the board.
- Whichever is the greatest.
- (f) Each Scheme Option entitles the Option holder to subscribe for and be allotted one Share.
- (g) All Plan Options have an expiry date determined by the board and at any time between 2 and 5 years after the date of grant of the options.

Full terms and conditions of the Scheme are outlined in Annexure A.

3.3 Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF PREVIOUS ISSUE AND ALLOTMENT OF SHARES

Resolution 4 seeks Shareholder ratification and approval of the issue of 31,000,000.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 1 proposes the ratification and approval of the issue and allotment of Shares for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

The information required to be provided to shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

In compliance with the information requirements of ASX Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

- (a) Date of issue of the Shares: 19 October 2007;
- (b) Number of Shares issued: 31,000,000;
- (c) Price at which Shares were issued: 2 cents each;
- (d) The Shares rank equally in all respects with the existing ordinary shares on issue;
- (e) The Shares were issued to clients of Far East Capital Limited pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act. No allottee, either individually or in association with any related entity, was allotted securities which would, if added to existing holdings, result in the holder and their related entities holding in excess of 5% of the issued capital of the Company. No Shares were issued to any related parties or associates of the Company;
- (f) \$620,000 was raised from the issue of the Placement Shares before costs of the issue; and
- (g) the funds raised from the issue of Shares, the subject of Resolution 4, will be used to advance the exploration of the Company's oil and uranium projects in the Kyrgyz Republic and to supplement working capital. The exact allocation of funds cannot be reasonably determined.

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – RESIGNATION OF AUDITOR

Deloitte Touche Tohmatsu Chartered Accountants was appointed as Auditor prior to the Company re-listing on the ASX and, subject to ASIC approval, resign at the request of the Company.

6. RESOLUTION 6 – APPOINTMENT OF AUDITOR

This resolution is self-explanatory.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

ASX means ASX Ltd.

Company and **Monitor** means Monitor Energy Ltd (ABN 25 009 121 644).

Corporations Act or **Act** means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum to the Notice.

General Meeting/ Annual General Meeting means the meeting convened by the Notice.

Notice means the notice of meeting which forms part of this Explanatory Memorandum.

Option means an option to acquire a Share on the terms set out in this Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, Perth, Western Australia.

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ANNEXURE "A"

Terms and Conditions of the Monitor Energy Employee Incentive Scheme

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these Terms and Conditions, the following words and expressions have the meanings indicated unless the contrary intention appears:

"**Associate**" of an Employee means:

- (a) a spouse, parent, brother, sister or child of the Employee ("Relative");
- (b) a body corporate that is effectively controlled by one or more of the Employee and the Relatives of the Employee; or
- (c) the trustee of a trust that is effectively controlled by one or more of the Employee and the Relatives of the Employee.

"**ASX**" means Australian Stock Exchange Limited.

"**Board**" means all or some of the Directors acting as a board.

"**Company**" means Monitor Energy Limited.

"**Director**" means a director of the Company.

"**Employee**" means:

- a full-time or part-time employee of a company in the Group; or
- a director of the company in the Group.

"**Group**" means the Company and its subsidiaries (as defined in the Corporations Act 2001).

"**Listing Rules**" means the Official Listing Rules of ASX.

"**Market Value**" of a Share means:

- unless (b) applies – the market value determined under the Income Tax Act; or
- if the Board adopts another method for determining the market value – the value determined under that method.

"**Option**" means an option to subscribe for Shares issued under the Scheme.

"**Participant**" means:

- an Employee who personally holds an Option issued under the Scheme; or
- an Employee whose nominated Associate holds an Option issued under the Scheme.

"**Redundancy**" means any situation where the requirements of the relevant company in the Group for an Employee to carry out a particular kind of work (given his or her particular skills) or to carry out certain work in a particular place, have ceased or diminished (or are likely to do so), but does not extend to the dismissal of an Employee for personal or disciplinary reasons, including for reasons of misconduct or unsatisfactory performance, or where an Employee leaves of his or her own accord.

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"Retirement" means retirement by the Participant from employment with the Group at age 55 or over.

"Scheme" means the Monitor Energy Employee Incentive Scheme constituted by these Terms and Conditions.

"Share" means a fully paid ordinary share in the capital of the Company.

"Total and Permanent Disablement" means that the Participant has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

1.2 Words imparting the singular include the plural and vice versa and words denoting a gender include all other genders.

2. ISSUE OF OPTIONS

Eligibility

The Board may offer Options to an Employee having regard to:

- the potential contribution of the Employee to the Group; and
- any other matters the Board considers relevant.

Nomination of Associate

2.1 Upon receipt of an offer of Options an Employee may nominate an Associate to be the person issued with those Options. The Board may, in its absolute discretion, resolve not to issue Options to a nominated Associate without giving any reason.

Acceptance of offers

2.2 An Employee or nominated Associate may accept an offer of Options within the time specified in the offer document. No payment is required to accept the offer.

Issue of Options

2.3 Options must be issued in accordance with these Terms and Conditions and each Participant and, where relevant, Associate will be taken to have agreed to be bound by these Terms and Conditions on the issue of any Options.

2.4 The Company must issue each Participant or nominated Associate with an Option certificate indicating the number of Options issued and the exercise price of the Options.

2.5 The Board retains the right to withdraw an offer of Options at any time prior to issuing the Options.

3. MAXIMUM NUMBER OF OPTIONS

The Board may not offer Options under this Scheme if the total number of Shares the subject of the Options, when aggregated with:

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- (a) the number of Shares in the same class which would be issued if each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or option acquired pursuant to this Scheme or any other employee or executive share scheme, was accepted or exercised; and
 - (b) the number of Shares in the same class issued during the previous five years pursuant to this or any other employer or executive share scheme,

(disregarding any offer or invitation made, or option acquired or share issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or by way of excluded offer or invitation within the meaning of the Corporations Act 2001), would exceed 5% of the total number of issued Shares of the Company as at the time of the proposed offer.

4. ENTITLEMENT

4.1 Subject to clauses 4, each Option entitles the holder to subscribe for and be allotted, credited as fully paid, one Share at the exercise price per Share.

4.2 The exercise price per Share is:

125% of the Market Value of Shares on the day the Option is issued;

2 cents; or

any greater exercise price determined by the Board and advised to the Employee when Options are offered to the Employee,

whichever is the greatest.

4.3 Subject to these Terms and Conditions, the Company must allot shares on exercise of an Option in accordance with the Listing Rules.

4.4 Shares issued on the exercise of Options will rank equally with all existing Shares in the capital of the Company from the date of issue.

5. EXERCISE OF OPTIONS

5.1 An Option is exercisable by the holder lodging a notice of exercise of Option and application for Shares in a form approved by the Company, together with the exercise price of each Share to be issued on exercise and the relevant Option certificate, with the Company Secretary.

5.2 Options must be exercised in multiples of 100, unless the holder exercises all Options able to be exercised at that time. The exercise of some Options only does not affect the holder's right to exercise other Options at a later time. If the holder exercises less than all Options represented by a certificate then the Company will cancel the certificate and issue a new certificate for the balance.

5.3 Subject to clauses 5.4-5.7, an Option that has not lapsed may be exercised at any time between 2 and 5 years after the date the Option is issued.

5.4 If a Participant ceases to be an Employee;

2 years or more after Options are issued in relation to the Participant; or

because of Retirement, Total and Permanent Disablement, Redundancy, death or any other circumstances approved by the Board,
the options may be exercised within 30 days (or 3 months, in the case of death) after ceasing to be an Employee or any longer period permitted by the Board. If not exercised within that period, the Options lapse.

5.5 If a Participant ceases to be an Employee and clause 5.4 does not apply, Options issued in relation to the Participant lapse.

5.6 If the Board determines that:

a Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to any company in the Group; and

Options issued in relation to the Participant are to be forfeited,

the Options will immediately lapse.

5.7 Notwithstanding any other clause, any Option not exercised will lapse on the expiry of five years after the date the Option was issued.

6. TRANSFER

Options may only be transferred with the approval of the Board. Options will not be quoted on ASX.

7. QUOTATION OF SHARES

The Company will make application to ASX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

8. PARTICIPATION IN FUTURE ISSUES

8.1 If the Options are exercised before the record date of an entitlement, the Option Holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option Holder of the proposed issue at least nine (9) business days before the record date. Option Holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.

8.2 In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

8.3 The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

8.4 In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

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

N + 1

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

- E = the number of underlying securities in the Company into which one option is exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date.
- S = the Subscription price for a security under the pro rata issue.
- D = the Dividend due but not yet paid on the 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 in the Company.

8.5 The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of Shares received by the Option Holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.

8.6 The Company shall notify each Option Holder and ASX within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.

9. ADVICE

The Company must give notice to each Participant or his nominated Associate of any adjustment to the number of Shares which the holder is entitled to subscribe for or be issued on exercise of an Option, or any adjustment to the exercise price per Share, in accordance with the Listing Rules.

10. NOTICES

Notices may be given by the Company to the holder or the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to holders or Participants.

11. RIGHT TO ACCOUNTS

Holders will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but will not have any right to attend or vote at those meetings.

12. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding any Terms and Conditions or the terms of any Option, Options may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the Australian Stock Exchange Listing Rules.

13. ADMINISTRATION OF THE SCHEME

- 13.1 The Scheme will be administered by the Board in accordance with these Terms and Conditions. The Board may make regulations for the operation of the Scheme which are consistent with these Terms and Conditions.
- 13.2 Any power or discretion which is conferred on the Board by these Terms and Conditions may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.
- 13.3 Any power or discretion which is conferred on the Board by these Terms and Conditions may be delegated by the Board to a committee consisting of such Directors as the Board thinks fit.
- 13.4 The decision of the Board as to the interpretation, effect or application of these Terms and Conditions will be final and conclusive.

14. AMENDMENTS

These Terms and Conditions may only be amended, subject to the Listing Rules, by special resolution of the Company in general meeting.

15. RIGHTS OF PARTICIPANTS

Nothing in these Terms and Conditions:

confers on any Employee or Associate the right to receive any Options;

confers on any Participant the right to continue as an Employee;

affects any rights which the Company or a subsidiary may have to terminate the employment of any Employee; or

may be used to increase damages in any action brought against the Company or a subsidiary in respect of any such termination.

16. QUOTATION OF OPTIONS

The Company will not seek quotation on ASX of Options issued pursuant to the Scheme.

PROXY FORM

APPOINTMENT OF PROXY
MONITOR ENERGY LTD
ABN 25 009 121 644

ANNUAL GENERAL MEETING

I/We

[Empty box for name]

being a Member of Monitor Energy Ltd entitled to attend and vote at the Meeting, hereby

Appoint

[Empty box for proxy name]

Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at Citigate Hotel, 707 Wellington Street, Perth, on 28 November 2007 at 9.00am (WST) and at any adjournment thereof.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Scott Spencer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Resignation of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

In relation to Resolutions 1-6, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on this/these Resolutions, please place a mark in this box

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as 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 Chairman of the meeting will not cast your votes on Resolutions 1-6 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman intends to vote in favour of these Resolutions.

IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO RESOLUTIONS 1-6 YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO RESOLUTIONS 1-6 WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this _____ day of _____ 2007

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

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Instructions for Completing 'Appointment of Proxy' Form

1. A shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - Directors of the company;
 - a Director and a company secretary of the company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (a) by post to Monitor Energy Ltd, , 35 Richardson Street, West Perth, Western Australia 6005; or
 - (b) by facsimile to the Company on facsimile number (08) 9211 5700,so that it is received not later than at 9.00am (WST) on Monday, 26 November 2007.

Proxy forms received later than this time will be invalid.
