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**HELICON GROUP LIMITED**

**ACN 107 903 159**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 12.30 pm (WST)

**DATE:** 23<sup>rd</sup> November 2009

**PLACE:** The Celtic Club  
48 Ord Street  
West Perth, Western Australia

*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 (+61 8) 9388 3683.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 12.30 pm (WST) on Monday, 23 November 2009 at:

The Celtic Club  
48 Ord Street  
West Perth, Western Australia

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**YOUR VOTE IS IMPORTANT**

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

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**VOTING IN PERSON**

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

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Helicon Group Limited, Suite 3, 257 York Street, Subiaco, Western Australia 6008; or
- (b) facsimile to the Company on facsimile number +61 (0)8 9284 3801,

so that it is received not later than 12:30 pm (WST) on 21 November 2009.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 12:30 pm (WST) on Monday, 23 November 2009 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5:00 pm (WST) on 21 November 2009.

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

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## AGENDA

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### ORDINARY BUSINESS

#### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2009.”*

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GRAEME BODEN

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

*“That, for the purposes of clause 11.12 of the Constitution and for all other purposes, Graeme Boden, a Director who retires after being appointed during the year, and being eligible, is re-elected as a Director.”*

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#### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – SALIBA SASSINE

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

*“That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Saliba Sassine, a Director who retires by rotation, and being eligible, is re-elected as a Director.”*

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**4. RESOLUTION 4 – ISSUE OF OPTIONS TO PETER ABRAHAMSON**

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

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 4,000,000 Options to Mr Peter Abrahamson (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Peter Abrahamson (or his nominee) or any of his associates. However, 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.

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**DATED: 12<sup>TH</sup> OCTOBER 2009**

**BY ORDER OF THE BOARD  
HELICON GROUP LIMITED**

A handwritten signature in black ink, appearing to read 'G Boden', written in a cursive style.

**GRAEME BODEN  
COMPANY SECRETARY**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 12.30 pm (WST) on Monday 23<sup>rd</sup> November 2009 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

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.

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### **1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

In accordance with the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at **[www.helicongroup.com.au](http://www.helicongroup.com.au)**.

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### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2009.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GRAEME BODEN**

Clause 11.11 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Clause 11.12 of the Constitution provides that any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election, but is not taken into account in determining the Directors who are to retire by rotation at that meeting.

Resolution 2 seeks approval for the re-election of Graeme Boden, who retires in accordance with clause 11.12 of the Constitution and, being eligible, offers himself

for re-election as a Director of the Company, with effect from the end of the meeting.

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#### **4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – SALIBA SASSINE**

Clause 11.3 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, and any other Director not in such one-third who has held office for three years or more (except a Managing Director) must also retire from office. A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

The Company currently has three Directors and accordingly one must retire. Saliba Sassine retires by rotation in accordance with clause 11.3 of the Constitution and seeks re-election at the Annual General Meeting.

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#### **5. RESOLUTION 4 – ISSUE OF OPTIONS TO PETER ABRAHAMSON**

##### **5.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 4,000,000 Options to Mr Peter Abrahamson (or his nominee) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (a) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Options to Mr Peter Abrahamson (or his nominee) requires the Company to obtain Shareholder approval because the grant of Options constitutes giving a financial benefit and as a Director, Mr Peter Abrahamson is a related party of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Options to Mr Peter Abrahamson.

##### **5.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Options:

- (a) the related party is Mr Peter Abrahamson and he is a related party by virtue of being a Director;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be granted to Mr Peter Abrahamson (or his nominee) is 4,000,000;
- (c) the Options will be granted to Mr Peter Abrahamson (or his nominee) no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on one date;
- (d) the Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Options are set out in Schedule 1;
- (f) the value of the Options and the pricing methodology is set out in Schedule 2;
- (g) Mr Peter Abrahamson currently holds a relevant interest in 1,896,000 Shares in the Company;
- (h) Mr Peter Abrahamson commenced employment with the Company during July 2005 and his remuneration and emoluments in the last two financial years were \$212,710 in 2009 and \$268,013 in 2008 and continues in the current year at the rate of \$130,800 for base salary and superannuation. Mr Abrahamson does not receive any other emoluments from the Company;
- (i) if the Options granted to Mr Peter Abrahamson (or his nominee) are exercised, a total of 4,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 83,915,177 to 87,915,177 (assuming that no other Options are exercised and no other Shares issued) with a dilution effect on the shareholding of existing Shareholders of 4.5%;
- (j) the market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time, any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;
- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	<b>Price</b>	<b>Date</b>
Highest	14.0 cents	6 October 2008
Lowest	0.5 cents	10 December 2008
Last	10.0 cents	6 October 2009

- (l) the primary purpose of the grant of Options to Mr Abrahamson is to provide a market linked incentive package to Mr Peter Abrahamson in his capacity as Managing Director and for the future performance by him in this role. The Board (other than Mr Abrahamson) considered the experience and reputation of Mr Peter Abrahamson, the current market price of Shares and current market practices when determining the number and exercise price

of the Options to be issued to Mr Peter Abrahamson. In addition, the Board considers the grant of the Options to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed; and

- (m) Mr Peter Abrahamson declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Board (other than Peter Abrahamson) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to Mr Abrahamson as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Options to Mr Abrahamson will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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**6. ENQUIRIES**

Shareholders may contact Graeme Boden on +61 (0)8 9388 3683 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASX** means ASX Limited.

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

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Helicon Group Limited (ACN 107 903 159).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Resolutions** means the resolutions set out in the Notice of Meeting, 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 holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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The Options to be issued pursuant to Resolution 4 entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 31 May 2013 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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**SCHEDULE 2 – VALUATION OF OPTIONS**

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The 4,000,000 Options to be issued to Mr Peter Abrahamson pursuant to Resolution 4 have been valued by internal management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Options were ascribed a value, as follows:

<b>Assumptions:</b>	
Valuation date	6 October 2009
Market price of Shares	10 cents
Exercise price	20 cents
Expiry date	31 May 2013
Risk free interest rate	5.01%
Volatility	100%
Discount for non-marketability	30%
<b>Indicative value per Option</b>	<b>5.70 cents</b>
<b>Total Value of Options to P Abrahamson</b>	<b>\$228,000</b>

## PROXY FORM

**APPOINTMENT OF PROXY  
HELICON GROUP LIMITED  
ACN 107 903 159**

### ANNUAL GENERAL MEETING

I/We

being a member of Helicon Group Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair'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 12:30 pm (WST), on 23 November 2009 at Celtic Club, 48 Ord Street, West Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

**OR**

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#### Voting on Business of the Annual General Meeting

Resolution 1 – Adoption of remuneration report  
Resolution 2 – Re-election of Director – Graeme Boden  
Resolution 3 – Re-election of Director – Saliba Sassine  
Resolution 4 – Issue of Options to Peter Abrahamson

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not 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 \_\_\_\_\_ %

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Sole Director/Company Secretary**

**Member 2**

**Director**

**Member 3**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**HELICON GROUP LIMITED**  
**ACN 107 903 159**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members 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:
  - 2 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.

5. Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Helicon Group Limited, Suite 3, 257 York Street, Subiaco, Western Australia 6008; or
  - (a) facsimile to the Company on facsimile number +61 (0)8 9382,1766

so that it is received not later than 12.30 pm (WST) on 21 November 2009.

**Proxy forms received later than this time will be invalid.**