



# **Anteo Diagnostics Limited**

(ABN 75 070 028 625)

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of shareholders of Anteo Diagnostics Limited ("Anteo" or the "Company") for 2009 will be held on **Monday 23rd November 2009 at 11:00 am** (Sydney time) at **Level 5, 56 Pitt Street Sydney NSW**. The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

The Directors have determined that 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 as at 7:00pm (Sydney time) on Saturday 21st November 2009.

### **BUSINESS**

---

#### **FINANCIAL STATEMENTS**

To receive and consider the financial statements of the Company and its controlled entities for the year ended 30 June 2009 and the related Directors' Report, Directors' Declaration and Auditors' Report.

#### **RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT**

To adopt the Directors' Remuneration Report for the year ended 30 June 2009.

Note: In accordance with section 250R of the Corporations Act 2001, the vote on Resolution 1 will be advisory only and will not bind the Directors or the Company.

#### **RESOLUTION 2: RE-ELECTION OF DIRECTOR (Mr Richard Martin)**

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

*That Mr Richard Martin, who retires in accordance with clause 20.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company.*

#### **RESOLUTION 3: RE-ELECTION OF DIRECTOR (Dr Geoffrey Cumming)**

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

For personal use only

*That Dr Geoffrey Cumming having been appointed as an addition to the Board, and who retires in accordance with clause 19.4 of the Company's Constitution, and being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company.*

During the year, Dr Cumming was appointed as a Director of the Company by the Board. Pursuant to clause 19.4 of the Company's Constitution, any director so appointed must retire at the Company's next Annual General Meeting and is eligible for re-election.

**RESOLUTION 4: RE-ELECTION OF DIRECTOR (Mr James Henderson)**

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

*That Mr James Henderson having been appointed as an addition to the Board, and who retires in accordance with clause 19.4 of the Company's Constitution, and being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company.*

During the year, Mr Henderson was appointed as a Director of the Company. Pursuant to clause 19.4 of the Company's Constitution, any director so appointed must retire at the Company's next Annual General Meeting and is eligible for re-election.

**RESOLUTION 5: ISSUE OF OPTIONS (Dr Geoffrey Cumming)**

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

*That pursuant to and in accordance with section 208 of the Corporations Act 2001 (Cth) and Listing Rule 10.14 of ASX Limited, and for all other purposes, the Company approves and authorises the Directors of the Company to issue to Dr Geoffrey Cumming, options to subscribe for 2,500,000 fully paid ordinary shares in the capital of the Company at an exercise price of 2 cents per share with an expiry date of 30 September 2012, and otherwise on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.*

**Voting Exclusion Statement**

The Company will disregard any votes cast in relation to Resolution 5 by Dr Cumming and his associates. However, the Company will not disregard a vote if it is cast by Dr Cumming or his associates:

- (a) as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

**RESOLUTION 6: ISSUE OF OPTIONS (Transocean Securities Pty Ltd)**

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

*That pursuant to and in accordance with section 208 of the Corporations Act 2001 (Cth) and Listing Rule 10.11 of ASX Limited, and for all other purposes, the Company approves and authorises the Directors of the Company to issue to Transocean Securities Pty Ltd options to subscribe for 12,000,000 fully paid ordinary shares in the capital of the Company at an exercise price of 1.2 cents per share with an expiry date of 30 September 2010, and otherwise on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.*

**Voting Exclusion Statement**

The Company will disregard any votes cast in relation to Resolution 6 by Transocean Securities Pty Ltd and its associates. However, the Company will not disregard a vote if it is cast by Transocean Securities Pty Ltd or its associates:

- (a) as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

DATED the 19th day of October 2009.

By order of the Board

**Shane Hartwig**  
**Company Secretary**

For personal use only

**NOTES:**

**Explanatory Memorandum**

The Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Memorandum.

**Eligibility to vote**

In accordance with the Corporations Act 2001 and the Company's Constitution, a person's entitlement to vote at the Annual General Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the register of members) as at 7:00pm (Sydney time) on Saturday 21st November 2009.

**Proxy votes**

A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in their place.

Where more than one (1) proxy is appointed, the appointment may specify the proportion or number of votes that the proxy may exercise, otherwise each may exercise half of the votes.

A proxy need not be a member.

A form of proxy must be signed by the member or the member's attorney.

Proxies must reach the Company at least forty eight (48) hours before the meeting at which the person named in the proxy form proposes to vote.

The address for lodgement of proxies is:

<b>Delivery Address:</b>	<b>Postal Address:</b>	<b>Fax Number:</b>
Anteo Diagnostics Limited c/- Registries Limited Level 7 207 Kent Street Sydney NSW 2000	Anteo Diagnostics Limited c/- Registries Limited GPO Box 3993 Sydney NSW 2001	+ 61 2 9290 9655

**Power of Attorney**

If a proxy is signed by a member's attorney, the member's attorney confirms that he has received no revocation of authority under which the proxy is executed and the authorities under which the appointment was signed or a certified copy thereof must also be received at least forty eight (48) hours before the meeting.

**Bodies Corporate**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

**Questions for the Auditor**

Under section 250PA of the Corporations Act, shareholders may submit written questions for the auditor up to five business days before the date of the Annual General Meeting. Shareholders wishing to do so may send their questions to the Company at Level 5, 56 Pitt Street, Sydney, NSW, and the Company will pass them on to the auditor.

**2009 Annual Report**

Copies of the Company's 2009 Annual Report for the financial year ending 30 June 2009 ("Annual Report") comprising the Annual Financial Reports, Directors' Report and Auditor's Report of the Company and the Company's controlled entities will be distributed to those shareholders requesting a physical copy of these documents. The Company's Annual Report is able to be viewed at the Company's website at [www.anteodx.com](http://www.anteodx.com).

**Enquiries**

Shareholders are invited to contact the Company Secretary on (02) 8823 3152 if they have any queries in respect of the matters set out in these documents.

For personal use only

## EXPLANATORY MEMORANDUM

### ANTEO DIAGNOSTICS LIMITED

---

#### INTRODUCTION

---

This Explanatory Memorandum has been prepared to assist shareholders in considering the Resolutions set out in the Company's Notice of General Meeting. This Explanatory Memorandum forms part of, and should be read in conjunction with, the Company's Notice of Meeting, for the Company's Annual General Meeting to be held at Level 5, 56 Pitt Street Sydney NSW on Monday 23rd November 2009 at 11 am (Sydney time).

Terms used in this Explanatory Memorandum are defined in the Glossary at page 8.

---

#### BUSINESS

---

#### FINANCIAL STATEMENTS

The *Corporations Act 2001* requires that the Financial Report (including the Directors' Report, Financial Statements and the Audit Report) be laid before the Annual General Meeting. Although not requiring a vote of Members, an opportunity will be provided for Members to ask questions on the reports, including of the Company's auditor, who will be available to answer Member questions relating to the Audit Report.

#### RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

The Board is committed to creating value for Shareholders by applying the Company's funds productively and responsibly. A portion of the funds available to the Company is applied to remunerate your Non-Executive Directors.

Your Board is aware of the sensitivities of Shareholders to remuneration practices generally, and submits its remuneration report to Shareholders for consideration and adoption under a non-binding resolution.

The Remuneration Report appears within the Directors' Report in the Company's Annual Report and describes the remuneration practices of the Company and the rationale underpinning those practices.

#### Directors' Recommendation

The Directors unanimously recommend that shareholders vote in favour of the resolution.

#### RESOLUTION 2: RE-ELECTION OF DIRECTOR (Mr Richard Martin)

Under the Company's Constitution (clause 20.2) one third of Directors must retire from office annually and, if eligible, may offer themselves for re-election.

Mr Richard Martin is a Director of the venture capital group, First Cape Management. Mr Martin began his career working as a Chartered Accountant in public practice and has been a partner in the accounting firm of Trood Pratt & Co. His work has included complex business structuring and financing, the public listing of companies, the management of foreign currency portfolios, and the negotiation and implementation on the purchase and sale of small and large enterprises.

### **Directors' Recommendation**

The Board supports the re-election of Mr Martin.

### **RESOLUTION 3: RE-ELECTION OF DIRECTOR (Dr Geoff Cumming)**

Dr Geoff Cumming has over 20 years experience in the healthcare and biotechnology market. Geoff's roles have progressed from pure research to sales and marketing roles through to Managing Director level and Board seats. He was previously Managing Director of Roche Diagnostic Systems – Oceania Regional Centre, where he transformed a loss making business to one achieving over 30% compound annual growth over a four year period and the highest profitability levels in Roche's global organisation. Geoff was also Managing Director and CEO of an Australian based biotechnology company commercialising a range of products in cancer diagnosis and treatment. During his tenure he was responsible for taking research from Sydney University through to product registration. This involved capital raising, managing intellectual property, investor relations and forging links with relevant international partners.

### **Directors' Recommendation**

The Board supports the re-election of Dr Cumming.

### **RESOLUTION 4: RE-ELECTION OF DIRECTOR (Mr James Henderson)**

Mr Henderson is currently Managing Director of Transocean Securities Pty Ltd, a corporate advisory group focused on the emerging company market. His expertise is in the areas of corporate strategy and structure, capital raising and commercial negotiation.

Mr Henderson is involved as Director and advisor to companies across a number of industries and is Chairman of AIM listed Gladstone Pacific Nickel Limited, and a Director of Canadian listed company, Scorpio Mining Corporation, Inc.

Mr Henderson is Chairman of the Company and was appointed to the Board in December 2008.

### **Directors' Recommendation**

The Board supports the re-election of Mr Henderson.

### **RESOLUTION 5: ISSUE OF OPTIONS (Dr Geoff Cumming)**

The Company proposes to issue 2,500,000 options to the Managing Director of the Company, Dr Cumming, pursuant to the terms of his employment agreement which was entered into prior to him becoming a director of the Company. These Plan Options comprise the long term incentive agreed with Dr Cumming under his employment agreement, and will be subject to rules of the Company's Officers, Employees and Consultants Share Option Plan ("**Option Plan**") which was approved by shareholders at the 2008 Annual General Meeting.

#### ***Reason for Shareholder Approval***

ASX Listing Rule 10.14 states that a company must not permit a Director or their associate to acquire securities under an employee incentive scheme without the approval of ordinary shareholders. Accordingly, approval is sought under this Rule.

Chapter 2E of the Corporations Act also prohibits a public company from giving a financial benefit (which includes the grant of Plan Options) to a related party of the public company (which includes directors of the Company) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions; or

- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Although the issue of Plan Options to Dr Cumming is contemplated under his employment agreement which was entered into before he became a director of the Company, and might be said to fall within a nominated exception under the Corporations Act for shareholder approval (being reasonable remuneration of an officer or employee), your directors consider it prudent to seek shareholder approval nonetheless under the Corporations Act.

#### **Terms of Plan Options**

The proposed terms of the Plan Options are set out at Annexure A to this Explanatory Memorandum.

#### **Listing Rule 10.14 information**

The following information is provided to shareholders for the purpose of Listing Rule 10.14:

- (a) the number of Plan Options to be granted is 2,500,000;
- (b) the Plan Options will be granted as employee incentive options and accordingly the Plan Options will be issued for no cash consideration;
- (c) the exercise price of each Plan Option will be 2 cents per Plan Option;
- (d) the options will vest 100% in number as soon as practical as of the date of the first anniversary of Dr Cumming's commencement date with the Company (19<sup>th</sup> January 2010), subject to the Nomination and Remuneration Committee being satisfied that certain KPI's set out in Dr Cumming's employment contract have been satisfied. The Plan Options can be exercised between the time the Plan Options vest and at any time on or prior to 30 September 2012;
- (e) no directors nor any of their associates have received securities under the Option Plan since its adoption at the 2008 AGM and, as at the date of the Notice, no other director has been selected for participation in the Option Plan;
- (f) no loan is being granted by the Company in relation to the exercise price of the Plan Options;
- (g) the Plan Options will be issued no later than 1 month after the date of the Annual General Meeting.

Funds raised from any exercise of the Plan Options are intended to be used to fund continued commercialisation activities of the Company's technology and for working capital generally.

#### **Related Party Disclosures**

The following additional disclosures are made for the purposes of the Corporations Act:

- (a) *The nature of the financial benefit*

The proposed financial benefit to be given is the grant of Plan Options for no cash consideration.

- (b) *Valuation of Plan Options*

The Directors, in conjunction with the Company's advisers, have determined the value of the Plan Options using the Black Scholes model for pricing of financial options. This valuation model uses inputs including time to expiration, strike price, value of the underlying financial instrument, implied volatility and the risk free interest rate.

The terms of Dr Cumming's employment contract provides that the Plan Options are to expire 3 years from their date of issue. Subject to shareholder approval, the Board has agreed with

Dr Cumming to issue the Plan Options, in a notional sense, effective 30 September 2009 so that they expire on 30 September 2012. Accordingly, the Plan Options have been valued as at 30 September 2009.

On the days where Shares have not traded the previous day's closing price has been used. The resulting volatility figure is historical and this has been used as a guide to estimating implied volatility. The volatility figure has been discounted to take into account the fact that the Plan Options are exercisable on or before 30 September 2012. It should be noted that volatility is a subjective input into the calculation of financial Plan Options using the Black Scholes method.

Using this method of valuation the Company has determined a value of \$0.0033 for each of the Plan Options to be granted to Dr Cumming under the Option Plan. On the basis of this calculation, the total financial benefit to be given to Dr Cumming amounts to \$8,215.00

The assumptions used by the Company in calculating the value of the Plan Options were as follows:

Share Price	<b>\$0.0099</b>
Exercise Price	<b>\$0.02</b>
Volatility	<b>0.75</b>
Vesting date	<b>30 September 2009</b>
Expiry date	<b>30 September 2012</b>
Risk free rate	<b>5.3%</b>
Staff Turnover	<b>N/A</b>
Exercise Multiple	<b>N/A</b>
Dividends	<b>Nil</b>

- (c) *Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors*

As at the date of the Notice of Meeting the Company has 180,109,739 Shares on issue and 113,013,919 options on issue. Under the Company's fully underwritten Rights Offer (which had not closed at the date of the Notice of Meeting) it is anticipated that the Company will issue an additional 180,109,739 Shares and 180,109,739 options which, not accounting for options that may issue under Resolutions 5 & 6, would bring the total Shares and options on issue to 360,219,478 Shares and 293,123,658 options.

If any Plan Options granted as proposed above are exercised the effect would be to dilute the shareholding of existing shareholders. The market price of the Company's shares during the period of the Plan Options will normally determine whether or not the Option holder will exercise the Plan Options. At the time any Plan Options are exercised and Shares are issued pursuant to their exercise, the Shares may be trading at a price which is higher than the exercise price of the Plan Options.

The highest price of fully paid ordinary shares in the Company trading on ASX during the past 12 months was \$0.04 which occurred on 21<sup>st</sup> October 2008 and the lowest price of shares in the Company trading on ASX during the past 12 months was \$0.006 which occurred on 6<sup>th</sup> April 2009. The most recent closing price of shares in the Company trading on the ASX prior to the date of the Notice of Meeting was \$0.008 which occurred on 19<sup>th</sup> October 2009.

The other remuneration currently being received by Dr Cumming is set out on page 18 of the enclosed 2009 Annual Report of the Company.

The shares and Plan Options currently held directly and indirectly by Dr Cumming as at the date of the Notice of Meeting are set out below:

<b>Shares</b>	<b>Plan Options</b>
2,000,000	Nil

Note: if Dr Cumming takes up his full entitlement under the current Rights Offer then his holding would increase to a total of 4,000,000 Shares and 2,000,000 options.

The number of Plan Options to be issued to Dr Cumming was chosen by the Company's Remuneration Committee in order to provide him with an appropriate mix of cash remuneration and remuneration by way of Plan Options. The Company's Remuneration Committee took advice from an external consulting firm, Remuneration Strategies Group Pty Ltd, in determining the number of Plan Options to be allocated to Dr Cumming. The Plan Options component of the remuneration provides a link to the medium term and long term strategies of growing the Company for the benefit of all shareholders.

Other than the standard expensing of the value of the Plan Options for accounting purposes, it is not considered that from an economic and commercial point of view there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company resulting from the issue of the Plan Options pursuant to Resolution 5.

(d) *Directors' Recommendation*

All Directors (with the exception of Dr Cumming) recommend that shareholders vote in favour of Resolution 5.

Dr Cumming, who has a material personal interest in Resolution 5 (as he will be the recipient of the Plan Options), did not participate in any Board consideration of the Resolution and makes no recommendation on the Resolution.

**RESOLUTION 6: ISSUE OF OPTIONS (Transocean Securities Pty Ltd)**

As disclosed in the Company's rights issue prospectus issued in September 2009 Transocean has fully underwritten the Rights Offer by the Company. Pursuant to the terms of the Underwriting Agreement with Transocean, in addition to payment of an underwriting fee and management fee the Company has agreed, subject to shareholder approval, to issue 12,000,000 options to Transocean on the same terms and conditions as options issued pursuant to the Rights Offer.

***Reason for shareholder approval***

ASX Listing Rule 10.11 states that a company must not issue or agree to issue shares to a related party of the Company (which includes Directors of the Company) without the approval of ordinary shareholders.

Chapter 2E of the Corporations Act also prohibits a public company from giving a financial benefit (which includes the grant of options) to a related party of the public company (which includes directors of the Company) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Mr James Henderson and Ms Lara Iacusso, Directors of the Company, are also directors of Transocean. As such, Transocean is a related party of the Company for the purpose of Listing Rule 10.11 and Chapter 2E of the Corporations Act, and the proposed issue of the Underwriting Options requires shareholder approval.

***Terms of underwriting options***

The proposed terms of the Underwriting Options are set out at Annexure A to this Explanatory Memorandum.

**Listing Rule 10.11 information**

The following information is provided to shareholders for the purpose of Listing Rule 10.11:

- (a) the Underwriting Options are to be issued to Transocean Securities Pty Ltd;
- (b) 12,000,000 options will be issued;
- (c) the issue of the Underwriting Options will occur not later than 1 month after the date of the Annual General Meeting;
- (d) Transocean is a related party of the Company as Mr James Henderson and Ms Lara Iacusso are directors of both the company and Transocean;
- (e) the Underwriting Options will not be issued for any cash consideration (and so no funds will be raised by the Company through the issue of the Underwriting Options) but, subject to shareholder approval, are to be issued pursuant to the Underwriting Agreement in relation to the Rights Offer.

Funds raised from any exercise of the Underwriting Options are intended to be used to fund continued commercialisation activities of the Company's technology and for working capital generally.

**Related Party Disclosures**

The following additional disclosures are made for the purposes of the Corporations Act:

- (a) *The nature of the financial benefit*  
The proposed financial benefit to be given is a grant of Underwriting Options for no cash consideration.
- (b) *Shareholding Relationship*  
Mr James Henderson, director and chairman of the Company, is also the ultimate beneficial owner of Transocean.
- (c) *Terms of Underwriting Options*  
The Underwriting Options are being issued on the same terms and conditions as options issued to shareholders pursuant to the Rights Offer (refer to Annexure B).
- (d) *Other information that is reasonably required by members to make a decision that is known to the Company or any of its Directors*

The explanatory note to Resolution 5 sets out the number of Shares and options on issue in the Company as at the date of the Notice of Meeting.

As at the date of the Notice of Meeting the relevant interest of Transocean in securities of the Company was as follows:

Shares	Percentage of issued capital	Current options held
24,423,952	13.6%	48,387,228*

\* 48,387,288 options held by Transocean are exercisable at 6.5 cents each on or before 1 February 2011.

If all Underwriting Options and other options held by Transocean were exercised, and assuming that the Rights Offer is fully subscribed by shareholders, the effect would be to dilute

For personal use only

the shareholding of existing shareholders, as Transocean's interest in the Company would increase from 13.6% to 20.2%. The market price of the Company's shares during the period of such options will normally determine whether or not the Option Holder will exercise the options. At the time that the options are exercised and shares are issued pursuant to their exercise, the Shares may be trading at a price which is higher than the exercise price of the Options. The highest and lowest price of the Company's, in the last 12 months, as well as the most recent closing price of Shares on ASX prior to the date of the Notice of Meeting is set out at the explanatory notes to Resolution 5.

It is not considered that from an economic and commercial point of view there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company resulting from the issue of the Options pursuant to Resolution 6.

(e) *Directors' Recommendation*

All Directors (with the exception of Mr Henderson and Ms Iacusso) recommend that shareholders vote in favour of Resolution 6.

Mr Henderson and Ms Iacusso, who have a material personal interest in Resolution 6 (as they are directors and employees of Transocean, and Mr Henderson is the ultimate beneficial owner of Transocean) did not participate in any Board consideration of the Resolution and make no recommendation on the Resolution.

## GLOSSARY

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**\$** means Australian Dollars.

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

**Company** and **Anteo** means Anteo Diagnostics Limited (ABN 75 070 028 625).

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

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

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

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

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

**Listing Rule** means a Listing Rule of ASX.

**Notice** means the Notice of Meeting accompanying this Explanatory Memorandum.

**Plan Options** means 2,500,000 options to issue to Dr Cumming pursuant to Resolution 5 of the Notice.

**Proxy Form** means the proxy form for the General Meeting accompanying the Notice.

**Rights Offer** means non-renounceable rights issue (under a Prospectus issued in September 2008) of 1 share for every 1 share held by shareholders at an issue price of 0.6 cents per share together with 1 attaching Option (for no additional consideration) for every 1 share subscribed for.

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

**Transocean** means Transocean Securities Pty Ltd ACN 009 230 120.

**Underwriting Options** means 12,000,000 to issue to Transocean pursuant to Resolution 6 of the Notice.

## ANNEXURE A

### OPTION TERMS – RESOLUTION 5

1. No monies will be payable for the issue of the Plan Options.
2. The Plan Options shall expire on 30 September 2012 (“**Expiry Date**”).
3. Each Plan Option shall carry the right in favour of the Plan Optionholder to subscribe for one Share at an exercise price of 2 cents per Share.
4. After they vest, Plan Options may be exercised in whole or in part at any time (and from time to time) in parcels of not less than 1,000 prior to the Expiry Date by notice of exercise to the Company accompanied by the relevant exercise price.
5. The Plan Options are personal to the holder and cannot be assigned or transferred, except with the prior approval of the Board.
6. No application will be made for the Plan Options to be listed for Official Quotation on ASX.
7. Shares allotted pursuant to an exercise of Plan Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
8. The Company shall make application to have Shares allotted pursuant to an exercise of Plan Options listed for Official Quotation.
9. If the Plan 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.
10. The Plan Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Plan Options.
11. The Option holder does not have a right to participate in new issues without exercising the Plan Options.
12. In the event of any reorganisation of 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 a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules.
13. 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 Plan Options may be reduced according to the following formula:

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

Where:

O' = the new exercise price of the Plan Option.

O = the old exercise price of the Plan Option.

E = the number of underlying securities in the Company into which one Plan 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 on ASX 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.

14. Plan Options may be converted into Shares to be held in the name of the Option holder's nominee.
15. Plan Options shall otherwise be subject to the rules of the Company's Officers, Employee and Consultants Share Option Plan.

## ANNEXURE B

### OPTION TERMS – RESOLUTION 6

#### Underwriting Options

- (a) No monies will be payable for the issue of the Underwriting Options.
- (b) Each Underwriting Option gives the Option holder the right to subscribe for 1 Share.
- (c) The Underwriting Options will expire at 5:00 pm (EST) on 30 September 2010 (Expiry Date). Any Underwriting Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Underwriting Option will be 1.2 cents per Underwriting Option (Exercise Price).
- (e) The Underwriting Options held by the Optionholder may be exercised in whole or in part.
- (f) The Optionholder may exercise its Underwriting Options by lodging with the Company before the Expiry Date:
  - (i) a written notice of exercise of Underwriting Options specifying the number of Underwriting Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Underwriting Options being exercised;

#### (Exercise Notice)

- (g) An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
- (h) 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 Underwriting Options specified in the Exercise Notice.
- (i) The Underwriting Options are transferable.
- (j) All Shares allotted upon the exercise of Underwriting Options will upon allotment rank pari passu in all respects with other Shares.
- (k) Subject to the requirements of the ASX Listing Rules, the Company will apply for quotation of the Underwriting Options on ASX.
- (l) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Underwriting Options on ASX within 10 business days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Underwriting Options and the Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Underwriting 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 Optionholder the opportunity to exercise its Underwriting Options prior to the date for determining entitlements to participate in any such issue.

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

For personal use only

**PROXY FORM**

To be completed if you are not attending the meeting and wish to vote. Please see instructions on the next page for completion.

**Anteo Diagnostics Limited**  
**A.B.N. 75 070 028 625**

Return Proxy Form(s) To:  
 c/- Registries Limited  
 Level 7  
 207 Kent Street  
 Sydney NSW 2000

**A Appointment**

I/We.....  
(PLEASE PRINT NAME)

Of.....  
(ADDRESS)

being a member/members of Anteo Diagnostics Limited and entitled to attend and vote, appoint

.....  
(PLEASE PRINT NAME)  
 or failing the person so named (or if no person is named) the **Chairman 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 or the Chairman sees fit) at the meeting of members of Anteo Diagnostics Limited to be held on **Monday 23rd of November, at 11:00 am (Sydney time)** at Level 5, 56 Pitt Street Sydney NSW and at any adjournment of that meeting.

**IMPORTANT: If the Chairman of the meeting is your nominated proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place an "X" in this box**

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions 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 on 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.

**Please note that the Chairman of the meeting intends to vote undirected proxies in favour of each Resolution. Accordingly, if you intend to appoint the Chairman as your proxy and do not wish to vote in favour of each Resolution, please do not mark the above box, but instead mark the appropriate boxes below**

**B Business**

Should you desire to direct your proxy how to vote on any resolution you should place a mark (X) in the appropriate box against each item below. If you wish to direct your proxy to vote some of your shares in a different manner to others, please insert the number of votes to be cast in respect of each resolution in each of the "For", "Against" and "Abstain" boxes for each resolution.

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
<b>Resolution 1: Adoption of Remuneration Report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2: Re-election of Director (Mr Richard Martin)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3: Re-election of Director (Dr Geoffrey Cumming)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4: Re-election of Director (Mr James Henderson)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5: Issue of Options (Dr Geoffrey Cumming)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6: Issue of Options (Transocean Securities Pty Ltd)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**C If Appointing a Second Proxy**

State here the percentage of your voting rights  %

**OR**

The number of shares applicable to this form  Number

**D Insert your daytime telephone number** ( )

**E Signature(s)**

**Shareholder 1 (individual)**

Sole Director & Company Secretary

**Joint Shareholder 2 (individual)**

Director / Company Secretary (delete one)

**Joint Shareholder 3 (individual)**

Director

For personal use only

# PROXY FORM

## Instructions for completion and return of proxy form

1. Completion of this 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.
2. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two Proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified 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 of the votes.
3. A proxy need not be a shareholder of the Company.
4. 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.
5. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
6. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney must also be received at least forty eight (48) hours before the meeting.

### 7. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, each shareholder must sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- 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 can also sign alone.
- Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### 8. Receipt of Proxy Forms

To be valid this Proxy Form (and any Power of Attorney under which it is signed) must be received at any of the addresses or the fax number below **no later than 7:00pm (Sydney time) on Saturday the 21st of November 2009**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Delivery Address:**

Anteo Diagnostics Limited  
c/- Registries Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000

**Postal Address:**

Anteo Diagnostics Limited  
c/- Registries Limited  
GPO Box 3993  
Sydney NSW 2001

**Fax Number:**

+ 61 2 9290 9655