

27 May 2011

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge St
SYDNEY NSW 2000

NOTICE OF EXTRAORDINARY GENERAL MEETING

Please find attached a Notice of Extraordinary General Meeting and Explanatory Memorandum that deals with the Company's proposed acquisition of Emerchants Limited, the change of strategic direction and related resolutions.

Yours sincerely



Yasmin Broughton
Company Secretary

Att

Australasia Consolidated Limited
ACN 104 757 904

**Notice of General Meeting
and Explanatory Statement**

**General Meeting to be held at
QV1 Conference Centre, Level 2, QV1 Building, 250 St Georges
Terrace, Perth, Western Australia
at 8.30am WST,
Wednesday, 29 June 2011**

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote you should seek advice from your accountant solicitor or other professional adviser prior to voting.

Contents

	Page
Letter from the Chairman	2
Important Notices	3
Notice of General Meeting	5
Voting Instructions	11
Explanatory Statement	12
Proxy Form	59

Letter from the Chairman

Dear Shareholder

On behalf of the Board, I am pleased to enclose documentation in relation to a meeting of Shareholders which has been called to approve various proposed actions associated with a major change in the Company's direction.

In late 2010, the Company commenced a process to identify opportunities to enhance Shareholder value and transform the Company. The process has focused on identifying businesses with national and international growth potential and the Company assessed over 100 opportunities.

The search has culminated in the Company agreeing, subject to Shareholder approval, to purchase all of the shares in Emerchants Limited.

As part of its transformation, AAO has also commenced a number of additional initiatives, including:

- a consolidation of the Company's Shares and Options on a 5:1 basis;
- a capital raising of \$10,000,000 to support the acquisition and anticipated growth in EML;
- changes to the Board of Directors appropriate to the new business direction; and
- a change in the Company's name to Adept Solutions Limited.

Your Board believes that the EML business is highly attractive. It is a well-managed business with a strong management team of experienced industry personnel. All key managers have committed to multi-year employment contracts and tied a significant portion of their future potential wealth to achieving specific profit targets upon Completion of the proposed EML Acquisition.

The business has considerable growth opportunities through further expansion of EML's core products and services, new applications of EML's capabilities in adjacent pre-paid financial card market segments, strategic alliances with firms which possess a strong relationship with large numbers of customers, and acquisitive growth opportunities in both Australia and overseas.

To fund the acquisition of EML and its growth opportunities, AAO has undertaken an equity capital raising process to raise \$10,000,000. EML has a record amount of contracts on hand and requires funds for capital expenditures associated with a small degree of software modifications to support incremental business opportunities, expansion of the sales and marketing team, implementation of a robust marketing and promotional program, and support for its anticipated new regulatory status.

AAO has received broker firm commitments to the Placement from professional and sophisticated investors in respect of \$10,000,000 to be raised under the Prospectus which will be issued before the Meeting.

On completion of the Placement and the EML Acquisition, AAO will have a balance sheet with no net borrowings and a strong platform to pursue multiple opportunities in support of the EML business.

Your Board is excited about the new direction offered by the EML Acquisition and the expected growth to be generated by the acquisition. Accordingly, the Resolutions to be put to Shareholders are very important and I urge you to read the enclosed documentation and vote on the various Resolutions either by attending the Meeting in person or by lodging a valid proxy form with the Company.

Yours faithfully

John Terpu
Chairman

Important Notices

Key dates

Set out below are the proposed key dates relating to the EML Acquisition and Placement. These dates are indicative only and are subject to possible change.

Event	Anticipated Date
Announcement of EML Acquisition and Placement	9 May 2011
Lodgement of Prospectus with ASIC	16 June 2011
Snapshot date for eligibility to vote at the General Meeting (which is the date on which you must own Shares)	27 June 2011
General Meeting of Shareholders	29 June 2011
Suspension of trading in Company's securities	29 June 2011
Satisfy all conditions of the EML Acquisition	30 June 2011
Trading in Shares and Listed Options on a deferred settlement basis starts*	1 July 2011
Last day to register transfers on a pre-Consolidation basis	7 July 2011
Securities registered on a consolidated basis	8 July 2011
Issue of New Shares to the EML Vendors at Completion of the EML Acquisition	8 July 2011
Allotment and issue of New Shares pursuant to the Placement	8 July 2011
Despatch holding statements for new and reconstructed securities issued	14 July 2011
Reinstatement to official quotation	18 July 2011

*Note: Trading in the Company's listed securities will remain suspended at this time.

Please note that the above timetable is indicative only and may be varied in consultation with ASX. Any changes will be released to ASX.

Shareholders should note that ASX has indicated that the Company's securities will be suspended from trading on the day of the General Meeting to consider the proposed change in nature and activities and will be reinstated once the Company has satisfied all the requirements of Chapters 1 and 2 of the Listing Rules that are required with a change in business direction.

All references to time in this Explanatory Statement are references to Perth time.

Snapshot date

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the persons eligible to attend and vote at the meeting are those persons who are registered as Shareholders at 5.00pm (WST) on Monday, 27 June 2011.

This document contains important information

The Notice of General Meeting, the Explanatory Statement and the accompanying Proxy Form should be read in their entirety before you decide whether or not to vote in favour of the Resolutions in the Notice of General Meeting. The Explanatory Statement is incorporated into and forms part of this Notice of Meeting.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do you should consult your legal, financial or other professional advisor prior to voting.

Responsibility for information

The information concerning the AAO Group contained in this Explanatory Statement, including financial information and information as to the views and recommendations of the Directors, is the responsibility of AAO. The information in Sections 3 and 5 is the responsibility of AAO and the EML Vendors. The EML Vendors do not assume any responsibility for the accuracy or completeness of the information in this Explanatory Statement other than Sections 3 and 5.

Forward looking statements

Certain statements in the Explanatory Statement relate to the future. Such statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of AAO to be materially different from future results, performance or achievements expressed or implied by such statements. These statements reflect views only as of the date of the Explanatory Statement. Neither AAO nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in the Explanatory Statement will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

Defined terms

Capitalised terms used in the Explanatory Statement are defined in the Glossary of defined terms in Section 14 of the Explanatory Statement.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions about matters the subject of this Notice of Meeting.

To assist the Company in responding to questions please submit any question you may have by mail to the Company's office at Suite 4, 213 Balcatta Road, Balcatta, Western Australia, 6021, or by fax to +61 8 9240 4054 so that it is received by no later than close of business Wednesday, 22 June 2011.

Notice of General Meeting

Notice is hereby given that a General Meeting of the shareholders of Australasia Consolidated Limited (**AAO or Company**) will be held at **QV1 Conference Centre, Level 2, QV1 Building, 250 St Georges Terrace, Perth, Western Australia** on **Wednesday, 29 June 2011** at **8.30am** WST for the purpose of transacting the following business referred to in this Notice of Meeting.

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes the various matters to be considered.

Terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary in Section 14 of the Explanatory Statement.

Business and agenda

1. **Resolution 1: Approval of EML Acquisition and the change in nature and scale of AAO's activities**

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

"That, subject to the passing of Resolutions 2, 3, and 4, for the purposes of Listing Rule 11.1 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities by the acquisition of all of the shares in Emerchants Limited ACN 131 436 532 on the terms of the EML Share Purchase Deed and in the manner described in the Explanatory Statement."

Short Explanation: The Listing Rules require the Company to seek Shareholder approval of proposed significant change to the nature and/or scale of its activities. The proposed EML Acquisition and associated capital raising will constitute a significant change to the nature and scale of the Company's activities. Further information about the Resolution is contained in the accompanying Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the EML Vendors and their Associates, and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder if the Resolution is passed, or any Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

2. **Resolution 2: Issue of New Shares to the EML Vendors for the acquisition of EML**

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

"That, subject to the passing of Resolutions 1, 3, and 4, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue and allot on a post-Consolidation basis the following securities:

- (a) *up to 19,447,552 New Shares to Globetrotter Group Pty Ltd ACN 067 013 192 as trustee of the EML Unit Trust; and*
- (b) *up to 11,052,448 New Shares to Emerchants Holdings Pty Ltd ACN 098 296 050,*

pursuant to and as may be adjusted in accordance with the EML Share Purchase Deed, as summarised in the Explanatory Statement.”

Short explanation: Resolution 2 seeks approval for the maximum number of New Shares that may be issued to the EML Vendors on a post-Consolidation basis under the terms of EML Acquisition. The actual number of New Shares that may be issued will depend on a formula determined by reference to the financial performance of EML. Further information about the Resolution and details of the possible security holding interests of the EML Vendors is contained in the accompanying Explanatory Statement.

Voting exclusion: In accordance with the requirements of the Corporations Act and Listing Rule 14.11, the Company will disregard any votes cast on Resolution 2 by an EML Vendor or an Associate of an EML Vendor. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

3. Resolution 3: Consolidation of capital

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

"That, subject to the passing of Resolutions 1, 2 and 4, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every five (5) Shares be consolidated into one (1) Share and every five (5) Options be consolidated into one (1) Option, and if this Consolidation results in a fraction of a Share being held by a Shareholder or a fraction of an Option being held by an Optionholder, the Directors be authorised to round that fraction up to the nearest whole Share or Option."

Short Explanation: Under the Corporations Act, a Company may convert all or any of its securities into a smaller amount by resolution passed at a general meeting. The Consolidation is proposed in order to provide the Company with a more appropriate capital structure at the time of the proposed issue of Shares under Resolution 4. Further information about the Resolution is contained in the accompanying Explanatory Statement.

4. Resolution 4: Issue of New Shares under the Placement

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

"That, subject to the passing of Resolutions 1, 2 and 3, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue and allot up to 11,764,706 New Shares at an issue price of \$0.85 per New Share (on a post-Consolidation basis) to raise \$10,000,000 before costs and expenses of the issue, on the terms and conditions set out in the Explanatory Statement."

Short Explanation: Shareholder approval is sought to raise additional capital for working capital and capital expenditure purposes in order to fund the growth and development of the EML business. The Placement is subject to the EML Acquisition and the Consolidation occurring and the New Shares will be issued on a post-Consolidation basis. Further information about the Resolution is contained in the accompanying Explanatory Statement.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if this Resolution is passed, and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

5. Resolution 5: Change in Company name to “Adept Solutions Limited”

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

“That, subject to the passing of Resolutions 1, 2, 3 and 4, for the purposes of section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Adept Solutions Limited”.”

Short Explanation: Pursuant to section 157(1) of the Corporations Act, a company may adopt a new name by a special resolution passed at a general meeting. Further information about the Resolution is contained in the accompanying Explanatory Statement.

6. Resolution 6: Approval of Employee Share Option Plan

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

“That, for the purposes of Listing Rule 7.2 Exception 9 and for all other purposes, approval is given for the establishment by the Company of the Employee Share Option Plan, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: Listing Rule 7.2 Exception 9 provides that securities issued pursuant to an employee incentive scheme that has been approved by shareholders within the previous three (3) year period will not constitute securities which must be counted for the purposes of the 15% placement capacity under Listing Rule 7.1.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

7. Resolution 7: Grant of Options to Bob Browning under ESOP

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

“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the grant of 13,000,000 Options (or 2,600,000 Options on a post-Consolidation basis) under the Company’s Employee Share Option Plan to Mr Bob Browning, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Resolution seeks approval for the grant of Options to Mr Bob Browning as part of his employment package as an Executive Director of the Company. Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to directors or their Associates under an employee incentive scheme.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

8. Resolution 8: Grant of Options to Bryant Plavsic under ESOP

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

“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the grant of 10,000,000 Options (or 2,000,000 Options on a post-Consolidation basis) under the Company’s Employee Share Option Plan to Mr Bryant Plavsic, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Resolution seeks approval for the grant of Options to Mr Bryant Plavsic as part of his employment package as an Executive Director of the Company. Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to directors or their Associates under an employee incentive scheme.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director or any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

9. Resolution 9: Issue of Shares to Bob Browning

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

“That, subject to the passing of Resolutions 1, 2, 3 and 4, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 417,973 Shares (on a post-Consolidation basis) to Mr Bob Browning, an Executive Director of the Company, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Resolution seeks approval for the issue of up to a total of 417,973 Shares to Mr Bob Browning, in consideration of services provided to date as an Executive Director of the Company. Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company, which includes directors.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Browning and any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

10. Resolution 10: Issue of Shares to Bryant Plavsic

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

“That, subject to the passing of Resolutions 1, 2, 3 and 4, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 313,480 Shares (on a post-Consolidation basis) to Mr Bryant Plavsic, an Executive Director of the Company, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Resolution seeks approval for the issue of up to a total of 313,480 Shares to Mr Bryant Plavsic, in consideration of services provided to date as an Executive Director of the Company. Listing Rule 10.11 requires a listed company to obtain shareholder

approval by ordinary resolution prior to the issue of securities to a related party of the company, which includes directors.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Plavsic and any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

11. Resolution 11: Issue of Shares to Mark Barnaba

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

“That, subject to the passing of Resolutions 1, 2, 3 and 4, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 443,823 Shares (on a post-Consolidation basis) to Mr Mark Barnaba, a Proposed Director of the Company, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Resolution seeks approval for the issue of up to a total of 443,823 Shares to Mr Mark Barnaba, a Proposed Director of the Company, in consideration of services provided by Mr Barnaba as a member of the Company’s Advisory Committee. Mr Barnaba has not received any other payment for these services. Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company, which includes directors.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Barnaba and any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

12. Resolution 12: Issue of Shares to John Willinge

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

“That, subject to the passing of Resolutions 1, 2, 3 and 4, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 147,941 Shares (on a post-Consolidation basis) to Mr John Willinge, a Proposed Director of the Company, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Resolution seeks approval for the issue of up to a total of 147,941 Shares to Mr John Willinge, a Proposed Director of the Company, in consideration of services provided by Mr Willinge as a member of the Company’s Advisory Committee. Mr Willinge has not received any other payment for these services. Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company, which includes directors.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Willinge and any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

13. Resolution 13: Grant of Options to John Toms under ESOP

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

“That, subject to the passing of Resolutions 1, 2, 3 and 4, for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the grant of 1,000,000 Options (or 200,000 Options on a post-Consolidation basis) under the Company’s Employee Share Option Plan to Mr John Toms, on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: The Resolution seeks approval for the grant of Options to Mr John Toms, a Proposed Director of the Company. Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to directors or their Associates under an employee incentive scheme.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Toms or any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, 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.

BY ORDER OF THE BOARD



Yasmin Broughton
Company Secretary

Dated: 27 May 2011

Voting Instructions

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged:

By hand or post to: Suite 4, 213 Balcatta Road, Balcatta, Western Australia, 6021

By fax: +61 8 9240 4054

not later than 48 hours before the time for holding the General Meeting i.e. no later than 8.30am (WST) on 27 June 2011. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Appointment of a Proxy

A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy. The proxy may, but need not be, a member of the Company.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on +61 8 9240 4111 or you may photocopy the Proxy Form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

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.

Votes on Resolution

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Resolutions. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on the Resolutions will be invalid.

Voting Entitlement

For the purposes of determining voting entitlements at the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at the close of business on 27 June 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Link Market Services Limited, before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representative are available at www.linkmarketservices.com.au or on request by contacting Link Market Services on telephone number +61 2 8280 7111.

Explanatory Statement

1. Introduction

1.1 Overview of EML Acquisition and Placement

On 9 May 2011, the Company announced that it was seeking to change the activities of the Company from its current minerals exploration based operations to enter the financial services industry as an issuer of pre-paid financial cards in Australia.

The proposed change in activities is to be undertaken by the purchase of 100% of the share capital of Emerchants Limited (**EML Acquisition**).

In conjunction with the EML Acquisition, the Company proposes to undertake a Placement of 11,764,706 New Shares at an issue price of \$0.85 each (on a post-Consolidation basis) to raise \$10,000,000.

Completion of the EML Acquisition and associated Placement are inter-dependent and will involve the key steps outlined in Section 1.2 and the following matters:

- a consolidation of the Company's securities on a 5 to 1 basis;
- a capital raising of \$10,000,000;
- EML becoming a wholly-owned subsidiary of the Company;
- a change in the Company's business from mining exploration to a financial services provider;
- the appointment to the Board of new Directors, being Mr John Battley (who is a current director of EML), and Messrs Mark Barnaba, John Toms and John Willinge; and
- the resignation of Mr Bruno Firriolo as a Non-Executive Director of the Company.

1.2 Key steps of the proposed EML Acquisition, the Placement and compliance with the Listing Rules in relation to trading of Securities on ASX

If all Resolutions pursuant to this Notice are passed and the conditions precedent under the EML Share Purchase Deed are satisfied, then the following key steps and transactions will be undertaken, which are described in more detail elsewhere in this Notice:

Event	Resolution	Explanatory Statement Section
Lodgement of Prospectus for Placement with ASIC and issue of Prospectus	N/A	8
Consolidation of Shares and Options on a 5:1 basis	3	7
Issue of New Shares under the Placement	4	8
Issue of New Shares to the EML Vendors	2	4
Completion of the EML Acquisition	1	4

Event	Resolution	Explanatory Statement Section
Appointment of Messrs John Battley, Mark Barnaba, John Toms and John Willinge to the Board of the Company (to occur on Completion of the EML Acquisition)	N/A	5
Suspension and reinstatement of Securities to official quotation on ASX	N/A	6.1

1.3 Anticipated capital structure on reinstatement of ASX quotation

The table below shows the anticipated capital structure of the Company in the event that all Resolutions are approved and the anticipated number of Shares approved pursuant to those Resolutions are issued.

The below table does not take into account the further 19,000,000 New Shares that may be issued to the EML Vendors pursuant to the terms of the EML Share Purchase Deed upon the satisfaction of certain financial performance targets. It is not anticipated by the Company that all of these Shares will be issued. Please refer to Sections 4.1, 4.4 and Schedule 1 for further details.

Shares	Number
Current Shares on issue	189,396,800
Post-Consolidation Shares on issue (5:1 consolidation)	37,879,360 ¹
New Shares anticipated to be issued to the EML Vendors at Completion of the EML Acquisition pursuant to Resolution 2	11,500,000 ²
New Shares issued under the Placement pursuant to Resolution 4 assuming full subscription	11,764,706
Shares issued to Messrs Browning, Plavsic, Barnaba and Willinge (Resolutions 9 – 12) (5:1 consolidation)	1,323,217
Total Shares on issue on reinstatement of quotation on ASX (on a post-Consolidation basis)	62,467,283
Listed Options ³	Number
Listed Options on issue	130,448,128
Post-Consolidation Listed Options on issue (5:1 consolidation)	26,089,626 ¹
Total Listed Options on issue on reinstatement of quotation on ASX (on a post-Consolidation basis)	26,089,626¹
Unlisted Options	Number
Existing Unlisted Options on issue (pre-Consolidation) ⁴	8,495,000
Post-Consolidation Existing Unlisted Options on issue (5:1 consolidation) ⁵	1,699,000
New Options to be granted under ESOP to Messrs Browning, Plavsic and Toms (Resolutions 7, 8 and 13) (5:1 consolidation) ⁶	4,800,000
Total unlisted Options on issue on reinstatement of quotation on ASX (on a post-Consolidation basis)	6,499,000

Notes:

1. Subject to rounding up adjustments and based on the number of Shares and Listed Options on issue as at 23 May 2011.
2. Pursuant to the terms of the Share Purchase Deed, a further 19,000,000 New Shares may be issued to the EML Vendors after Completion and subject to EML meeting specified financial performance targets. Refer to Sections 4.1, 4.4 and Schedule 1 for details.
3. Exercisable at \$0.50 (on a post-Consolidation basis) on or before 19 April 2013.
4. 8,000,000 Options exercisable at \$0.26 on or before 1 June 2014; 100,000 Options exercisable at \$0.19 on or before 13 March 2012; 75,000 Options exercisable at \$0.12 on or before 31 October 2012; 150,000 Options exercisable at \$0.11 on or before 31 December 2012; and 170,000 Options exercisable at \$0.13 on or before 31 December 2011 (all exercise prices are on a pre-Consolidation basis).
5. 1,600,000 Options exercisable at \$1.30 on or before 1 June 2014; 20,000 Options exercisable at \$0.95 on or before 13 March 2012; 15,000 Options exercisable at \$0.60 on or before 31 October 2012; 30,000 Options exercisable at \$0.55 on or before 31 December 2012; and 34,000 Options exercisable at \$0.65 on or before 31 December 2011 (all exercise prices are on a post-Consolidation basis).
6. Exercisable at \$1.45 (on a post-Consolidation basis) on or before 18 July 2014.

1.4 Overview of EML

EML is a broad-based provider of pre-paid financial cards, ranging from reloadable cards through to traditional, single-store gift cards.

EML operates in a burgeoning market, with pre-paid and debit cards growing at a combined 19.9% over the past five years.¹ Furthermore, closed loop cards, such as gift cards, and open loop cards, such as pre-paid debit cards, grew by 68% in the same period.¹

Usage of financial cards in Australia has lagged behind comparable markets in the United States and United Kingdom, indicating significant potential for rapid growth over the next five years.

Meanwhile, EML has expanded to be the largest issuer of pre-paid financial cards in Australia, commanding a 28% share of the market.¹

EML has spent the past nine years developing and refining its technology to provide maximum flexibility and scalability, while it has been integrated to work with other systems, such as Electronic Funds Transfer at Point of Sale (**EFTPOS**).

EML has issued more than two million cards and settled transactions valued at over \$200 million. Its clients include NRMA, Cabcharge, Edge Loyalty, Tru Energy, Save the Children, Bayer, Sunbeam, Hyatt, Harley-Davidson Motor Cycles and New Balance.

Cashless mine sites, distributors of Government social payments and corporate expense management also utilise EML's products.

Please refer to Section 3 for more details of EML and its activities.

1.5 Pro-forma balance sheet

The Directors have prepared the following pro-forma balance sheet to present the position of the AAO Group as a result of the EML Acquisition and the impact of the Placement assuming the minimum amount of capital is raised.

The pro-forma consolidated balance sheet of the AAO Group has been derived from the reviewed financial statements of the AAO Group and adjusted to reflect pro-

¹ © Euromonitor International 2011, AAO analysis

forma assets and liabilities of the AAO Group as if completion of the EML Acquisition and the Placement under the Prospectus had occurred on 31 December 2010.

The following matters, which will occur after 31 December 2010, make up the pro-forma adjustments to the 31 December 2010 balance sheet:

- a 5:1 consolidation of the issued capital of AAO;
- the issue of 12,000,000 New Shares to the EML Vendors, being the number of New Shares that the Directors anticipate being issued; (comprising 11,500,000 Initial Consideration Shares and 500,000 Deferred NA Adjustment Shares); pursuant to the terms of the Share Purchase Deed the actual number of New Shares to be issued will only be determined following Completion of the EML Acquisition;
- the funding of \$2.5 million of cash consideration for EML Vendors;
- proceeds from the issue of 11,764,706 New Shares at \$0.85 each, raising \$10,000,000 pursuant to the Prospectus;
- costs of the Placement of \$1.2 million plus other transaction-related costs amounting to \$0.2 million; and
- the impact on share capital and retained earnings of the issue of Shares under Resolutions 9 – 12.

Pro-forma balance sheet

	Australasia Consolidated 31-Dec-10 Reviewed \$'000	EML 31-Dec-10 Reviewed \$'000	Pro forma Adjustments \$'000	Pro forma \$'000
Assets				
Cash & cash-like items	4,307	54	6,102	10,464
Trade debtors	33	67		100
Other current assets	16	549		565
Loans		231		231
Property, plant & equipment	5	90		95
Exploration & evaluation expenditure	2,487			2,487
Goodwill and intangible assets		1,915	11,142	13,058
Total assets	6,849	2,906	17,244	27,000
Liabilities				
Trade creditors	95	752		847
Other current liabilities		309		309
Loans		94		94
Other non-current liabilities	59	193		252
Total liabilities	154	1,349		1,502
Net assets	6,695	1,558	17,244	25,497
Equity				
Share capital	14,262	4,238	16,024	34,524
Retained earnings/(losses)	(7,567)	(2,680)	1,220	(9,027)
Total equity	6,695	1,558	17,244	25,497

In accordance with Australian Accounting Standard AASB 3 Business Combinations, the Company is required to allocate the consideration for EML by recognising identifiable assets, liabilities and contingent liabilities of EML at their fair values at completion date. Any difference between consideration paid for the acquisition and the net fair value of the identifiable assets, liabilities and contingent liabilities is accounted for as goodwill.

The pro-forma consolidated statement of financial position includes a preliminary allocation of the purchase price. Australian Accounting Standards allow a period of twelve months from the completion date of an acquisition to finalise the purchase price allocation. It is possible that the final purchase price allocation could be different to the preliminary allocation and the actual allocation.

1.6 Pro-forma income statement

The following table shows summary profit and loss statement information for AAO, EML and the pro-forma combined entity for the years ending 30 June 2009 and 30 June 2010 and the six months ended 31 December 2010.

This information is intended to provide investors with an indication of what the combined entity's financial performance would have been had AAO's acquisition of EML been effective from 1 July 2008. No pro-forma adjustments have been made in calculating the pro-forma combination figures.

\$'000	FY09			FY10			H1 FY11		
	AAO	EML	Pro forma	AAO	EML	Pro forma	AAO	EML	Pro forma
Total revenue	58	847	905	45	1,137	1,182	81	822	903
EBITDA	(3,107)	(1,357)	(4,464)	(528)	(1,049)	(1,576)	(1,453)	(224)	(1,677)
EBIT	(3,112)	(1,421)	(4,533)	(533)	(1,546)	(2,078)	(1,455)	(488)	(1,943)
NPAT	(3,112)	(1,158)	(4,270)	(386)	(1,204)	(1,590)	(1,455)	(318)	(1,773)

Notes:

- Interest income is included as a component of revenue due to it being operational in nature and not related to the funding of the businesses.

1.7 AAO's current activities and financial position

AAO is currently a minerals exploration company focussed on gold and associated metals.

AAO intends to divest or spin-off its mineral assets in the near future so as to maximise the value for Shareholders while focussing the business in the financial services sector.

The Company's projects are located in the Pine Creek region of the Northern Territory, in South Australia's Gawler Craton, Mt Carlton area in the northern end of the Bowen Basin in Queensland and Mt Lucky in the Laverton Goldfields of Western Australia.

Each of these project areas is centrally located in a region with recognised gold and metals endowment, and both historic or more recent production facilities. Each of the Company's project areas includes known gold and base metal mineralisation and exploration potential.

Further details of AAO's activities to date and financial position are contained in AAO's half year report and financial statements for the period ended 31 December

2010 released to ASX on 14 March 2011, a copy of which is available on AAO's website at www.australasiaconsolidated.com.au.

1.8 Use of funds

With \$10,000,000 to be raised from the Placement, the Company anticipates the funds to be applied as follows:

Sources and uses of funds	Amount (\$ million)
Sources	
Cash from Placement at minimum subscription	<u>10.0</u>
Total funds available	10.0
Uses	
Cash consideration to EML Vendors	2.5
Transaction and capital raising costs	1.4
Funds for working capital and growth activities	
Systems development	<u>2.5</u>
Expansion of administration	<u>1.0</u>
Expansion of sales and marketing	<u>1.5</u>
Working capital	<u>1.1</u>
Total funds applied	10.0

Notes:

- The information set out in the above table is a statement of present intention as at the date of this Notice of Meeting. The exact amount of existing cash available and funds applied by the Company will depend on various factors that cannot be ascertained at this time. These amounts are subject to possible change.

2. Directors' recommendation and key considerations for Shareholders

2.1 Recommendation of the Directors

The Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions set out in the Notice of Meeting.

Based on the information available, including that contained in this Explanatory Statement, all of the Directors consider that the EML Acquisition is in the best interests of the Company and recommend that Shareholders vote in favour of the Resolutions.

The Directors consider that the EML Acquisition brings to the Company a number of advantages. There are also some potential disadvantages and risks associated with the transaction, as noted in Sections 2.3 and 2.4 below. The Directors consider the advantages outweigh the disadvantages.

The reasons for the Directors recommending the EML Acquisition to Shareholders include:

- EML participates in an attractive segment of the payments industry, the pre-paid market segment, which has exhibited the fastest rate of growth within that industry;

- EML has a proven business model with considerable growth opportunities, both nationally and internationally;
- AAO's existing minerals exploration activities do not offer sufficient growth opportunities for the Directors to be able to recommend to Shareholders that minerals exploration continues to be the principal activity of a listed company;
- the \$10,000,000 capital raising pursuant to the Prospectus places the Company in a strong position to pursue its future growth opportunities with EML; and
- the acquisition provides the platform from which the Company can seek further inorganic growth opportunities within the financial services sector.

2.2 Advantages of the EML Acquisition

Some of the advantages of the EML Acquisition include, without limitation:

- the EML Acquisition will see the Company execute an appropriate investment opportunity away from the riskier minerals exploration business;
- as previously advised to Shareholders, the Board has been seeking investment opportunities to enhance shareholder value;
- the acquisition of EML meets the Company's investment criteria;
- EML has a track record of growth, with significant potential for future expansion both organically and via acquisition;
- EML's future growth will require little additional capital expenditure, as the existing software and infrastructure is scalable to approximately 100 times the number of transactions per second currently being managed;
- EML management has significant experience in the pre-paid financial card industry and key personnel have agreed to multi-year employment contracts; and
- the broader payments and financial services market offers further inorganic growth opportunities for AAO.

2.3 Potential disadvantages of the EML Acquisition

Some of the disadvantages of the EML Acquisition include, without limitation:

- the EML Acquisition will utilise cash consideration payable to the EML Vendors of approximately \$2,500,000 plus transaction costs of approximately \$1.4 million which could have conceivably be used for other purposes or to acquire other targets that may be more attractive;
- at Completion, the EML Acquisition will require the issue of approximately 11,500,000 New Shares to the EML Vendors. Subject to the financial performance of EML for the year ending 30 June 2011 and for the three financial years commencing 1 July 2011, up to a further 19,000,000 New Shares may be issued to the EML Vendors, should certain profit before tax targets be achieved. The issue of these securities will dilute the ownership of Existing Shareholders; and
- the EML Acquisition involves consideration of a number of potential risks as noted in Section 2.4.

2.4 Risks

Shareholders should be aware that an investment in EML involves risks that may be higher than risks associated with an investment in some other companies. Careful consideration should be given to all matters raised in this Explanatory Statement. The risks include, without limitation:

- **Reliance on key management and personnel**

EML's success depends largely on the core competencies of its key management and personnel, and their familiarisation with, and ability to operate EML, and the Company's ability to retain those key management and personnel.

- **Lower growth in the pre-paid financial card market than anticipated**

The markets in which EML operates may grow at a lower rate than EML anticipates, resulting in lower revenue growth than expected.

- **EML achieving lower market share than anticipated**

EML may face difficulty in achieving anticipated growth in market share due to greater competition, resulting in lower revenue growth than expected.

- **Access to growth funding may be limited**

Expansion of the Company's activities will require further capital expenditure. There can be no guarantee that the funds raised through the Placement will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

- **Exposure of client information**

EML's private client information may be inappropriately exposed, resulting in damage to EML's brand, reputation and, possibly, direct and detrimental legal and financial consequences.

- **Commercial relationships with EML customers and suppliers**

EML has a number of important supplier and customer relationships. The loss of one or more key supplier or customer relationships could have the potential to adversely impact the operating results of EML.

EML is party to a number of contracts with its customers for the provision of products and services. Some of these contracts are material in nature and in the event that any of these are terminated, there may be an adverse effect on the financial performance and future prospects of EML.

EML's ability to retain key customers may also be materially adversely affected through the loss of key staff.

- **Disruption of EML's relationships for the provision of services**

Cuscal Limited (**Cuscal**) manages all of EML's transaction settlements and provides additional sponsorship arrangements with the exception of its MasterCard transactions, whose settlements are managed by Bankwest. Disruption to these relationships could result in EML not being able to

provide transaction services or undertake any further card issuance. This would result in significant reduction in revenue and profitability.

- **Regulatory changes in the pre-paid financial card industry**

EML’s business is impacted by the regulatory regime under which it operates. If the regulatory regime were to significantly change then this may have an impact on the operations and the financial position of the business.

Refer to Section 4.9 of this Notice for further information about EML’s regulatory obligations.

- **EML unsuccessfully applying for an Australian Financial Service Licence (AFSL)**

Currently, EMH holds the Australian Financial Services Licence (**AFSL**) under which EML operates as an “authorised representative”. As part of the acquisition by the Company, EML has applied for an AFSL in its own right.

If the application is not successful then EML would continue to operate as an authorised representative of EMH. A risk to Shareholders is if for any reason the AFSL held by EMH is revoked by ASIC, EML would no longer have access to an AFSL and could not issue products that require the AFSL. This would have a deleterious impact on the financial position of EML.

The mitigation initiatives put in place by management of the Company in respect of these risks include, but are not limited to, the following:

Key risk	Management / mitigation
Lower growth in pre-paid financial card market than anticipated	Strategy and operational plans developed
EML achieves lower market share than anticipated	Expanded sales team and structure agreed
Access to growth funding may be limited	Broker firm commitment for \$10 million equity capital raising sufficient to fund growth opportunities (the Placement)
Exposure of client information	Detailed due diligence has highlighted “best of breed” data security systems within EML
Disruption of EML’s relationships	Banking relationships reviewed and confirmed during due diligence
Regulatory changes in the pre-paid industry	ADI PPF application process has been initiated
Revocation of AFSL within Emerchants Holdings Limited	EML pursuing a customer-centric strategy that is unlikely to be significantly impacted by regulatory change

2.5 Directors' voting intentions

The Directors' and Proposed Directors' direct and/or indirect security holdings (pre-Consolidation basis) in the Company are set out in the following table:

Director / Proposed Director	Shares	Listed Options	Unlisted Options
John Terpu	24,925,844	4,985,169	Nil
Bob Browning	2,884,615	14,000,001	Nil
Bryant Plavsic	2,884,615	16,575,000	Nil
Bruno Firriolo ¹	1,500,000	Nil	Nil
Mark Barnaba ²	14,000,001	30,500,000	Nil
John Battley ³	Nil	Nil	Nil
John Toms ⁴	Nil	Nil	Nil
John Willinge ²	5,207,692	12,018,000	Nil

Notes:

1. Mr Firriolo will resign as a Director effective from the date of the Meeting.
2. Proposed Directors are currently members of the Company's Advisory Committee.
3. Proposed Director and current director of EML.
4. A Proposed Director.

Each of the Directors and the Proposed Directors, and their Associates, intend to vote in favour of all of the Resolutions, subject to any voting exclusions for particular Resolutions.

2.6 Consequences if Resolutions are not approved

In the event Resolutions 1 to 4 inclusive are not approved by Shareholders at the General Meeting, the EML Acquisition and the Placement will not proceed. In that event the Board will continue to review other projects with a view to identifying potential acquisitions that the Directors consider to be in the best interests of Shareholders.

3. EML business and structure

3.1 EML's business

Located in Brisbane, Queensland, with offices in Sydney and Perth, EML was formed in 2001 after witnessing the emergence of the Electronic Pre-paid Industry in the US. One of the drivers of the industry in the US was the targeting of the unbanked and under-banked. Approximately 30% of the US population was unable or unwilling to hold a bank account. Illegal immigrant workers, paid by cheque, were forced to engage with pawnbrokers who would convert their payroll cheques to cash for an uncommercial fee. The Reserve Bank of Australia equivalent in the US, concerned with this issue, allowed technically competent companies to process cards that worked on local networks as long as the funds held were not deemed at risk.

Comparing US figures to Australian unbanked statistics did not present a very positive business case for starting a pre-paid card in Australia as there was a smaller proportion of unbanked. However, EML saw an opportunity to develop a business case based on services, products and entire processes generated by an

Electronic Pre-paid Infrastructure. These services / products were currently only offered at financial institutions that normally dealt in this space (i.e. banks). By providing another option to customers it would allow for greater choice, flexibility and lower cost.

EML's business model is based on providing host-based stored value services over existing infrastructure. The established Electronic Funds Transfer (**EFT**) network in Australia is EFTPOS. EML has direct connectivity to this network and authorises its transactions through this facility. To satisfy regulatory bodies that a cardholder's funds are not at risk, EML does not hold the funds in its name nor is it signatory to the account. All settlements with interchange partners are performed by Cuscal, or Bankwest in the case of MasterCard transactions.

EML's reconciliations of cardholder funds are audited by external auditors monthly, half yearly and annually to ensure they are true and correct.

EML's first transaction occurred in November 2004 and the business has since issued over two million cards and successfully settled transactions valued at over \$200 million.

3.2 Pre-paid card market taxonomy

The pre-paid card market can best be broken into "open" versus "closed loop", and "reloadable" versus "pre-denominated" programs:

- Closed loop cards can only be used to make payments with a specified vendor whereas open loop cards can be used with any vendor who offers access to the appropriate payment system network (e.g. EFTPOS, Visa and MasterCard).
- Pre-denominated cards are "used up" once the initial funds attaching to them upon issue have been spent, whereas reloadable cards can have additional funds added to them, facilitating ongoing card usage.

3.3 EML product and service offering

EML currently offers a variety of products and services and, in the context of the broader growth strategy for the Company, will more aggressively promote these offerings in the future:

- Gift cards – promotional gift cards for retailers and consumer goods companies via EFTPOS, MasterCard, on-line and private label capabilities. These cards may be either open loop or closed loop in nature. Additionally, these cards may be pre-denominated or reloadable.
- Loyalty and rewards cards – promotional loyalty cards for retailers and consumer goods companies. These cards may be either open loop or closed loop in nature. Additionally, these cards may be pre-denominated or reloadable.
- Corporate expense management – pre-paid and/or reloadable general purpose cards for employees. Management and usage tracking may be controlled directly by the client.
- Broad application general purpose pre-paid and debit cards capable of being configured for use by parent/child, international students, non-residents of Australia and travellers.

3.4 EML capital, directors and shareholders

EML has a total of 53,148,148 ordinary shares and no other securities on issue.

The directors of EML are John Richard Battley, Anthony Thomas Ferguson and Donna Marie Ferguson. Further details of the experience and qualifications of Mr Battley, a Proposed Director, are set out in Section 5.1.

The shareholders of EML are Globetrotter Group Pty Ltd (**Globetrotter**) (as trustee of the EML Unit Trust) and Emerchants Holdings Pty Ltd (**EMH**).

Mr Battley is the sole director of Globetrotter, which holds 33,888,889 shares in EML.

Richard Thomas Ferguson, a Guarantor under the Share Purchase Deed, is the sole director of EMH, which holds 19,259,259 shares in EML.

3.5 Strategic direction

Plans to grow EML in the near term fall into four basic strategies as follows:

Accelerate sales from existing products and services

Accelerate sales of the EML's existing product and service sets as described in Section 3.3 above. The Directors intend to invest in and expand EML's existing operations, focussing on expansion of the sales and marketing team, provision of development capital and infusion of sufficient balance sheet funding necessary to support EML's application for an Authorised Deposit-taking Institution (**ADI**) authority. To date, sales have been generated largely by one individual in EML.

The sales force will be significantly expanded and will be focused on specific market segments, geographies and products with the goal of maximising card issuance, revenue and profitability. As new clients are contracted, it is anticipated that some degree of software programming and modifications will be necessary to support card functionality as required by the client. Such modifications will be capitalised and will be funded through capital obtained through the Placement.

EML will be required to hold an ADI Purchase Payments Facility (**PPF**) in order to support stored value levels in excess of \$10 million.

Pursue opportunities in adjacent market segments

A number of large market segments are available to EML, but as yet have not been actively pursued to date. One example includes the transport sector, underpinned by the Australian State Governments' interest in streamlining public transportation administration and planning. In addition, a large opportunity exists in government benefit disbursements. The acquisition of an ADI PPF is strategically important as it further strengthens the EML's standing in the financial sector and payments system industry. The addition of sales staff, when combined with AAO's senior management team and Board, will facilitate EML's ability to pursue these new markets.

Develop key strategic alliances to access substantial numbers of card users

The development of key strategic alliances will provide access to much larger numbers of card end-users. EML intends to identify organisations which have existing relationships with large numbers of customers and leverage EML's pre-paid card functionality to enhance that customer relationship.

Identify, acquire and integrate complementary businesses

AAO's Board and management team have significant experience in acquiring, integrating and managing companies in a variety of industries. It is the intent of the

Directors to seek out inorganic acquisition opportunities of complementary businesses to expand the scope of EML's reach in the pre-paid card industry and to create additional income streams for the overall business.

4. Outline and effect of the EML Acquisition

4.1 Key terms of agreement for acquisition of EML

As announced to ASX on 9 May 2011, AAO has entered into the EML Share Purchase Deed with Globetrotter and EMH, pursuant to which the EML Vendors have agreed to sell their shares in EML to AAO.

Under the EML Share Purchase Deed, John Battley, Richard Ferguson and Anthony Ferguson (**Guarantors**) provide certain guarantees to AAO, including vendor warranties and the benefit of certain indemnities.

Consideration to be paid by AAO

Schedule 1 to this Notice of Meeting contains a detailed summary of the procedures and formulae used to determine the number of New Shares that may be issued to the EML Vendors under the EML Share Purchase Deed. All share amounts in this Section are shown on a post-Consolidation basis unless otherwise stated.

In consideration for the transfer of the shares in EML, AAO will pay \$2.5 million in cash and issue 11,500,000 New Shares (**Initial Consideration Shares**) to the EML Vendors at Completion. The initial consideration for the shares in EML is equivalent to approximately \$12.3 million.

The EML Vendors will become entitled to:

- (a) up to a further 1,000,000 New Shares (**Deferred NA Adjustment Shares**) on completion of EML's audited accounts for the year ending 30 June 2011; and
- (b) a further 3,000,000 New Shares (**Deferred Consideration Shares**) in the event EML achieves gross sales revenues of \$7 million for the financial year to 30 June 2012.

The EML Vendors may also become entitled to further New Shares, up to a maximum of 15,000,000, on the achievement of specified net profit before tax targets over the three financial years commencing on 1 July 2011 (**Performance Shares**). If the net profit before tax targets are not met, the further New Shares will not be issued.

A summary of the applicable net profit before tax targets is set out at paragraph 5 of Schedule 1 to this Notice of Meeting.

At Completion under the EML Share Purchase Deed, AAO will:

- (a) pay the EML Vendors a cash sum of \$2.5 million; and
- (b) issue the Initial Consideration Shares.

The number of Deferred NA Adjustment Shares payable to the EML Vendors will be adjusted based on 30 June 2011 audited accounts and EML's net assets as at that date. A description of the formulae used to determine the number of Deferred NA Adjustment Shares to be issued under the EML Share Purchase Deed is contained in paragraph 3 of Schedule 1 to this Notice of Meeting.

Maximum and minimum number of New Shares to be issued to EML Vendors

Notwithstanding the above, the EML Share Purchase Deed provides that:

- (a) the **maximum** number of New Shares that may be issued to the EML Vendors under the EML Share Purchase Deed is 30,500,000 New Shares (on a post-Consolidation basis); and
- (b) the **minimum** number of New Shares that must be issued to the EML Vendors under the EML Share Purchase Deed is 11,500,000 New Shares (on a post-Consolidation basis).

Indemnities given in favour of AAO

The EML Vendors and the Guarantors indemnify the Company and its related bodies corporate, including EML, for all loss suffered by them in respect of any breach of a vendor warranty.

Warranties given by parties

The EML Share Purchase Deed contains warranties that are given by each of AAO to the EML Vendors, and the EML Vendors and the Guarantors to AAO. Each set of warranties is considered customary for a transaction of this nature.

AAO's maximum aggregate liability for warranty claims made by the EML Vendors for a breach of a purchaser warranty is \$5,000,000.

The EML Vendors' and the Guarantors' maximum aggregate liability for a breach of a vendor warranty or a claim under the indemnity referred to above is \$5,000,000.

4.2 Conditions precedent to EML Acquisition

Completion of the EML Acquisition under the EML Share Purchase Deed is subject to a number of conditions precedent being satisfied or waived before 30 June 2011 including, but not limited to, the following:

- (a) that there is no material change to EML's business, financial condition, prospects, contracts or current or future credit standing that may have a material adverse effect on the value of EML's shares, the business of EML or EML itself other than a change requested or consented to by AAO;
- (b) EML obtaining the consent to a change in control of EML from counter-parties to EML contracts;
- (c) approval of AAO's Shareholders for the issue of the Initial Consideration Shares, the Deferred Consideration Shares and the Performance Shares to the EML Vendors;
- (d) approval by AAO's Shareholders for AAO to raise at least \$10,000,000 in capital by the issue of shares and/or other securities in AAO for the purposes of the Listing Rules;
- (e) AAO raising at least \$10,000,000 in capital by the issue of shares and/or other securities in AAO; and
- (f) AAO obtaining all necessary regulatory and shareholder approvals required by the Corporations Act and the Listing Rules in relation to the transactions contemplated by the EML Share Purchase Deed, including all necessary regulatory and shareholder approvals required by Listing Rule 11.1 and the approval of ASX for reinstatement of its Securities to quotation.

Completion of the EML Acquisition is scheduled to take place five (5) Business Days after the conditions precedent are satisfied or waived, or on such other date as the parties agree in writing.

Each party must use reasonable endeavours within its power, capacity and control to effect the conditions precedent.

4.3 Voluntary escrow of EML Vendors' securities

Pursuant to the terms of the Share Purchase Deed and escrow deeds proposed to be entered into by each EML Vendor and the Company at Completion, each EML Vendor will agree not to sell or transfer any New Shares issued to them pursuant to the EML Share Purchase Deed for a period of three (3) years from their date of issue.

The voluntary escrow arrangements will not preclude either EML Vendor from participating in a takeover bid if the following conditions are met:

- (a) the offers under the takeover bid are for the securities of the Company in the same bid class as the relevant escrowed securities;
- (b) holders of at least half of the securities of the Company in the bid class that are not escrowed securities, either under these agreements or any other agreement between the Company and one of its shareholders which imposes similar restrictions, to which the offers relate have accepted the takeover bid; and
- (c) if the takeover bid is an off-market takeover bid, and if the offer is conditional, the Vendor agrees with the bidder in writing that a holding lock will be re-applied to each escrowed security that is not bought by the bidder under the takeover bid.

Additionally, an EML Vendor's escrowed securities may be transferred or cancelled in accordance with a merger by way of scheme of arrangement under the Corporations Act if the EML Vendor agrees in writing that a holding lock will be re-applied if the merger does not take effect.

The voluntary escrow arrangements do not preclude the EML Vendors from disposing of their escrowed Shares to the extent required under a buy-back or selective reduction of capital effected in accordance with the Corporations Act.

Notwithstanding the terms of the Share Purchase Deed, it is the Company's intention that, in the absence of a modification from ASIC, the number of Shares in escrow at any particular time will not exceed 20% of the Company's issued capital at that time.

4.4 Effect of the EML Acquisition on capital structure

The effect of the issue of New Shares to be made to the EML Vendors pursuant to the Share Purchase Deed is set out in the following table.

Shares	Number ¹	Percentage of maximum number of shares to be issued
Post-Consolidation Shares on issue (5:1 consolidation)	37,879,360	46.50%
Shares issued to Messrs Browning, Plavsic, Barnaba and Willinge (Resolutions 9 – 12) (5:1 consolidation)	1,323,217	1.62%

Shares issued under Placement pursuant to Resolution 4 assuming full subscription	11,764,706	14.44%
Total Shares on issue on reinstatement of quotation on ASX (excluding Shares issued to EML Vendors)	50,967,283	62.56%
Shares to be issued to EML Vendors at Completion of the EML Acquisition pursuant to Resolution 2 ²	11,500,000	14.12%
Total Shares to be on issue on reinstatement of quotation on ASX (assuming full subscription of the Placement)	62,467,283	76.68%
Maximum number of additional New Shares that may be issued to the EML Vendors under the Share Purchase Deed subject to EML financial performance ³	19,000,000	23.32%
Maximum Shares on issue following completion of the Placement, the issue of Shares to Directors and Proposed Directors and the issue of New Shares to EML Vendors under the Share Purchase Deed (on a post-Consolidation basis)	81,467,283	100%

Options	Number¹
Existing Unlisted Options on issue (post-Consolidation) prior to completion of EML Acquisition	1,699,000
Existing Listed Options on issue (post-Consolidation) prior to completion of EML Acquisition	26,089,626
New Options to be granted under ESOP to Messrs Browning, Plavsic and Toms (post-Consolidation)	4,800,000
Total Options on issue on reinstatement of quotation on ASX	32,588,626

Notes:

1. Assumes no Options are converted to Shares and based on Shares and Options on issue as at 23 May 2011.
2. The maximum total number of New Shares that may be issued to the EML Vendors under the terms of the Share Purchase Deed is 30,500,000. Refer to Section 4.1 for further details.
3. After Completion of the EML Acquisition, EML may become entitled to a further 19,000,000 Shares, being the Deferred Consideration Shares, the Deferred NA Adjustment Shares and the Performance Shares. For further details regarding the issue of these Shares, please refer to Section 4.1 and Schedule 1 of this Explanatory Statement.

4.5 Effect of the EML Acquisition on shareholding interests and voting power

The EML Acquisition will result in the issue of New Shares to the EML Vendors. Each EML Vendor will acquire a significant shareholding interest and voting power in the Company. The precise quantum of voting power that each EML Vendor may ultimately acquire by reason of the issue of New Shares will depend on:

- the financial position and sales performance of EML for the period ending 30 June 2011 and for the three financial years commencing 1 July 2011, which may result in further New Shares being issued to the EML Vendors (refer to Section 4.1 and Schedule 1 for further details);
- issues of new securities in the Company from Completion of the EML Share Purchase Deed to 30 June 2014; and
- whether any Options held by Optionholders are exercised.

The EML Vendors are not considered to be “Associates” of each other within the meaning of the Corporations Act in respect of their shareholding interests in the Company.

The anticipated interests shown below assume that 11,500,000 New Shares will initially be issued to the EML Vendors at Completion of the EML Acquisition and no Shares are issued by AAO to any other person and no Options held by any other person are exercised.

For the avoidance of any doubt, the anticipated interests shown below do not take into account the exercise of Existing Unlisted Options, Listed Options or Options to be granted pursuant to Resolutions 7, 8 and 13 of this Notice, nor do they take into account the issue of Shares pursuant to Resolutions 9 – 12 of this Notice.

Immediately following Completion of the EML Acquisition and the Placement, it is anticipated that Globetrotter will hold 11.99% and EMH will hold 6.82% of the expanded issued Share capital of the Company if \$10,000,000 is raised under the Placement.

If the EML Vendors become entitled to receive a further 1,000,000 Deferred NA Adjustment Shares, the Deferred Consideration Shares and the Performance Shares (see Section 4.1 and Schedule 1 for details) and there is no subsequent conversion or exercise of any listed or unlisted options and there is no further capital raising activities that would increase the number of Shares on issue and there are no further acquisitions that may require the issuance of further Securities, it would then follow that Globetrotter will hold 24.27% and EMH will hold 13.79% of the expanded issued Share capital of the Company if \$10,000,000 is raised under the Placement.

As noted in Section 4.1, the maximum number of New Shares that can be issued under the EML Share Purchase Deed is 30,500,000 New Shares.

4.6 Effect on Board

On Completion of the EML Acquisition the composition of the Board will change. Please refer to Section 5 for further details.

4.7 Effect of the EML Acquisition on Company’s financial position

The EML Acquisition will affect the Company’s financial position.

An outline of the manner in which the Company’s financial position may change is set out in Sections 1.5 and 1.6.

4.8 Effect on dividend policy

Due to the capital requirements anticipated to grow the EML business, it is not considered likely that dividends will be paid by AAO for at least the year ending 30 June 2012.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be or are given.

4.9 Effect on future operations and regulatory obligations

EML is not currently required to be regulated by the Australian Prudential Regulation Authority (APRA) as an ADI. However, on Completion of the EML Acquisition the

Company intends to consider the commercial opportunities that may present themselves to EML as an ADI. In the event that the Company's investigations do identify relevant commercial opportunities, this will require:

- (a) EML to apply to APRA for an ADI authority as a PPF provider; and
- (b) AAO, as the holding company of EML, to apply under sect 11AA of Banking Act for authorisation as a Non-Operating Holding Company (**NOHC**).

These applications will result in future changes to AAO's governance procedures in order to ensure compliance against the prudential standards set by APRA for an ADI PPF.

5. Proposed composition of Board and senior management

5.1 Proposed Board

On Completion of the EML Acquisition, Mr John Battley will become a Director of the Company.

The Company also proposes to appoint Messrs Mark Barnaba, John Toms and John Willinge as Non-Executive Directors prior to reinstatement of the Company's Securities to quotation on ASX.

At the date of this Notice of Meeting, the Board also comprises Mr Bruno Firriolo. Mr Firriolo proposes to resign at the General Meeting subject to approval by Shareholders of the EML Acquisition and the Placement as set out in the Notice.

On Completion of the EML Acquisition and the Placement the Board will comprise:

John Terpu	Non-Executive Chairman
Bob Browning	Managing Director
Bryant Plavsic	Executive Director
John Battley	Executive Director
Mark Barnaba	Non-Executive Director
John Toms	Non-Executive Director
John Willinge	Non-Executive Director

Profiles of the Proposed Directors are set out below:

John Battley - Executive Director, Chief Operating Officer

Mr Battley is an internationally experienced executive and entrepreneur who is currently the chief executive officer and managing director of EML.

He is the founder of Globetrotter Corporate Travel (one of the largest corporate travel management companies in Australia), and has held senior international sales and marketing roles based in Frankfurt, Germany, with a leading global pharmaceutical company.

Mark Barnaba - Non-Executive Director

Mr Barnaba is a highly experienced executive who is currently a Non-Executive Director of Fortescue Metals, Chairman of Western Power and Chairman of UWA Business School.

His experience includes being co-founder and Executive Chairman of Azure Capital, co-founder and Managing Director of GEM Consulting/Poynton and Partners, Chairman of Alinta Infrastructure Holdings, Chairman of West Coast Eagles and Manager with McKinsey.

John Willinge - Non-Executive Director

Mr Willinge is a highly experienced executive and founder of Alverstoke Group LLC, an investment management firm based in New York.

He previously worked at several leading global financial services firms including Thomas Weisel Partners (as a Partner in San Francisco), Goldman Sachs and Co (New York), and Rothschild (Australia) and has served on the Board of Directors of public and private companies across a variety of industries.

John Toms - Non-Executive Director

Mr Toms is currently Consulting Director - Head of Governance, Risk & Compliance of Oakton.

His previous experience includes chief executive officer (for 17 years) of an Approved Deposit-taking Institution (ADI), Non-Executive Director (for 17 years) of Australian Payments Clearing Association, Non-Executive Director of Mercer Nominees, Executive Director of Insurance Agents Association of Australia, and Commonwealth Public Servant.

5.2 Proposed senior management of EML

In addition to Mr Battley, the following senior management members will be employed by the AAO Group pursuant to multi-year employment contracts:

Anthony Ferguson – Chief Information Officer

Mr Ferguson is currently chief information officer of EML, having been a founder and former managing director of the business.

Mr Ferguson has extensive high-tech industry experience and has held several senior positions in high-tech companies during his 20 year career prior to founding EML.

Donna Ferguson – General Manager, Sales and Marketing

Donna is currently business development manager of EML.

Mrs Ferguson has over 15 years of professional business experience covering finance, manufacturing and strategic and product development. She has held senior operational positions, with P&L responsibility, in a number of successful business-to-consumer and business-to-business commerce ventures.

Prior to joining EML, Mrs Ferguson was operations manager of Omo Pty Ltd.

5.3 Material terms of John Battley's executive service agreement

Subject to Completion of the EML Acquisition, Mr Battley will be engaged under an executive services agreement with AAO whereby Mr Battley will be employed as Chief Operating Officer, and as a Director. Once appointed, Mr Battley's employment will continue until it is terminated in accordance with that agreement.

Mr Battley will be entitled to a remuneration package of \$300,000 (which includes superannuation at the rate required by law) and reimbursement for reasonable expenses incurred for the hire of a motor vehicle when not in the Perth metropolitan

area, and for reasonable out-of-pocket expenses incurred in the performance of his duties. Mr Battley's remuneration package will be reviewable on an annual basis.

Either Mr Battley or AAO will be able to terminate at any time by giving 3 months' notice in writing to the other. AAO will be able to terminate summarily in the usual circumstances, for example, in the case of gross misconduct or neglect on the part of Mr Battley.

Mr Battley will not be subject to any post-termination non-competition restraints.

6. Explanation of Listing Rule and Corporations Act requirements

Resolutions 1 and 2 refer to provisions of the Listing Rules and the Corporations Act. A summary of the provisions is set out below.

6.1 Listing Rule 11.1

In summary, Listing Rule 11.1 provides that a listed company that proposes to make a significant change to the nature or scale of its activities must:

- (a) if ASX requires, obtain the approval of shareholders of its ordinary securities to the change; and
- (b) if ASX requires, meet the requirements in Chapters 1 and 2 of the Listing Rules for the admission of a company to the official list of ASX as if the company were applying for admission.

Information required by the Listing Rules (as set out above) is set out in this Explanatory Statement.

Trading in the securities of AAO will be suspended at the commencement of trading on the day of the general meeting of shareholders to approval the Resolutions.

If Shareholders approve the Resolutions, the Company will be required to re-comply with the admission requirements of ASX set out in Chapters 1 and 2 of the Listing Rules and trading in the securities of AAO will remain suspended until such time as the Company complies with ASX's requirements.

The Directors' consider that if all the Resolutions are passed, on Completion of the EML Acquisition and the issue of New Shares under the Placement, the Company will be in a position to comply with ASX's requirements and anticipate that trading to official quotation will recommence on a deferred delivery and post-Consolidated basis on or about 18 July 2011.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting unless another exception to Listing Rule 7.1 applies.

The effect of Resolution 2, if passed, will be to allow the Directors to issue the Initial Consideration Shares, the Deferred NA Adjustment Shares, the Deferred Consideration Shares and the Performance Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity under Listing Rule 7.1. This will give the Company flexibility during the next 12 month period to issue further equity securities in order to raise further capital if required.

As the issue of any Deferred NA Adjustment Shares, Deferred Consideration Shares and Performance Shares is subject to the financial performance of EML for the year ending 30 June 2011 and over the three financial years commencing 1 July 2011, it may not be possible that any of these Shares will be issued within the 3 month period permitted under Listing Rule 7.3.2 (see Section 4.1 for further details). The Company has applied for a waiver from ASX of the 3 month period for the issue of the Deferred NA Adjustment Shares, Deferred Consideration Shares and Performance Shares.

If ASX does not grant the waiver sought and the EML Vendors become entitled to any Deferred Consideration Shares and/or Performance Shares, the issue of these Shares will be subject to Shareholder approval at that point in time.

6.3 Listing Rule 7.3 information

The following information is provided in relation to the issue of New Shares under the EML Share Purchase Deed pursuant to and in accordance with Listing Rule 7.3:

Maximum number of Shares

- (a) the maximum number of New Shares to be issued is 30,500,000 New Shares (post-Consolidation);

Issue price

- (b) the Company will attribute an issue price of \$0.85 per New Share issued (on a post-Consolidation basis);

Date of issue and allotment of Shares

- (c) the Initial Consideration Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended allotment will occur on the same date;
- (d) The Deferred NA Adjustment Shares will be issued subject to the outcome of EML's audited accounts for the financial year ending 30 June 2011 (please refer to Section 4.1 for further details) and it is intended that any Deferred NA Adjustment Shares will be allotted as soon as practicable after the release of those accounts;
- (e) the Deferred Consideration Shares will be issued in the event EML achieves gross sales revenues of \$7 million for the financial year to 30 June 2012 (please refer to Section 4.1 for further details) and it is intended that any Deferred Consideration Shares will be allotted as soon as practicable after the release of the audited financial accounts of EML for the period ending 30 June 2012;
- (f) the Performance Shares will be issued on the achievement of specified net profit before tax targets over the 3 financial years commencing 1 July 2011 (please refer to Section 4.1 and Schedule 1 for further details) and it is intended that any Performance Shares will be allotted progressively on the achievement of the relevant net profit before tax targets for the 3 financial years commencing 1 July 2011;

Identity of allottees

- (g) the Shares will be issued to the EML Vendors (being EMH and Globetrotter) who, at the date of this Notice are not related parties of the Company;

Terms of Shares

- (h) the New Shares issued will rank equally with the Company's current issued Shares; and

Intended use of funds

- (i) no funds will be raised by the issue of the Initial Consideration Shares, the Deferred NA Adjustment Shares, the Deferred Consideration Shares or the Performance Shares as the Shares are being issued as consideration to the EML Vendors for the acquisition by the Company of all the issued shares in the capital of EML.

7. Resolution 3: Consolidation of capital

7.1 Background

Resolution 3 seeks Shareholder approval to consolidate the number of Shares and Options on issue on a five (5) to one (1) basis. The Consolidation is proposed as it will implement a more appropriate capital structure for the capital raising referred to in Resolution 4 and enable the Company to satisfy Chapters 1 and 2 of the Listing Rules and obtain re-quotations of its Shares on ASX.

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The effect of the Consolidation will be to:

- (a) reduce the number of Shares on issue from 189,396,800 Shares to approximately 37,879,360 Shares (prior to the issue of the other Shares pursuant to the Resolutions contained in the Notice of Meeting);
- (b) reduce the number of Listed Options on issue from 130,448,128 Listed Options to approximately 26,089,625 Listed Options and increase the exercise price of such options by a multiple of 5 from \$0.10 to \$0.50 each (please refer to the table in Section 1.3 for further details of the terms of these Listed Options); and
- (c) reduce the number of Existing Unlisted Options on issue from 8,495,000 Options to 1,699,000 Options and increase the exercise price of such options by a multiple of 5 (please refer to the table in Section 1.3 for further details of the terms of Existing Unlisted Options).

From the date of the Consolidation, all holding statements and certificates for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares and Options on a post Consolidation basis. After the Consolidation takes effect the Company will arrange for new holding statements to be issued to Shareholders and Optionholders.

7.2 Fractional entitlements and taxation

Not all Shareholders and Optionholders will hold that number of Shares or Options which can be evenly divided by 5. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share or Option.

It is not considered that any taxation implications will exist for Shareholders or Optionholders arising from the Consolidation. However, Shareholders and Optionholders may wish to seek their own tax advice on the effect of the Consolidation. The Company, the Directors and the Company's advisors do not

accept any responsibility for the individual taxation implications arising from the Consolidation.

7.3 Consolidation timetable

Subject to Shareholder approval of the Consolidation, the proposed timetable for the Consolidation is as follows:

Event	Anticipated Date
Shareholder approval of the Consolidation	29 June 2011
Suspension of trading in Company's Securities	29 June 2011
Last day for trading in pre-consolidated Securities ¹	30 June 2011
Trading in Shares and Listed Options on a deferred settlement basis starts ¹	1 July 2011
Last day to register transfers on a pre-Consolidation basis	7 July 2011
Securities registered on a consolidated basis	8 July 2011
Despatch of new holding statements for consolidated securities and New Shares under the Placement	14 July 2011
Reinstatement to official quotation	18 July 2011

Notes:

1. Trading in the Company's securities will remain suspended at this time.

These dates are indicative only and are subject to possible change.

8. Resolution 4: Issue of New Shares under the Placement

8.1 Introduction

Resolution 4 seeks Shareholder approval for the allotment and issue of up to 11,764,706 New Shares at an issue price of \$0.85 per New Share (on a post-Consolidation basis) to raise \$10,000,000 (**Placement**) pursuant to a prospectus (**Prospectus**) to be issued by the Company for the purposes of compliance with Chapters 1 and 2 of the Listing Rules.

The main purpose of the capital raising is to fund the acquisition and growth of EML.

The minimum subscription for the Placement will be \$10,000,000 (11,764,706 New Shares). If this amount is not subscribed for the Placement will not proceed and the EML Acquisition will not be completed.

In determining allocations under the Placement, the Directors will seek to ensure the Company has a sufficient spread of Shareholders holding Marketable Parcels of Shares to ensure the Company complies with the listing requirements of ASX.

8.2 Listing Rule 7.1 and 7.3 information

A summary of Listing Rule 7.1 is set out in Section 6.2.

The effect of Resolution 4, if passed, will be to allow the Directors to issue the New Shares pursuant to the Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity under Listing Rule 7.1. This will give the Company flexibility during the next 12 month period to issue further equity securities in order to raise further capital if required.

The following information is provided in relation to the Placement pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of New Shares to be issued is 11,764,706 New Shares (post-Consolidation);
- (b) the New Shares will be issued at an issue price of \$0.85 each;
- (c) the New Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the Company will issue the New Shares to subscribers pursuant to the Prospectus, and the subscribers will be professional and sophisticated investors who have already committed to subscribe under the Placement and who, at the date of this Notice are not related parties of the Company;
- (e) the New Shares issued will rank equally with the Company's current issued Shares; and
- (f) the funds raised from the Placement will be applied to the acquisition of EML and advancing the development of the EML business. Further details on the use of funds are set out in the Prospectus issued in respect of the Placement.

9. Resolution 5: Change in Company name to "Adept Solutions Limited"

Given the proposed change in direction of the Company, the Directors consider it appropriate to change the name of the Company to more accurately reflect its focus as an issuer of pre-paid financial cards in Australia.

Accordingly, Shareholder approval is sought to change the Company's name from Australasia Consolidated Limited to Adept Solutions Limited.

10. Resolution 6: Approval of Employee Share Option Plan

10.1 Introduction

AAO has established an Employee Share Option Plan (**ESOP**).

The Directors are empowered to operate the ESOP in accordance with the Listing Rules and on the terms and conditions summarised below.

Under the ESOP, the Company may grant Options to acquire Shares on terms set by the Board in its discretion.

10.2 Listing Rule 7.2 Exception 9

Shareholder approval of the ESOP is sought for the purposes of Listing Rule 7.2 Exception 9 which, in summary, provides that securities issued pursuant to an employee incentive scheme that has been approved by shareholders within the previous three (3) year period will not constitute securities which must be counted for the purposes of the 15% placement limit under Listing Rule 7.1.

Listing Rule 7.1 limits the number of securities a listed company may issue in any 12 month period without shareholder approval, but securities issued pursuant to an exception to Listing Rule 7.1 are not counted for the purposes of the limit.

10.3 Objectives of the ESOP

The objectives of the ESOP are to:

- (a) establish a method by which Eligible Employees can participate in the future growth and profitability of the Company;
- (b) provide an incentive and reward for Eligible Employees for their contributions to the Company; and
- (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

10.4 Summary of terms of the ESOP

Eligible Employee

The ESOP is open to any person who is a full-time or permanent part-time employee or Director of AAO or a related body corporate of AAO or any other person who is declared by the Board in its sole and absolute discretion to be eligible to participate in the ESOP (**Eligible Employee**).

Options may not be granted to a Director or his or her Associates under the ESOP unless approval of the grant is given by the Shareholders in general meeting in accordance with the requirements of the Listing Rules.

Board discretions

The Board has broad discretions under the ESOP, including (without limitation) as to:

- (a) the timing of making an offer to participate in the ESOP;
- (b) identifying persons eligible to participate in the ESOP; and
- (c) the terms of issue of Options (including vesting conditions, if any).

Exercise price

The exercise price (if any) payable upon the exercise of Options will be determined by the Board in its sole and absolute discretion.

Options not to be quoted

The Options will not be quoted on the ASX.

Options not transferable

The Options cannot be transferred, assigned, encumbered or otherwise disposed of by the Holder without the prior consent of the Board, unless such transfer or assignment occurs by force of law upon the death of a participant in the ESOP.

Shares issued on exercise of Options

Each Option entitles the holder to subscribe for and be issued with one Share.

Shares issued pursuant to the exercise of Options will in all respects rank equally and carry the same rights and entitlements as other Shares on issue.

Shares issued on the exercise of any Options will be quoted on ASX.

No voting right

Holders of Options have no rights to vote at meetings of the Company.

Lapse of Options

Unless the Board in their absolute discretion determines otherwise, Options will lapse upon the earlier of:

- (a) the expiry of the exercise date;
- (b) the Holder ceasing to be an Eligible Employee by reason of resignation, dismissal or termination of employment, office or services for any reason;
- (c) the forfeiture of the Options for reasons determined by the Board, including where the Eligible Employee acts fraudulently, dishonestly or has wilfully breached his or her duties to the Company or its related bodies corporate; or
- (d) the Board determining in its reasonable opinion that the vesting conditions (if any) have not been met and cannot be met prior to the expiry date of the Options.

Participation rights of Option Holders

There are no participating rights or entitlements inherent in the Options and Holders will not be entitled to participate in any new issue of Shares as a result of their holding Options.

Adjustment of Options

If AAO makes a pro-rata bonus issue, and an Option is not exercised before the record date for that bonus issue, then on exercise of the Option, the holder is entitled to receive the number of bonus shares which would have been issued if the Option had been exercised before the record date.

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of AAO, the Options will be changed in the manner required by the Listing Rules.

Amending the Option Plan

No amendment to the ESOP or to the Options granted under the ESOP may be made if the amendment materially reduces the rights of a participant in respect of Options granted to them prior to the date of the amendment other than:

- (a) for the purposes of compliance with legislation;
- (b) to correct any manifest error or mistake;
- (c) to allow implementation of a trust arrangement in relation to the holding of Shares granted on the exercise of Options;
- (d) to take into consideration possible adverse taxation implications; or
- (e) an amendment agreed to in writing by the participants in the ESOP.

11. Resolutions 7 - 10: Grant of Options and issue of Shares to Executive Directors

11.1 Introduction

Resolutions 7 to 10 seek Shareholder approval to:

- (a) issue to Mr Bob Browning:
 - (i) 2,600,000 Options (on a post-Consolidation basis) pursuant to the Company's Employee Share Option Plan; and
 - (ii) 417,973 Shares pursuant to his contract of employment with the Company; and
- (b) issue to Mr Bryant Plavsic:
 - (i) 2,000,000 Options (on a post-Consolidation basis) pursuant to the Company's Employee Share Option Plan; and
 - (ii) 313,480 Shares pursuant to his contract of employment with the Company.

If Shareholders approve these Resolutions but do not approve the Consolidation sought pursuant to Resolution 3, the Shares and Options will be issued on a pre-Consolidation basis. The effect of this would be to multiply the above figures by 5.

Directors are related parties of the Company by virtue of them being a Director, and as such, section 208 of the Corporations Act and associated provisions regulating related party transactions apply in respect of these issues of Securities.

Additionally, Listing Rules 10.11 and 10.14 require a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company.

Accordingly, approval for the issue of the Shares and Options to Messrs Browning and Plavsic is sought for the purposes of Listing Rules 10.11, 10.14 and section 208 of the Corporations Act.

11.2 Terms of Options

The Options to be granted to Messrs Browning and Plavsic will be granted pursuant to the Company's Employee Share Option Plan, the terms of which are summarised in Section 10.4 above.

The Options will be exercisable at \$1.45 (on a post-Consolidation basis) on or before 18 July 2014.

Vesting of Options

The Options will vest in three tranches as follows:

- (a) Tranche 1: 1,000,000 of Mr Browning's Options and 800,000 of Mr Plavsic's Options will vest on 18 April 2012;
- (b) Tranche 2: 800,000 of Mr Browning's Options and 600,000 of Mr Plavsic's Options will vest on 18 April 2013; and
- (c) Tranche 3: 800,000 of Mr Browning's Options and 600,000 of Mr Plavsic's Options will vest on 18 April 2014.

Upon vesting, the Options will become exercisable.

Lapse of Options

The Options may lapse in a number of circumstances including where, in the reasonable opinion of the Board, either Mr Browning and/or Mr Plavsic:

- (a) act fraudulently or dishonestly; or
- (b) have wilfully breached their respective duties to the Company.

Should either Mr Browning or Mr Plavsic cease to be employed by the Company in their roles as Directors, any unvested Options granted to that person will lapse.

Please refer to Section 10.4 above for further details of when Options may lapse.

11.3 Terms of Share issue

The Shares to be issued to Messrs Browning and Plavsic are being issued pursuant to the terms of their respective employment contracts with the Company which provide that the Company will issue such Shares upon:

- (a) the Board giving its approval to an acquisition within 12 months of the commencement of their employment; and
- (b) the price of Shares traded on ASX being at least \$0.22 per Share (\$1.10 on a post-Consolidation basis) for a period of 15 consecutive trading days at any time during the period commencing on the commencement of their employment with the Company and ending on the date which is 3 months after the date of completion of an acquisition.

The issue of the Shares is conditional on Messrs Browning and Plavsic continuing to be Directors of the Company.

The above conditions have been satisfied by reason of:

- (a) the Board's approval of the EML Acquisition; and
- (b) the Company's Shares trading at above \$0.22 per Share (\$1.10 on a post-Consolidation basis) during the period commencing 15 November 2010 and ending 14 December 2010 (being 15 consecutive trading days).

The Shares will be restricted from disposal until 1 July 2012, with the disposal restriction enforced by the application of a holding lock or any period of escrow ASX may require.

11.4 Corporations Act – related party transaction

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 or entity 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
- (b) 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.

The Directors are related parties of the Company by virtue of being Directors of the Company by application of section 228 of the Corporations Act.

The issue of Shares and Options to Mr Browning and Mr Plavsic therefore constitutes the giving of a financial benefit to a related party pursuant to the Corporations Act.

11.5 Corporations Act and Listing Rule requirements

Approval pursuant to Listing Rule 7.1 is not required in order to grant the Options and issue the Shares to Messrs Browning and Plavsic as approval is being obtained under Listing Rules 10.11 and 10.14 as an exception to the requirements of Listing Rules 7.1 and 7.2. Shareholders should note that the issue of the Shares and Options will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

In accordance with the requirements of Chapter 2E of the Corporations Act, and in particular with section 219 of the Corporations Act, and Listing Rules 10.13 and 10.15, the following further information is provided in relation to Resolutions 7 to 10:

Numbers of Securities to be issued

- (a) the table below sets out the number of Securities Messrs Browning and Plavsic hold as at the date of this Notice and the number of Securities they will hold assuming Shareholders approve Resolutions 7 to 10 (on a post-Consolidation basis); all securities held by Messrs Browning and Plavsic as at the date of this Notice were purchased on-market by the parties in 2010:

Director	Securities held as at date of this Notice (on a post-Consolidation basis)	Maximum number of Securities to be issued pursuant to Resolutions 7 to 10	Maximum number of Securities held post-Meeting
Bob Browning	576,923 Shares 2,800,000 Options ¹	417,973 Shares 2,600,000 Options ²	994,896 Shares 5,400,000 Options
Bryant Plavsic	576,923 Shares 3,315,000 Options ¹	313,480 Shares 2,000,000 Options ²	890,403 Shares 5,315,000 Options

Notes:

1. Exercisable at \$0.50 (on a post-Consolidation basis) on or before 19 April 2013.
2. Exercisable at \$1.45 (on a post-Consolidation basis) on or before 18 July 2014.

- (b) as at the date of this Notice, no Securities have been issued to any person under the ESOP;
- (c) if Shareholder approval of each of the Resolutions in this Notice is obtained, and:
- (i) the Shares and Options the subject of Resolutions 2, 4 and 7 to 13 are subsequently issued (total 48,387,923 Shares and Options); and
 - (ii) the Options the subject of Resolutions 7, 8 and 13 are subsequently exercised,

a total of 86,267,283 Shares would on issue, of which 6,123,217 Shares will be issued to Directors (for further details refer to Section 1.3). This will increase the number of Shares on issue from 37,879,360 to 86,267,283 with the effect that the shareholding of existing Shareholders would be diluted as follows (all on a post-Consolidation basis):

Director or Proposed Director	Shares held as at the date of the Notice	Shares issued under Res. 9 – 12 and upon exercise of Options under Res. 7, 8 and 13	Total Shares issued under Res 9 – 12 and upon exercise of Options under Res. 7, 8 and 13	Dilutionary effect of issue of Shares under Res. 9 – 12 and upon exercise of Options issued to Directors
Bob Browning	576,923	3,017,973	3,594,896	4.17%
Bryant Plavsic	576,923	2,313,480	2,890,403	3.35%
Mark Barnaba	2,800,001	443,823	3,243,824	3.76%
John Willinge	1,041,539	147,941	1,189,480	1.38%
John Toms	Nil	200,000	200,000	0.23%
Total	4,995,386	6,123,217	11,118,603	12.89%

The above table does not take into account any Options already on issue in the Company that may be exercised.

Terms of grant of Options

- (d) the Options will be granted pursuant to the ESOP as part of Messrs Browning's and Plavsic's overall remuneration packages but for no other consideration; accordingly no funds will be raised by the grant of Options;
- (e) all Directors, executives and their nominees are entitled to participate in the ESOP;
- (f) the terms and conditions of the ESOP, for which Shareholder approval is sought pursuant to Resolution 6 of this Notice, are summarised in Section 10.4;
- (g) the terms of the Options are described in Section 10.4 of this Explanatory Statement;
- (h) no loan will be made by the Company to Messrs Browning and Plavsic to assist them in acquiring the Options;
- (i) if Shareholder approval is obtained, the Company will grant the Options to Messrs Browning and Plavsic not later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on one date.

Value of Options

- (j) the Company has commissioned a valuation report by an independent expert, Stantons International Pty Ltd trading as Stantons International Securities (**Stantons**) to value the Options being granted to Messrs Browning and Plavsic.

Stantons have provided two different valuations of the Options based on different assumptions. The first valuation assumes that the Options will be exercised at the end of their term (being approximately 3 years from their date of grant) (**Method 1**) and the second valuation assumes the Options will be exercised immediately upon the vesting of the Options (**Method 2**). The outcomes of using each of these methods of valuation are summarised below;

Method 1

- (k) the fair value (calculated on a post-Consolidation basis) of the Options to be granted to Messrs Browning and Plavsic assuming the Options are exercised at the end of their term (Method 1) has been calculated as being \$1,679,000 as at 23 May 2011, using the Black & Scholes option valuation methodology, based on the following assumptions and parameters:

Assumptions	
Market price of Shares	\$1.075
Exercise price	\$1.45
Risk free interest rate	5.29%
Annualised time to expiry (assuming the Options are exercised at the end of their term)	3.06 years
Volatility factor	70%

Method 2

- (l) the fair value (calculated on a post-Consolidation basis) of the Options to be granted to Messrs Browning and Plavsic assuming the Options are exercised immediately upon vesting (Method 2) has been calculated as being \$1,091,200 as at 23 May 2011, using the Black & Scholes option valuation methodology, based on the following assumptions and parameters:

Assumptions	
Market price of Shares	\$1.075
Exercise price	\$1.45
Risk free interest rate	5.29%
Annualised time to expiry (assuming the Options are exercised immediately after vesting)	1, 2 & 3 years
Volatility factor	70%

- (m) further information regarding the value of the Options to be granted to Messrs Browning and Plavsic and the assumptions used as the basis of those valuations is set out in the Stantons valuation report at Schedule 2 of this Notice;

Terms of Shares being issued

- (n) the Shares are issued in consideration for Messrs Browning's and Plavsic's services to the Company as Executive Directors;
- (o) the Shares will be issued for nil consideration;
- (p) as the Shares are being issued for nil consideration, the Company will not raise any funds by the issue of these Shares to Messrs Browning and Plavsic;
- (q) the Shares will be fully paid ordinary Shares and will rank equally with existing Shares, and will be quoted by ASX;
- (r) if Shareholder approval is obtained, the Company will issue the Shares to Messrs Browning and Plavsic not later than one (1) month after the date of

the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on one date;

Value of Shares

- (s) the Directors, other than Messrs Browning and Plavsic, have determined the fair value of the 731,453 Shares that may be issued to Messrs Browning and Plavsic pursuant to Resolutions 9 and 10 to be \$786,312 based on the closing price of the Company's Shares on ASX on 23 May 2011 (this valuation is based on a pre-Consolidation market price of Shares);
- (t) the most recent available data concerning the price of the Company's Shares traded on ASX over the last 12 months is as follows:

	High	Low	Last
Price	\$0.29	\$0.04	\$0.215
Date	7 December 2010	5 July 2011	23 May 2011

Remuneration details

- (u) the relevant remuneration details of Messrs Browning and Plavsic for FY10/11 (comprising salary, fees and superannuation) is set out below:

Director	Remuneration FY10/11 ²
Bob Browning ¹	\$165,089
Bryant Plavsic ¹	\$142,401

Notes:

- Mr Browning and Mr Plavsic were appointed as Executive Directors on 25 February 2011.
- These figures comprise the total amounts paid during the FY10/11 up until 31 May 2011.

Purpose for grant of Options and issue of Shares

- (v) the primary purpose of granting Options to Messrs Browning and Plavsic is to provide cost effective consideration to Messrs Browning and Plavsic for their ongoing commitment and contribution to the Company in their respective roles as Executive Directors;
- (w) the primary purpose of issuing Shares to Messrs Browning and Plavsic is to reward these Executive Directors for services to the Company in relation to the EML Acquisition and to give them the opportunity to increase their respective investments in the Company which will provide further incentive to work towards the stated objectives of the Company;

Costs to the Company

- (x) the market price for Shares during the term of the Options would normally determine whether or not those 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; and
- (y) other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial perspective, there are any costs or detriments of any significance (including opportunity or taxation

costs) for the Company or benefits foregone by the Company in granting Options and issuing the Shares to Messrs Browning and Plavsic on the terms set out in this Explanatory Statement.

11.6 Directors' recommendation

The Directors, other than Messrs Browning and Plavsic who have a material personal interest in the outcome of this Resolution, unanimously recommend that Shareholders vote in favour of Resolutions 7 to 10 for the following reasons:

- (a) to provide cost effective consideration to Messrs Browning and Plavsic for their ongoing commitment and contribution to the Company in their respective roles as Directors; and
- (b) to reward these Directors for services to the Company in relation to the EML Acquisition and to give them the opportunity to increase their respective investments in the Company which will provide further incentive to work towards the stated objectives of the Company.

12. Resolutions 11 and 12: Issue of Shares to Proposed Directors

12.1 Introduction

Resolutions 11 and 12 seek Shareholder approval for the Company to issue up to a total of 591,764 Shares (on post-Consolidation basis) to Mr Mark Barnaba and Mr John Willinge, Proposed Directors of the Company.

If Shareholders approve these Resolutions but do not approve the Consolidation sought pursuant to Resolution 3, the Shares will be issued on a pre-Consolidation basis. The effect of this would be to multiply the number of Shares by 5.

The Shares are being issued to Messrs Barnaba and Willinge in consideration for services provided by them as members of the Company's Advisory Committee.

Directors and Proposed Directors are related parties of the Company by virtue of them being or becoming a Director, and as such, section 208 of the Corporations Act and associated provisions regulating related party transactions apply in respect of this issue of Shares.

Additionally, Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company.

Accordingly, approval for the issue of the Shares to Messrs Barnaba and Willinge is sought for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act.

The issue of these Shares was subject to the following vesting conditions (all of which have now been satisfied):

- (a) the appointment of a new chief executive officer and chief financial officer;
- (b) the earlier of 1 July 2011 and the Board giving its approval to an acquisition; and
- (c) Messrs Barnaba and Willinge remaining as members of the Company's Advisory Committee or becoming Directors of AAO or a subsidiary of AAO as at the relevant vesting date where the volume weighted average price of Shares trades above \$0.20 (\$1.00 on a post-Consolidation basis) for a

period of 5 consecutive business days at any time from 30 September 2010 for Mr Barnaba, being the date he was appointed to the Company's Advisory Committee and 8 October 2010 for Mr Willinge, being the date he was appointed to the Company's Advisory Committee.

The Shares will be restricted from disposal until 1 July 2012, with the disposal restriction enforced by the application of a holding lock or any period of escrow ASX may require.

12.2 Corporations Act and Listing Rule requirements

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to Messrs Barnaba and Willinge as approval is being obtained under Listing Rule 10.11 as an exception to the requirements of Listing Rules 7.1 and 7.2. Shareholders should note that the issue of the Shares will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

In accordance with the requirements of Chapter 2E of the Corporations Act, and in particular with section 219 of the Corporations Act, and Listing Rule 10.13, the following information is provided in relation to Resolutions 11 and 12:

- (a) the table below sets out the number of Securities Messrs Barnaba and Willinge hold as at the date of this Notice and the number of Securities they will hold assuming Shareholders approve Resolutions 11 and 12 (on a post-Consolidation basis):

Proposed Director	Securities held as at date of this Notice	Maximum number of Shares to be issued pursuant to Resolutions 11 and 12	Maximum number of Securities held post-Meeting
Mark Barnaba	2,800,001 Shares 6,100,000 Options ¹	443,823 Shares	3,243,824 Shares 6,100,000 Options ¹
John Willinge	1,041,539 Shares 2,403,600 Options ¹	147,941 Shares	1,189,480 Shares 2,403,600 Options ¹

Notes:

1. Exercisable at \$0.50 (on a post-Consolidation basis) on or before 19 April 2013.
- (b) the dilutionary effect of the issue of Shares pursuant to Resolutions 11 and 12 is set out in Section 11.5(c) of this Notice;
- (c) Messrs Barnaba and Willinge are not presently Directors but are members of the Company's Advisory Committee. They have not been remunerated for their services to the Company as Advisory Committee members and the Shares are being issued in consideration of these services;
- (d) the Directors, other than Messrs Barnaba and Willinge, have determined the fair value of the 591,764 Shares that may be issued to Messrs Barnaba and Willinge pursuant to Resolutions 11 and 12 to be \$636,146 based on the closing price of the Company's Shares on ASX on 23 May 2011 (this valuation is based on a pre-Consolidation market price of Shares);
- (e) the most recent available data concerning the price of the Company's Shares traded on ASX over the last 12 months is as follows:

	High	Low	Last
Price	\$0.29	\$0.04	\$0.215
Date	7 December 2010	5 July 2011	23 May 2011

- (f) the Shares will be issued not later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on one date;
- (g) the Shares will be issued for nil consideration;
- (h) as the Shares are being issued for nil consideration, the Company will not raise any funds by the issue of these Shares to Messrs Barnaba and Willinge;
- (i) the Shares will be fully paid ordinary Shares and will rank equally with existing Shares, and will be quoted by ASX;
- (j) the primary purpose of issuing Shares to Messrs Barnaba and Willinge is to reward these Directors for services to the Company to date, as members of the Company's Advisory Committee, and in particular, in relation to the EML Acquisition and to increase their respective investments in the Company which will provide further incentive to work towards the stated objectives of the Company; and
- (k) other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial perspective, there are any costs or detriments of any significance (including opportunity or taxation costs) for the Company or benefits foregone by the Company in issuing Shares to Messrs Barnaba and Willinge on the terms set out in this Explanatory Statement.

12.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 11 and 12 so as to reward these Proposed Directors for their work in relation to the EML Acquisition and to provide them with the opportunity to increase their respective investments in the Company which will provide further incentive to work towards the stated objectives of the Company.

13. Resolution 13 – Grant of Options to John Toms

13.1 Introduction

Resolution 13 seeks Shareholder approval for the Company to grant 200,000 Options (on a post-Consolidation basis) to Mr John Toms, a Proposed Director of the Company.

If Shareholders approve this Resolution but do not approve the Consolidation sought pursuant to Resolution 3, the Options will be issued on a pre-Consolidation basis. The effect of this would be to multiply the number of Options by 5.

Directors and Proposed Directors are related parties of the Company by virtue of them being or becoming a Director, and as such, section 208 of the Corporations Act and associated provisions regulating related party transactions apply in respect of this grant of Options.

Additionally, Listing Rule 10.14 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a director of the company. As Mr Toms will be a Director of the Company at the time the Options are granted, Listing Rule 10.14 approval is sought.

Accordingly, approval for the grant of Options to Mr Toms under the ESOP is sought for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act.

13.2 Corporations Act and Listing Rule requirements

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Options to Mr Toms as approval is being obtained under Listing Rule 10.14 as an exception to the requirements of Listing Rules 7.1 and 7.2. Shareholders should note that the grant of Options will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

In accordance with the requirements of Chapter 2E of the Corporations Act, and in particular with section 219 of the Corporations Act, and Listing Rule 10.15, the following information is provided in relation to Resolution 13:

- (a) Mr Toms will become a Director of the Company following Completion of the EML Acquisition;
- (b) the maximum number of Options to be granted to Mr Toms is 200,000 Options (on a post-Consolidation basis);
- (c) the Options will be exercisable at \$1.45 (on a post-Consolidation basis) on or before 18 July 2014;
- (d) the Options will be granted to Mr Toms for nil consideration;
- (e) as the Options are being granted for nil consideration, the Company will not raise any funds by the issue of these Options to Mr Toms;
- (f) as at the date of this Notice, no Securities have been issued to any person under the ESOP;
- (g) all Directors, executives and their nominees are entitled to participate in the ESOP;
- (h) the Options will be granted pursuant to the ESOP, the terms and conditions of the ESOP, for which Shareholder approval is sought pursuant to Resolution 6 of this Notice, are summarised in Section 10.4;
- (i) the terms of the Options are described in Section 10.4 of this Explanatory Statement;
- (j) no loan will be made by the Company to Mr Toms to assist him in acquiring the Options;
- (k) the Options will be granted no later than 12 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the one date;
- (l) any Shares issued on the exercise of the Options will be fully paid ordinary Shares and will rank equally with existing Shares, and will be quoted by ASX;
- (m) the table below sets out the number of Securities Mr Toms holds as at the date of this Notice and the number of Securities he will hold assuming Shareholders approve Resolution 13 (on a post-Consolidation basis):

Proposed Director	Securities held as at date of this Notice (on a post-Consolidation basis)	Maximum number of Securities to be issued pursuant to Resolution 13	Maximum number of Securities held post-Meeting
John Toms	Nil	200,000 Options ¹	Nil Shares 200,000 Options ¹

Notes:

1. Exercisable at \$1.45 (on a post-Consolidation basis) on or before 18 July 2014.

- (n) the dilutionary effect of the granting of Options pursuant to Resolution 13 (assuming such Options are exercised) is set out in Section 11.5(c) of this Notice;
- (o) Mr Toms is not presently a Director and therefore has not been remunerated for any services to the Company in that capacity;
- (p) the Company has commissioned an independent expert, Stantons, to value the Options being granted to Mr Toms.

Stantons have provided two different valuations of the Options based on different assumptions. The first valuation assumes that the Options will be exercised at the end of their term (being approximately 3 years from their date of grant) (**Method 1**) and the second valuation assumes the Options will be exercised a day after eighteen (18) months from their grant date (**Method 2**). The outcomes of using each of these methods of valuation are summarised below.

Method 1

- (q) the fair value (calculated on a post-Consolidation basis) of the Options to be granted to Mr Toms assuming the Options are exercised at the end of their term (Method 1) has been calculated as being \$73,000 as at 23 May 2011, using the Black & Scholes option valuation methodology, based on the following assumptions and parameters:

Assumptions	
Market price of Shares	\$1.075
Exercise price	\$1.45
Risk free interest rate	5.29%
Annualised time to expiry (assuming the Options are exercised at the end of their term)	3.06 years
Volatility factor	70%

Method 2

- (r) the fair value (calculated on a post-Consolidation basis) of the Options to be granted to Mr Toms assuming the Options are exercised 18 months after their grant date has been calculated as being \$45,000 as at 23 May 2011, using the Black & Scholes option valuation methodology, based on the following assumptions and parameters:

Assumptions	
Market price of Shares	\$1.075
Exercise price	\$1.45
Risk free interest rate	5.29%
Annualised time to expiry (assuming the Options are exercised 18 months after their grant date)	1.53 years
Volatility factor	70%

- (s) further information regarding the value of the Options to be granted to Mr Toms and the assumptions used as the basis of those valuations is set out in the Stantons valuation report at Schedule 2 of this Notice.
- (t) the primary purpose of granting Options to Mr Toms is to provide cost effective consideration to Mr Toms for his ongoing commitment and contribution to the Company;
- (u) the market price for Shares during the term of the Options would normally determine whether or not those 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; and
- (v) other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial perspective, there are any costs or detriments of any significance (including opportunity or taxation costs) for the Company or benefits foregone by the Company in granting Options to Mr Toms on the terms set out in this Explanatory Statement.

13.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 13 to provide cost effective consideration to Mr Toms for his ongoing commitment and contribution to the Company in his role as a Director.

14. Glossary of terms

Associate	Has the meaning given to it by Division 2 of the Corporations Act.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691, trading as the Australian Securities Exchange.
AAO or Company	Australasia Consolidated Limited ACN 104 757 904.
AAO Group	AAO and its wholly owned subsidiaries.
ADI	An Authorised Deposit-taking Institution
APRA	Australian Prudential Regulation Authority.
Board or AAO Board	Board of Directors of the Company.
Business Day	A day (other than a Saturday or a Sunday) on which trading banks in Perth are open for ordinary business.
Chairman	The chairman of the Board.
Completion	Completion of the sale and purchase of all shares in EML under the EML Share Purchase Deed.
Consolidation	The consolidation of the Company's capital to be undertaken pursuant to Resolution 3 on a 5:1 basis.
Constitution	The Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Deferred Consideration Shares	3 million New Shares issued in accordance with the EML Share Purchase Deed, as summarised in Section 4.1 and Schedule 1 of this Notice.
Deferred NA Adjustment Shares	Up to 1 million New Shares issued in accordance with the EML Share Purchase Deed, as summarised in Section 4.1 and Schedule 1 of this Notice.
Director	A director of the Company.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Eligible Person	A Director, officer or Employee who is from time to time engaged in full or part-time work for the Company or a controlled entity of the Company.
EMH	Emerchants Holdings Pty Ltd ACN 098 296 050.

EML	Emerchants Limited ACN 131 436 532.
EML Acquisition	The proposed purchase of all of the shares in EML from the EML Vendors pursuant to Resolution 1 under the terms of the EML Share Purchase Deed.
EML Share Purchase Deed or Share Purchase Deed	The agreement between the Company and the EML Vendors for the purchase by the Company of all of the shares in EML from the EML Vendors.
EML Vendors	Globetrotter (as trustee of the EML Unit Trust) and EMH.
Employee	Any employee, contractor or consultant engaged by the Company.
ESOP or Employee Share Option Plan	The Australasia Consolidated Employee Share Option Plan.
Existing Shareholders	Persons registered as Shareholders on the date of the Prospectus and on the date allocations under the Placement are determined.
Existing Unlisted Options	A total of 495,000 Options to subscribe for Shares (on a pre-Consolidation basis), which are not quoted on ASX, with various expiry dates and exercise prices.
FY	Financial year. For example, FY11 means the financial year ending 30 June 2011.
General Meeting or Meeting	General Meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.
Globetrotter	Globetrotter Group Pty Ltd ACN 067 013 192.
Guarantors	John Richard Battley, Richard Thomas Ferguson and Anthony Thomas Ferguson.
Initial Consideration Shares	11,500,000 New Shares (on a post-Consolidation basis) to be issued to the EML Vendors at Completion of the EML Acquisition in part consideration for the acquisition of EML shares.
Listed Option	An Option currently exercisable at \$0.10 each on or before 19 April 2013 quoted on ASX (ASX Code: AAOO).
Listing Rules	The listing rules of the ASX as amended or replaced from time to time, except to the extent of any express written waiver granted by ASX.
Marketable Parcel	A holding of Shares (on a post-Consolidation basis) with a value of at least \$2,000.
New Share	A Share issued pursuant to the EML Acquisition or the Placement at a price of \$0.85 each following completion of the Consolidation.

Notice and Notice of General Meeting	The notice of General Meeting which accompanies this Explanatory Statement.
Option	An option to subscribe for a Share.
Optionholder or Holder	A holder of an Option.
Placement	The offer of New Shares to sophisticated investors and institutions as set out in Section 8.
Performance Shares	Up to 15 million New Shares issued in accordance with the EML Share Purchase Deed, as summarised in Section 4.1 and Schedule 1 of this Notice.
PPF	A purchase payments facility.
Proposed Directors	John Battley, Mark Barnaba, John Toms and John Willinge and a Proposed Director means any one of them as the context requires.
Prospectus	The Company's prospectus for the Placement to be lodged with ASIC.
Resolution	A resolution set out in the Notice.
Securities	A Share and/or an Option.
Section	A section of this Explanatory Statement.
Share	Fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
WST	Western Standard Time, being the time in Perth, Western Australia.

Schedule 1

Summary of Consideration Provisions of Share Purchase Deed

1. General

- 1.1 This Schedule summarises the procedures and formulae used to determine the number of New Shares that may be issued to the EML Vendors under the EML Share Purchase Deed. In this Schedule, unless otherwise defined in the Glossary to the Notice, capitalised terms have the meanings set out in paragraph 7.
- 1.2 The EML Vendors will be issued a maximum of 30,500,000 Shares under the EML Share Purchase Deed.

2. Initial Consideration Shares

- 2.1 At Completion of the EML Acquisition, AAO will issue 11,500,000 Initial Consideration Shares to the EML Vendors in their Respective Proportions.

3. Deferred NA Adjustment Shares

- 3.1 Up to a further 1,000,000 Shares may be issued to the EML Vendors, subject to the calculation of net assets of EML at Completion of the EML Acquisition (**Completion NA**).
- 3.2 The Completion NA will be determined by reference to EML's 30 June Accounts, which will be prepared in accordance with Accounting Standards and AAO's accounting policies as reviewed by AAO's accountants, PricewaterhouseCoopers.
- 3.3 If the quantum of the Completion NA is equal to \$1,500,000, the EML Vendors will receive 500,000 Deferred NA Adjustment Shares in their Respective Proportions.
- 3.4 If the quantum of the Completion NA is greater than \$1,500,000 (**Surplus NA Amount**), the EML Vendors will receive that number of Deferred NA Adjustment Shares determined in accordance with the following formula:

$$(500,000 / CN) + (SNA / IP)$$

where:

CN is the number by which all Shares are divided in the event of any consolidation of AAO's capital approved by Shareholders after the date of the EML Share Purchase Deed; and

SNA is the Surplus NA Amount expressed as a number; and

IP is the issue price of Shares issued under the Prospectus expressed as a number,

provided that the number of Deferred NA Adjustment Shares must not exceed 1,000,000.

- 3.5 If the quantum of the Completion NA is less than \$1,500,000 (**Deficit NA Amount**), the EML Vendors will receive that number of Deferred NA Adjustment Shares determined in accordance with the following formula:

$$(500,000 / CN) - (DNA / IP)$$

where:

CN is the number by which all Shares are divided in the event of any consolidation of AAO's capital approved by Shareholders after the date of the EML Share Purchase Deed; and

DNA is the Deficit NA Amount expressed as a number; and

IP is the issue price of Shares issued under the Prospectus expressed as a number.

3.6 That number of Deferred NA Adjustment Shares determined in accordance with the formulae in paragraphs 3.4 and 3.5 above (as the case may be) will be issued to the EML Vendors in their Respective Proportions.

4. Deferred Consideration Shares

4.1 Subject to EML achieving annual gross sales revenue of \$7,000,000 for the 12 month period ending 30 June 2012 (Sales Forecast), the Company will issue a further 3,000,000 Deferred Consideration Shares to the EML Vendors in their Respective Proportions.

4.2 In the event EML does not achieve the Sales Forecast, the Deferred Consideration Shares may still be issued to the EML Vendors at the Company's absolute discretion.

5. Performance Shares

5.1 The EML Vendors may become entitled to a further 15,000,000 Performance Shares on the achievement of specified net profit before tax targets over the three financial years commencing on 1 July 2011 as set out in the tables below.

Table A – Threshold Targets; \$M (80% of Expected Targets)

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$4.1M	\$11.3M	\$17.9M
Performance Shares to be issued to EML Vendors (in their Respective Proportions and on a post-Consolidation basis)	1.4M	1.4M	1.4M

Table B – Expected Targets; \$M

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$5.2M	\$14.1M	\$22.3M
Performance Shares to be issued to EML Vendors (in their Respective Proportions and on a post-Consolidation basis)	2.5M	2.5M	2.5M

Table C – Stretch Targets; \$M (120% of Expected Targets)

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$6.2M	\$17.0M	\$26.8M
Performance Shares to be issued to EML Vendors (in their Respective Proportions and on a post-Consolidation basis)	3.6M	3.6M	3.6M

Table D – Super Stretch Targets; \$M (150% of Expected Targets)

	2011 / 2012	2012 / 2013	2013 / 2014
Net profit before tax target	\$7.7M	\$21.2M	\$33.5M
Performance Shares to be issued to EML Vendors (in their Respective Proportions and on a post-Consolidation basis)	5M	5M	5M

6. Adjustment to the issue of Shares to the EML Vendors generally

6.1 In the event of any reconstruction, consolidation or division of the issued share capital of AAO into (respectively) a lesser or greater number of Shares on issue which is approved by Shareholders after the date of the EML Share Purchase Deed, the number of Shares to be issued pursuant to the EML Share Purchase Deed shall be reconstructed, consolidated or divided in the same proportion as the Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on

the EML Vendors which are not conferred on the Shareholders generally and for the avoidance of doubt:

- (a) if there is a consolidation of the capital of AAO then the number of Shares to be issued to the EML Vendors must be reduced in the same ratio as the Shares that are being consolidated; and
- (b) if there is a sub-division of the capital of AAO then the number of Shares to be issued must be increased in the same ratio as those Shares that are being sub-divided.

7. Glossary

In this Schedule:

30 June Accounts means EML's balance sheet as at 30 June 2011 and its profit and loss account for the 12 month period ending on 30 June 2011, together with copies of all related working papers.

Accounting Standards means the requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Corporations Act in relation to the preparation and content of accounts and, to the extent not covered by any of them, means generally accepted accounting principles applied from time to time in Australia for companies similar to EML.

Net Profit Before Tax means the net profit before tax of EML determined in accordance with Accounting Standards.

Respective Proportion means, in respect of Globetrotter: 63.76% and, in respect of EMH: 36.24%.

25 May 2011

The Directors
Australasia Consolidated Limited
Suite 4, 213 Balcatta Road,
BALCATTWA WA 6021

Dear Sirs

At the request of Yasmin Broughton, the Company Secretary of Australasia Consolidated Limited (“AAO” or “the Company”) received on 23 May 2011, Stantons International Securities hereby set out our technical valuations of share options (“Options”) to be granted to the directors of AAO subject to the approval of its shareholders in its general meeting to be held on or around 24 June 2011 and described in detail here under. This valuation is made for the purpose of its inclusion in the notice of the general meeting; hence these Options will need to be re-valued on the actual grant date i.e. the date of the general meeting.

In arriving at the below mentioned valuations, we have used the following assumptions.

24,000,000 Options issued to directors (or 4,800,000 post-consolidation basis)

1. The above Options include 13,000,000 Options (or 2,600,000 Options on post-consolidation basis) to be issued to Bob Browning, 10,000,000 Options (or 2,000,000 Options on post-consolidation basis) to be issued to Bryant Plavsic and 1,000,000 Options (or 200,000 Options on post-consolidation basis) to be issued to John Toms. The above valuation of the Options has been made on a pre-consolidation basis.
2. The Black and Scholes option valuation methodology has been used. This Option Valuation methodology has been used with the expectation that the majority of these Options would be exercised towards the end of the term of these Options.
3. The closing price of a listed AAO share as traded on ASX as at the close of 23 May 2011 was \$0.215.
4. The date of the valuation has been set as at 23 May 2011 however the term is from 24 June 2011 to 18 July 2014 being the date of expiry of the Options i.e. approximately 3.06 year term. The Options are exercisable at \$0.20 on a pre consolidated basis (and \$1.45 on a post consolidation basis).
5. The Government bond rate of the Reserve Bank of Australia for 3 year term approximates 5.29%.
6. The Options will be issued without any consideration and will have vesting conditions that are not market based vesting conditions. We have assumed that no dividends are expected to be declared or paid by the Company during the term of the Options. No discount is

applied under Australian Equivalents of International Financial Reporting Standards (“A-IFRS”) for non-market based vesting conditions.

7. We note that the one year high (all on a pre consolidated basis) for the Company share price leading up to 23 May 2011 was \$0.280 and the one year low share price was \$0.045 with a simple volatility of 522%. We note that the four months high for the Company share price was \$0.260 and the four months low for was \$0.160 with a simple volatility of 62.50%. The annualised volatility to 23 May 2011 that was calculated using an option volatility calculator was 151.90%.

AAO’s share price was sensitive to announcements made by it on its mineral interests, the demand and prices in the global market for its minerals. It is not uncommon for listed exploration and mining companies to have volatilities in the range of 50% to 100% with some companies falling outside that normal range. AAO is now venturing into financial services industry with the acquisition of all the equity shares of Emerchants Limited, Australia’s largest issuer of pre-paid financial cards. We also note that the volatility has retracted since acquiring the new business and since the announcement of the change in activities the volatility is around 62%. In our view after taking into account the above factors, the volatility calculator, the general trend in many shares trading on the ASX over the past 4 and 12 months and the fact that the Company does not have any performance history in the financial services industry we are of the view that the fair volatility factor for the purpose of valuation as at 23 May 2011 could be expected in the range of 70% to 100%. We have given our valuations for both 70% and 100% volatilities for the purpose of the notice of the meeting. Our preferred volatility factor would be 70%.

8. The valuation noted below is not necessarily the market price that the Options could be traded at and it is not automatically the market price for taxation purposes. The recipients of these Options should seek their own tax advice as to the tax treatment of receiving Options in AAO and the value for taxation purposes.
9. It is common practice to discount the technical value arrived at by Binomial or Black Scholes on unlisted share options as the “market value” of an unlisted security is arguably less than a listed security. This is supported by Lonergan in his book on valuations. It is common that the discount is in the range of 20% to 50%. In our view a discount of 20% is considered reasonable as the Options are not transferable at any time prior to the expiry date.
10. Our valuations for the Options based on the above assumptions (that includes the assumption that if exercised, the options will be exercised towards the end of the expiry period of 18 July 2014 are as follows:

24,000,000 Options (on a pre consolidation basis)	@70% volatility	After a discount @20% \$0.073	Pre \$0.091	Discount
24,000,000 Options (on a pre consolidation basis)	@100% volatility	After a discount @20% \$0.102	Pre \$0.127	Discount
4,800,000 Options (on a post consolidation basis)	@70% volatility	After a discount @20% \$0.365	Pre \$0.455	Discount
4,800,000 Options (on a post consolidation basis)	@100% volatility	After a discount @20% \$0.51	Pre \$0.635	Discount

We have also provided the following table to illustrate the change in the values if it was assumed that the Options would be exercised on reaching the vesting dates to reflect the effect of the shorter expected term to exercise the Options. The expiry dates (except for the Options to John Toms) are one day after the relevant vesting date to exercise the Options and are noted in the table below under Expiry Dates. For the Options held by John Toms, we have assumed that these Options will be exercised a day after 18 months period from the grant date.

Pre-Consolidation:

Holder	No of Options	Grant Date	Expiry Dates	Value Pre Discount	Value Post Discount (20%)
Browning	5,000,000	24/06/2011	19/04/2012	\$ 0.0345	\$0.0276
Plavsic	4,000,000	24/06/2011	19/04/2012	\$ 0.0345	\$0.0276
Browning	4,000,000	24/06/2011	19/04/2013	\$ 0.0641	\$0.0513
Plavsic	3,000,000	24/06/2011	19/04/2013	\$ 0.0641	\$0.0513
Browning	4,000,000	24/06/2011	19/04/2014	\$ 0.0864	\$0.0691
Plavsic	3,000,000	24/06/2011	19/04/2014	\$ 0.0864	\$0.0691
Toms	1,000,000	24/06/2011	25/12/2012	\$ 0.0563	\$0.0450

Post-Consolidation:

Holder	No of Options	Grant Date	Expiry Date	Value Pre Discount	Value Post Discount (20%)
Browning	1,000,000	24/06/2011	19/04/2012	\$0.1725	\$0.1380
Plavsic	800,000	24/06/2011	19/04/2012	\$0.1725	\$0.1380
Browning	800,000	24/06/2011	19/04/2013	\$0.3205	\$0.2565
Plavsic	600,000	24/06/2011	19/04/2013	\$0.3205	\$0.2565
Browning	800,000	24/06/2011	19/04/2014	\$0.4320	\$0.3455
Plavsic	600,000	24/06/2011	19/04/2014	\$0.4320	\$0.3455
Toms	200,000	24/06/2011	25/12/2012	\$0.2815	\$0.2250

Should you wish to discuss the above, do not hesitate to contact me.

Yours faithfully

STANTONS INTERNATIONAL PTY LTD
(Trading as Stantons International Securities)



John P Van Dieren - FCA
Director

AUSTRALASIA CONSOLIDATED LIMITED ACN 104 757 904
PROXY FORM

I/We (name of Shareholder)of (address)
 being a member/members of Australasia Consolidated Limited HEREBY APPOINT:
 (name).....
 of (address)
 and/or failing him/her (name)
 of (address)

or failing that person then the Chairman of the General Meeting as my/our proxy to act generally for me/us and to vote in accordance with the following directions or, if no directions are given, as the proxy sees fit at the General Meeting of the Company to be held on Wednesday 29 June 2011 at 8.30am WST at QV1 Conference Centre, Level 2, QV1 Building, 250 St Georges Terrace, Perth, WA and at any adjournment of the meeting.

Important: If the Chairman of the General Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Resolutions 1 to 13 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the General Meeting may exercise your proxy in respect of a Resolution even if he has an interest in the outcome of that Resolution, and that the votes cast by him, other than as proxy holder, would 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 and your votes will not be counted in computing the required majority if a poll is called on a Resolution. The Chairman of the Meeting intends to vote all undirected proxies in favour of all Resolutions.

Should you so desire to direct the proxy how to vote, you should place a cross in the appropriate boxes below:

I/We direct my/our Proxy to vote in the following manner:

		For	Against	Abstain
Resolution 1	Approval of EML Acquisition and the change in nature and scale of AAO's activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of New Shares to the EML Vendors for the acquisition of EML	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Consolidation of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of New Shares under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Change in Company name to "Adept Solutions Limited"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Grant of Options to Bob Browning under ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Grant of Options to Bryant Plavsic under ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Shares to Bob Browning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Shares to Bryant Plavsic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Shares to Mark Barnaba	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of Shares to John Willinge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Grant of Options to John Toms under ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*This Proxy is appointed to represent _____% of my voting rights, or if two proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my/our total votes.
 My/our total voting rights is _____ Shares.*

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director