



## PIPE NETWORKS LIMITED

ABN 21 099 104 122

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fifth Annual General Meeting (AGM) of the members of PIPE Networks Limited (Company) will be held at the Regus Riverside Auditorium on Level 5, Riverside Centre, 123 Eagle Street, Brisbane on Tuesday the 27<sup>th</sup> of October 2009 commencing 10.00am (Brisbane time). Shareholders are invited to attend and participate at this meeting to canvass relevant issues of interest. If you are unable to attend the AGM, you are invited to vote by proxy on the resolutions to be considered at the meeting.

#### ORDINARY BUSINESS

##### 1. Financial Statements and Reports

To receive and consider the Reports of the Directors and Auditors, and the Financial Report for the year ended 30 June 2009.

##### 2. Election of Directors

To consider and, if thought fit, pass the following as ordinary resolutions;

- a. That Mr Roger Brian Clarke retires by rotation in accordance with clause 58.1(c) of the Company's Constitution and, being eligible, offers himself for re-election.
- b. That Mr Greg Baynton retires by rotation in accordance with clause 58.1(c) of the Company's Constitution and, being eligible, offers himself for re-election.

##### 3. Remuneration Report

To consider and, if thought fit, pass the following resolution;

That the Remuneration Report for the year ended 30 June 2009 be adopted.

#### SPECIAL BUSINESS

##### 4. Ratification of Previous Issue of Shares

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

That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment and issue of 3,500,000 fully paid ordinary shares at an issue price of \$2.80 per share to institutional and sophisticated investors within the meaning of section 708 of the Corporations act.

*NB: The information required to be provided by Listing Rule 7.5 to assist shareholders in voting on this resolution is set out in the accompanying Explanatory Memorandum.*

By order of the Board

A handwritten signature in black ink that reads "L. Bolger".

**Louise Bolger**  
**General Counsel/Company Secretary**  
25 September 2009



# EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

## FINANCIAL STATEMENTS AND REPORTS

The Corporations Act 2001 (Cth) (**Corporations Act**) requires the financial report (which includes the financial statements and directors' declaration), the directors' report and the auditor's report to be laid before the AGM. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the directors' report or the auditor's report. Shareholders will have a reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business and operations of the Company.

A copy of the audited preliminary financial report is available for electronic download from the Investor Relations section of the Company's website ([www.pipenetworks.com](http://www.pipenetworks.com)). The 2009 Annual Report will be made available to shareholders in accordance with their preferences for receiving the report on or before 6 October 2009 and will also be available for electronic download from the Company's website.

## ELECTION OF DIRECTORS

Details of the background and qualifications of both Mr Roger Brian Clarke and Mr Greg Baynton will appear on page 6 of the 2009 Annual Report as follows:

**Roger Clarke – Chairman**, Age 61, Appointed 25 January 2005

Mr Roger Clarke is the Chairman of the Board and has over 30 years commercial experience in the investment banking industry, with responsibilities in fund management, banking and corporate finance. He is also the Chairman of Board of Advice at ABN AMRO Morgans Limited, and in this capacity has been involved in a significant number of initial public offerings, capital raisings and corporate transactions.

Mr Clarke holds a Bachelor of Commerce degree and is a Chartered Accountant. Mr Clarke is also Chairman of the Company's Audit and Risk Management Committee.

### Other Current Directorships

Mr Clarke currently serves as a director on the board of the following listed companies:

- Tissue Therapies Ltd
- Trojan Equity Ltd

### Former Directorships in the last 3 years

Mr Clarke ceased being a listed company director of the following companies within the last 3 years.

- Maverick Drilling International Ltd, formerly White Sands Petroleum Ltd

**Greg Baynton – Non-Executive Director**, Age 40, Appointed 3 December 2004

Mr Greg Baynton is the founder and Managing Director of Orbit Capital, a boutique investment bank and holder of Financial Services Licence No. 230327. He comes from a background in merchant banking and Queensland Treasury, and has experience in infrastructure investment, capital raisings, IPOs, pre-IPO funding, corporate structuring and corporate governance. He holds a Bachelor of Business (Accountancy), a Master of Economic Studies (UQ), a Post-graduate Diploma in Applied Finance & Investment (SIA), and a Master of Business Administration in New Venture Management (QUT).

Mr Baynton is a Fellow of the Australian Institute of Company Directors and an Associate of the Financial Services Institute of Australasia. Mr Baynton is a member of the Company's Audit and Risk Management Committee.

### Other Current Directorships

Mr Baynton currently serves as a director on the board of the following listed companies:



- Lodestone Energy Ltd (formerly Lodestone Exploration Ltd)
- Tissue Therapies Ltd
- Diversa Ltd (formerly Ambri Ltd)

**Former Directorships in the last 3 years**

Mr Baynton has not ceased any listed company directorships in the last 3 years.

**REMUNERATION REPORT**

The Directors' Report for the year ended 30 June 2009 contains a Remuneration Report which sets out the policy for the remuneration of the directors of the Company and specified executives of the Company.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory only and does not bind the directors or the Company.

Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

**RATIFICATION OF PREVIOUS ISSUE OF SHARES**

The purpose of this resolution is for shareholders to ratify and approve, pursuant to Listing Rule 7.4, the issue of shares that occurred during the 12 months before the date of this Annual General Meeting which count toward the Company's 15% limit under Listing Rule 7.1.

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

The allotment and issue of shares detailed in this resolution did not exceed the 15% threshold. However, Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

The resolution proposes the ratification and approval of the allotment and issue of shares for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	<b>Number of Securities issued</b>	<b>Issue price per Security</b>	<b>Terms of Securities issued</b>	<b>Person to whom Securities were issued</b>	<b>Basis for determining allottees and use of funds raised by the issue</b>
19/02/2009	3,500,000	\$2.80	Rank equally with all fully paid ordinary shares on issue	National Nominees Limited, Peplon Nominees Pty Limited, J P Morgan Nominees Australia Limited, ANZ Nominees Limited, Aust Executor Trustees NSW Limited, Trojan Equity Limited, Queensland Investment Corporation, Cogent Nominees Pty Limited, RBC Dexia Investor Services Australia Nominees Pty Limited, Citicorp Nominees Pty Limited, HGT Investments Pty Ltd and other Institutional and sophisticated investors.	The shares were issued on the basis of confirmed indications of interest from selected institutional and sophisticated investors.  To provide equity funding for the capital expenditure requirements of the Company's submarine cable system and enhance working capital.



## PROXY FORM

If you are attending the AGM, please bring the proxy form with you as the details on it will assist attendance registration. If you are unable to attend the meeting, you may appoint a proxy to vote for you at the meeting using the proxy form attached. Please have the proxy form completed and returned to the Company's Share Registry in the reply paid envelope provided to reach the Share Registry not later than 10.00 am (Brisbane time) on 25 October 2009. Alternatively, you may lodge your vote online via our Share Registry's website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)). The deadline for lodgement of 10:00 am (Brisbane time) on 25 October 2009 also applies to online votes.

## VOTING

A member entitled to attend and vote may appoint up to two proxies. Where a member appoints two proxies and the appointment does not specify the number or proportion of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a shareholder.

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

## VOTING EXCLUSION STATEMENT

The Company will disregard any vote cast on item 4 by:

- National Nominees Limited, Peplon Nominees Pty Limited, J P Morgan Nominees Australia Limited, ANZ Nominees Limited, Aust Executor Trustees NSW Limited, Trojan Equity Limited, Queensland Investment Corporation, Cogent Nominees Pty Limited, RBC Dexia Investor Services Australia Nominees Pty Limited, Citicorp Nominees Pty Limited, HGT Investments Pty Limited and other institutional and sophisticated investors. ("the investors") who participated in the issue; and
- any associate of the investors who participated in the issue.

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.

## ENTITLEMENT TO VOTE

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all ordinary shares in the Company shall be taken to be held by the persons who held them as registered shareholders at 7 pm AEST on 23 October 2009 for holding the meeting (**Entitlement Time**). All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the meeting outlined above.



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**LODGE YOUR VOTE**

**By mail:**  
Pipe Networks Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**By fax:** +61 2 9287 0309

**ONLINE** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

All enquiries to:  
 **Telephone:** (02) 8280 7454



**X99999999999**

**SHAREHOLDER VOTING FORM**

I/We being a member(s) of Pipe Networks Limited and entitled to attend and vote hereby appoint:

**STEP 1** **APPOINT A PROXY**

the Chairman of the Meeting (mark box)  **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am on Tuesday, 27 October 2009, at Regus Riverside Auditorium on Level 5, Riverside Centre, 123 Eagle Street, Brisbane and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an **X**

**STEP 2** **VOTING DIRECTIONS**

<b>Resolution 1</b> To receive and consider the Financial Statements and Reports	For <input type="checkbox"/>	Against <input type="checkbox"/>	Abstain* <input type="checkbox"/>	<b>Resolution 3</b> Adoption of the Remuneration Report	For <input type="checkbox"/>	Against <input type="checkbox"/>	Abstain* <input type="checkbox"/>
<b>Resolution 2a</b> Re-election of Mr Roger Brian Clarke as a director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 4</b> Approve and ratify the allotment and issue of 3.5 million ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2b</b> Re-election of Mr Greg Baynton as a director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3** **SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual) <input type="text"/>	Joint Shareholder 2 (Individual) <input type="text"/>	Joint Shareholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

**PWK PRX901**



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item 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 items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second 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's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

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

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Sunday, 25 October 2009, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **by mail:**  
Pipe Networks Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

 **by fax:**  
+61 2 9287 0309

 **online:** **ONLINE** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

lodging it online at Link's website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website);

 **by hand:**  
delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.