



MURCHISON HOLDINGS LIMITED

ACN 004 707 260

MURCHISON HOLDINGS LIMITED ABN 52 004 707 260
NOTICE OF ANNUAL GENERAL MEETING 2011

Notice is hereby given that the Forty-fourth Annual General Meeting of Murchison Holdings Limited will be held at the Front Suite, Level 2, 11 Queens Road, Melbourne Victoria Australia 3004 on Friday 25 November 2011 at 3:30 pm (Australian Eastern Daylight Time).

ORDINARY BUSINESS

Item 1. Financial Reports

To receive, consider and adopt the Financial Report, the Directors' Report and the Auditor's Reports for the year ended 30 June 2011.

Item 2. Adoption of Remuneration Report

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

"That for the purposes of section 250R(2) of the Corporations Act 2001 (Cth), the Remuneration Report of the Company for the financial year ended 30 June 2011 as disclosed in the 2011 Annual Report of the Company be adopted."

This resolution is advisory only and does not bind the Directors of the Company.

Voting Exclusion Statement

1. In accordance with the Corporation Act 2001 (Cth), the Company will disregard all votes cast on the proposed resolution for the adoption of the Remuneration Report referred to in Item 2 by or on behalf of:
 - 1.1 a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2011 ("KMP"); or
 - 1.2 a closely related party of a KMP,whether the votes are cast as a shareholder, proxy or in any other capacity.

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Level 2, 11 Queens Road,
Melbourne, Victoria 3004
Australia
Tel: (613) 9867 7033
Fax (613) 9867 7088

Hong Kong
Room 202, 2/F
Chinaweal Centre,
414-424 Jaffe Road,
Wanchai, Hong Kong
Tel: (852) 2877 6828
Fax: (852) 2596 0451



2. However, the Company will not disregard a vote cast on the resolution at Item 2 by a KMP, or a closely related party of a KMP, if:
 - 2.1 the vote is cast as a proxy;
 - 2.2 the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed in Item 2; and
 - 2.3 the vote is not cast on behalf of a KMP or a closely related party of a KMP.
3. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include the Company's directors and certain senior executives.
4. A closely related party of a member of the key management personnel means any of the following:
 - 4.1 a spouse, child or dependant of the member;
 - 4.2 a child or dependant of the member's spouse;
 - 4.3 anyone else who is one of the member's family and may be expected to influence or be influenced by the member in the member's dealings with the Company;
 - 4.4 a company the member controls; or
 - 4.5 a person prescribed by regulations (as at the date of this Notice of Annual General Meeting no additional persons have been prescribed by regulation).
5. If you complete a proxy form that authorizes the Chairman of the Meeting to vote on your behalf as proxy holder or he is appointed as your proxy by default, and you do not make a voting direction so as to give him directions about how your vote should be cast, then your proxy will automatically become a directed proxy in favour of the resolution to adopt the Remuneration Report, and the Chairman of the Meeting will vote accordingly. If you wish to appoint the Chairman of the Meeting as your proxy holder but do not want him to cast your vote in favour of the Remuneration Report, you should complete the voting direction on the proxy form, directing him to vote against or abstain from voting on the resolution.
6. The Chairman of the Meeting intends to vote all undirected proxies in favour of the resolution at Item 2.

Resolutions 3 to 6 (both inclusive) - Re-Election of Directors

Item 3. Re-Election of Chiang Wee Tiong

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

“That Mr. Chiang Wee Tiong, being due to retire, has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

Item 4. Re-Election of Grant Anthony Robertson

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

“That Mr. Grant Anthony Robertson has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

Item 5. Re-Election of Dr Kim Chan Koh

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

“That Dr Kim Chan Koh has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

Item 6. Re-Election of Wong Hung Ngok

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

“That Mr. Wong Hung Ngok has tendered his resignation to take effect immediately prior to this motion but offers himself for re-election in order to satisfy Article 69 of the Constitution of Murchison Holdings Limited and Rules 14.4 and 14.5 of the Listing Rules of the ASX Limited, which effectively requires that there be an election of a director each year.”

SPECIAL BUSINESS

Item 7. Recommendation of Dividend

To declare a dividend as recommended by the Board.

Resolutions 8 to 10 (both inclusive) - Approval to Issue Options to Directors

Item 8: "THAT shareholders approve the issue of 560,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 30 cents (\$0.30) each and expiring 5 years from date of issue to Chiang Wee Tiong (or his nominee), a Director of the Company as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Item 9: "THAT shareholders approve the issue of 396,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 30 cents (\$0.30) each and expiring 5 years from date of issue to Grant Anthony Robertson (or his nominee), a Director of the Company as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Item 10: "THAT shareholders approve the issue of 50,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 30 cents (\$0.30) each and expiring 5 years from date of issue to Dr Kim Chan Koh (or his nominee), a Director of the Company as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on the resolutions at Items 8 to 10 (both inclusive) by:

- *a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or*
- *an associate of those persons.*

However, the Company need not disregard a vote on the resolutions at Items 8 to 10 (both inclusive) 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.*

Item 11. Resolution 11 - Adoption of Employee Retention Option Scheme (2011)

"THAT shareholders approve and adopt the Employee Retention Option Scheme (2011) on the terms described in the Explanatory Memorandum which accompanied and formed part of the Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on the resolution at Item 11 by:

- *a Director of the Company; or*
- *an associate of that person.*

However, the Company need not disregard a vote on the resolution at Item 11 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*

Item 12. Resolution 12 – Change of Auditor

"THAT, subject to the consent of the Australian Securities & Investments Commission to the current auditor resigning, ShineWing Hall Chadwick having been duly nominated under section 328B(1) of the Corporations Act 2001 (Cth), be appointed as auditor of the Company."

Note: A summary of the background to this change appears in the Explanatory Memorandum. A copy of the notice of nomination of ShineWing Hall Chadwick as the Company's auditor accompanies this notice in accordance with section 328B(3) of the Corporations Act 2001 (Cth).

Dated at Melbourne this 24 October 2011.

By order of the Board



GA Robertson

Company Secretary



MURCHISON HOLDINGS LIMITED ABN 52 004 707 260
NOTICE OF ANNUAL GENERAL MEETING 2011

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed form.

1. A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies who need not be members of the Company, to attend and speak and vote instead of the member.
2. Where two or more proxies are appointed, each proxy must be appointed to represent a specified portion of the shares held by a member to the intent that every member may divide his holding into two or more parcels of shares and appoint a separate proxy in respect of each such parcel. A proxy may vote on a show of hands and on a poll provided that if a member appoints more than one proxy such proxies may not vote on a show of hands.
3. A proxy for a corporation must be executed under its common seal or as otherwise permitted in accordance with section 127 of the Corporations Act.
4. Proxy forms must be received by the company at its registered office at least 24 hours before the time for holding the meeting.
5. A proxy form is attached.

Voting Rights

In accordance with section 1074E(2)(g) of the Corporations Act 2001 (Cth), Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) and the Constitution of the Company, the Board of Directors has determined that shares in the Company will, for the purposes of the Annual General Meeting of the Company, be taken to be held by shareholders registered as such as at 3:30 pm on 24 November 2011 (Australian Eastern Daylight Time).



MURCHISON HOLDINGS LIMITED ABN 52 004 707 260
NOTICE OF ANNUAL GENERAL MEETING 2011
APPOINTMENT OF PROXY

The Secretary
 Murchison Holdings Limited
 Front Suite, Level 2, 11 Queens Road
 Melbourne Victoria, Australia 3004
 Tel: (613) 9867 -7033
 Fax: (613) 9867-7088
www.murchisongroup.com

I/We

(full name(s) of shareholder(s) in block letters)

of

(full address(es) of shareholder(s) in block letters)

being a member/members of Murchison Holdings Limited entitled to attend and vote hereby appoint:

(full name of proxy in block letters)

of

(full address of proxy in block letters)

and (if you wish to appoint two or more proxies)

(full name of second and subsequent proxies in block letters)

of

(full address of second and subsequent proxies in block letters)

or failing him/her, or if no person is named, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held on 25 November 2011 (Friday) at 3:30 p.m.(Australian Eastern Daylight Time), at Front Suite, Level 2, 11 Queens Road, Victoria, Melbourne, Australia 3004 and any adjournment of that meeting to act generally on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Important for the resolution at Items 2, 8-11 (both inclusive)

If you complete a proxy form that authorizes the Chairman of the Meeting to vote on your behalf as proxy holder or he is appointed as your proxy by default, and you do not make a voting direction so as to give him directions about how your vote should be cast, then your proxy will automatically become a directed proxy in favour of the resolutions proposed at Item 2 (Adoption of Remuneration Report), Items 8 - 10 (both inclusive)(Approval to Issue Options to Directors) and Item 11 (Adoption of Employee Retention Option Scheme), and the Chairman of the Meeting will vote accordingly. If you wish to appoint the Chairman of the Meeting as your proxy holder but do not wish him to cast your votes in favour of one or more of the aforesaid resolutions, you should complete the appropriate voting direction on the proxy form, directing him to vote against or abstain from voting on the relevant resolution.

The Chairman of the Meeting will vote all undirected proxies in favour of the resolutions at Items 1-11 (both inclusive).

Signed this day of 2011

Signature(s) of Member(s)

A member is entitled to appoint one or more persons (whether members or not) to attend the meeting and on a poll, vote in place of the member. Where two or more such proxies are appointed, the portion of the member's voting rights given to each proxy must be specified. Where a proxy is appointed by the member's attorney evidence of non-revocation must be lodged with the proxy form.

A proxy by a corporation must be executed either under its Common Seal and Attestation Clause or in accordance with section 127 of the Corporations Act or under the hand of an officer or attorney duly authorized.

An instrument appointing a proxy shall not be treated as valid unless the instrument, and the power of attorney or other authority (if any) under which the instrument is signed or a notarially certified copy of that power or authority, is or are deposited, not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the registered office of the Company or at such other place in Australia as is specified for that purpose in the notice convening the meeting.



Should the member desire to direct the proxy how to vote, the member should complete the following section by striking out whichever is not desired against each item hereunder, otherwise the proxy may vote as he or she thinks fit or may abstain from voting.

Voting Instructions		
I/We desire to vote on the resolutions as indicated below:		
This is to be used	in favour of/against/abstain*	Resolution at Item 1
This is to be used	in favour of/against/abstain*	Resolution at Item 2
This is to be used	in favour of/against/abstain*	Resolution at Item 3
This is to be used	in favour of/against/abstain*	Resolution at Item 4
This is to be used	in favour of/against/abstain*	Resolution at Item 5
This is to be used	in favour of/against/abstain*	Resolution at Item 6
This is to be used	in favour of/against/abstain*	Resolution at Item 7
This is to be used	in favour of/against/abstain*	Resolution at Item 8
This is to be used	in favour of/against/abstain*	Resolution at Item 9
This is to be used	in favour of/against/abstain*	Resolution at Item 10
This is to be used	in favour of/against/abstain*	Resolution at Item 11
This is to be used	in favour of/against/abstain*	Resolution at Item 12
Strike out whichever is not desired.		
(Unless otherwise instructed, the proxy may vote as he/she thinks fit)		
If you do not wish to direct your proxy how to vote, please place a mark in the box.		
<input type="checkbox"/>		
<p>If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by marking this box you will have directed the Chairman of the Meeting to vote in favour of all resolutions including the resolutions proposed at Item 2 (Adoption of Remuneration Report), Items 8 - 10 (both inclusive)(Approval to Issue Options to Directors) and Item 11 (Adoption of Employee Retention Option Scheme) even though the Chairman might have an interest in the outcome of the said resolutions. If you do not mark this box and you have not directed the Chairman how to vote on the resolutions, the Chairman will not cast your votes on a resolution if he has an interest in the outcome of that resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.</p>		



MURCHISON HOLDINGS LIMITED
ACN 004 707 260
("the Company")
ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM

This Explanatory Memorandum ("this Memorandum") is dated 24 October 2011 and accompanies and forms part of the Company's Notice of Annual General Meeting to be held at Front Suite, Level 2, 11 Queens Road, Melbourne Victoria Australia 3004 on Friday 25 November 2011 at 3:30 pm (Australian Eastern Daylight Time).

The Notice of Annual General Meeting incorporates, and should be read together with, this Memorandum.

ORDINARY BUSINESS

Item 1: Financial Reports

The Company's 2011 Annual Report, which includes the Financial Report, Directors' Report and Auditor's Reports for the financial year ended 30 June 2011, is available on the Company's website at www.murchisongroup.com (under "Murchison Holdings Announcements & Latest News"). A copy has been forwarded to all shareholders who elected to receive it.

The Executive Chairman will address the meeting. Shareholders will be given a reasonable opportunity as a whole to ask questions about or make comments on the management of the Company. A representative of the Company's auditors, Bentleys Melbourne Partnership, will also attend the meeting and will be available to receive questions relevant to the conduct of the audit, the preparation and content of the Auditor's Reports, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Item 2: Adoption of Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report, which is set out on pages 20-26 (both inclusive) of the 2011 Annual Report.

Pursuant to section 250R(2) of the Corporations Act 2001, the Annual General Meeting of a listed company must propose a resolution that the Remuneration Report be adopted. Pursuant to section 250R(3) of the Corporations Act 2001, the vote on the resolution set out at Item 2 is advisory only and does not bind either the Directors or the Company.

However under recent changes to the Corporation Act which took effect on 1 July 2011, if at least 25% of the votes cast on the resolution are voted against adoption of the remuneration report at an annual general meeting, then:

1. if comments are made on the report at the annual general meeting, the Company's remuneration report for the financial year ending 30 June 2012 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
2. if, at the Company's 2012 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders at that meeting a resolution proposing that a general meeting ("Spill Meeting") be called to consider the election of directors of the Company ("Spill Resolution"). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, the Spill Meeting must be held within 90 days of the date of the 2012 annual general meeting. All of the Directors (other than the managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Remuneration Report has been unanimously adopted by resolution of the Board. The Directors recommend the Remuneration Report to shareholders for adoption.

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

Item 3 to 5 - Re-Election of Directors

The Constitution of the Company requires an election of directors shall take place each year. No director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his appointment (whichever is the longer) without submitting himself for re-election. A director appointed to fill a casual vacancy or as an addition to the board shall hold office only until the next annual general

meeting and shall then be eligible for re-election. In addition, Rule 14.4 and Rule 14.5 of the ASX Listing Rules has like provisions.

Item 3: The resolution at Item 3 relates to the re-election of Mr Chiang Wee Tiong B.Sc (Hons), MBA – Executive Chairman of Murchison Holdings Limited and its subsidiary company Quest Investments Limited since 1991.

Mr Chiang is based in Hong Kong and has considerable experience in stock broking, investment banking and asset management gained in Singapore, Hong Kong and the People’s Republic of China (“PRC”). Mr Chiang is also the Senior Economic Adviser to The People’s Government of Nan’an District, Chongqing City, PRC. Mr Chiang has acted as an advisor to various governments in South East Asia and Africa.

The Directors other than Mr Chiang Wee Tiong recommend that shareholders vote in favour of the resolution at Item 3. Mr Chiang Wee Tiong, because of his interest, makes no recommendation in relation to the resolution at Item 3.

Item 4: The resolution at Item 4 relates to the re-election of Mr Grant Anthony Robertson B.Ec, LL.B, CPA – Executive Director of Murchison Holdings Limited and its subsidiary company Quest Investments Limited since 2009. Mr Robertson was a non-executive director of Murchison Holdings Limited and Quest Investments Limited from 1991 to 2008. Mr Robertson has been the Company Secretary of both Murchison Holdings Limited and Quest Investments Limited since 1991.

Mr Robertson is based in Melbourne Australia and was a senior commercial partner of Melbourne law firm Abbott Stillman & Wilson from 1983 – 2001 and general counsel of its successor Dibbs Abbott Stillman from 2001 – 2007. Mr Robertson has considerable experience in property development, corporate and taxation matters. Mr Robertson was a director of Melbourne stock broking firm William Noall Limited during the 1990s and an executive director of his family’s property development and investment group.

The Directors, other than Mr Grant Anthony Robertson, recommend that shareholders vote in favour of the resolution at Item 4. Mr Grant Anthony Robertson, because of his interest, makes no recommendation in relation to the resolution at Item 4.

Item 5: The resolution at Item 5 relates to the re-election of Dr Kim Chan Koh MBBS, MRCP, MRACP, DIH as a Non-Executive Director. Dr Koh has held the position of non-executive director of Murchison Holdings Limited and Quest Investments Limited since 2001. Dr Koh is a retired medical practitioner specialising in aviation medicine.

The Directors, other than Dr Kim Chan Koh, recommend that shareholders vote in favour of the resolution at Item 5. Dr Kim Chan Koh, because of his interest, makes no recommendation in relation to the resolution at Item 5.

Item 6: The resolution at Item 6 relates to the re-election of Wong Hung Ngok MA FAIA as an Executive Director of the Company. Mr Wong is currently the Chief Financial Officer of the entities comprising the Murchison Holdings Limited Group and Quest Investments Limited Group - its subsidiary company group – and company secretary of Quest Marine Resources Limited. Mr Wong is also one of the two (2) responsible officers of Quest Stockbrokers (HK) Limited authorised under the Hong Kong Securities and Futures Ordinance. Mr Wong has held senior management roles with the Group since 1 November 2004. Mr Wong has over 20 years working experience in banking, accounting and auditing including at Hang Seng Bank Limited and Citibank Limited. Mr Wong is a fellow of the Association of International Accountants, associate member of the Hong Kong Securities Institute and holds a Masters Degree in Accounting bestowed by Curtin University Australia.

The Directors, other than Wong Hung Ngok, recommend that shareholders vote in favour of the resolution at Item 6. Wong Hung Ngok, because of his interest, makes no recommendation in relation to the resolution at Item 6.

SPECIAL BUSINESS

Item 7. Declaration of Dividend

Article 97(i) of the Constitution of the Company provides that the Company in a general meeting may declare a dividend if, and only if, the directors of the Company have recommended a dividend. Article 97(ii) provides that a dividend shall not exceed the amount recommended by the directors of the Company.

The recommended dividend is 0.275 cents (\$0.00275) per share, unfranked, to be paid on 24 December 2010 to shareholders registered at 5:00pm on 10 December 2011.

Resolutions at Items 8 to 10 - Approval to Issue Options to Directors

Listing Rule 10.11 requires a company to obtain the approval of shareholders before issuing securities to a related party of the Company. Related party includes a Director of the Company. Passing the resolutions at Items 8 to 10 (both inclusive) will permit the Directors named in the tables below (or their nominees) to acquire options in the Company.

The resolutions at Item 8, 9 and 10 are proposed to issue the following unlisted options to each of Chiang Wee Tiong, Grant Anthony Robertson and Kim Chan Koh:

Name of Director	No. of unlisted Options
Chiang Wee Tiong*	560,000
Grant Anthony Robertson**	396,000
Kim Chan Koh***	50,000

- **Subject to the re-election of Chiang Wee Tiong as a Director in accordance with the resolution at Item 3.*
- ***Subject to the re-election of Grant Anthony Robertson in accordance with the resolution at Item 4.*
- ****Subject to the re-election of Kim Chan Koh in accordance with the resolution at Item 5.*

The terms of the options to be issued to the Directors named above are as follows:

Each of these unlisted options:

- entitles the holder to acquire one ordinary share in the capital of the Company;
- will have a nil issue price and be issued in lieu of remuneration;
- has an exercise price of \$0.30;
- must be exercised within 5 years from date of issue;
- will be escrowed for 12 months from date of issue;
- will be issued no later than one month after the date of the Meeting; and
- will be otherwise issued on the terms set out in **Annexure A** attached to this Memorandum.

The total number of shares that may be issued pursuant to the options proposed to be granted under the resolutions at Items 8, 9 and 10 represent about 5% of the shares on issue at the date hereof.

The last sale of ordinary shares occurred on 23 September 2011 at a price of \$0.28. Based on a Black-Scholes Option Pricing Model calculation, the indicative value of an

option subject to the resolutions at Items 8, 9 and 10 is \$0.06. The assumptions for this calculation are:

Option Exercise Price	\$0.30
Share Price	\$0.28
Expected Life (Months)	5 yrs
Volatility	15%
Risk Free Rate	4.75%
Resultant Option Value	\$0.06

ASX Listing Rule 7.1 requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Also by obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to fifteen percent (15%) of its ordinary shares under Chapter 7 of the ASX Listing Rules to take advantage of opportunities to obtain further funds if required and available in the future.

No funds will be raised by the issue of the options the subject of the resolutions at Items 8, 9 and 10. If the options are exercised the funds received will be applied to the working capital requirements of the Company at that time.

The issue of options under the resolutions at Items 8 to 10 (both inclusive) is to satisfy a term of engagement between the Company and the directors and are subject to shareholder approval.

The exercise price of options subject to these resolutions represents about a 5.0% premium to the Company's ordinary share price at 23 September 2011.

Under ASX Listing Rule 10.11 an entity may only agree to issue securities to a related party (including a director) if the agreement to issue the securities is conditional upon holders of ordinary securities approving the issue before the issue is made. Resolutions 8 to 10 (both inclusive) are proposed for the purpose of obtaining that approval.

The Directors, other than those subject to the resolutions described above, recommend that shareholders vote in favour of these resolutions. The Directors subject to these resolutions, because of their interest, make no recommendation in relation to these resolutions.

Resolution 11 - Adoption of Employee Retention Option Scheme (2011)

The Company seeks shareholder approval to adopt the Employee Retention Option Scheme (2011). The terms of the Employee Retention Option Scheme (2011) are outlined in **Annexure B**.

The purpose of the Employee Retention Option Scheme (2011) is to enable the Company to provide Directors and employees with an additional incentive to work to improve the performance of the Company, to attract and retain eligible persons essential for the continued growth and development of the Company, and to enhance the relationship between the Company and eligible persons for the long term mutual benefit of all parties.

The total number of options which may be issued under the Employee Retention Option Scheme (2011) must not exceed 1,006,000 being about 5% of the shares on issue at the date hereof.

The last sale of ordinary shares occurred on 23 September 2011 at a price of \$0.28. Based on a Black-Scholes Option Pricing Model calculation, the indicative value of an option subject to Resolution 10 is \$0.06. The assumptions for this calculation are:

Option Exercise Price	\$0.30
Share Price	\$0.28
Expected Life (Months)	5 yrs
Volatility	15%
Risk Free Rate	4.75%
Resultant Option Value	\$0.06

As the Employee Retention Option Scheme (2011) is new, no options have been issued under it.

Resolution 11 is proposed to obtain approval for the issue of options under the Employee Retention Option Scheme (2011) under ASX Listing Rule 7.2, exception 9.

Under ASX Listing Rule 7.1 an entity must not issue, or agree to issue, more than 15% of its capital without the approval of its members. By obtaining shareholder approval under ASX Listing Rule 7.2 exception 9, options may be issued under the Employee Retention Option Scheme (2011), without the need to obtain approval pursuant to ASX Listing Rule 7.1 for a period of 3 years (subject to the provisions of the ASX Listing Rules). By obtaining shareholder approval to the issue of options under the Employee Retention Option Scheme (2011) pursuant to Resolution 11, the Company retains the ability to issue up to 15% of its capital to take advantage of any capital raising opportunities.

NOTE:

Unless otherwise specified, all monetary amounts are expressed in Australian dollars.

Resolution 12 – Change of Auditor

The Board has recently conducted a review of the Company's external audit requirements. Submissions were sought and obtained from three mid-tier accounting firms to ascertain which audit firm was best placed to provide audit services. In its final assessment the Board determined that the Company and its shareholders would be best served by appointing ShineWing Hall Chadwick.

Subject to shareholder approval and the Australian Securities and Investments Commission ("ASIC") consent to the resignation of the existing auditor Bentleys Melbourne Partnership, it is anticipated that ShineWing Hall Chadwick will commence as auditor of the Company from the conclusion of the Annual General Meeting, at which time Bentleys Melbourne Partnership's resignation will take effect.

A notification of consent for resignation of auditor from ASIC has been requested by Bentleys Melbourne Partnership and is expected to be received and tabled at the Annual General Meeting. If ShineWing Hall Chadwick are appointed as auditor arrangements will be put in place between the Company, Bentleys Melbourne Partnership and ShineWing Hall Chadwick to enable a smooth transition between audit firms.

Bentleys Melbourne Partnership has been auditor of the Company since 2006 Financial Year and the Directors thank them for their service during that period.



In accordance with section 328B(1) of the Corporations Act 2001 (Cth), a notice in writing nominating ShineWing Hall Chadwick as auditor has been given by a shareholder. A copy of the written notice of nomination is included with this Notice of Annual General Meeting. It is expected that ShineWing Hall Chadwick will have formally consented to act as auditor of the Company on or before the date of the Annual General Meeting.

Representatives of Bentleys Melbourne Partnership will be available at the meeting to respond to any shareholder questions.

The Directors unanimously recommend the appointment of ShineWing Hall Chadwick as the Company's external auditors.

ANNEXURE A
DIRECTOR OPTIONS
TERMS AND CONDITIONS

RESOLUTIONS 8 TO 10 (both inclusive)

1. The Directors' Options ("the Options") shall expire at 5.00 pm Australian Eastern Standard Time 5 years from date of issue ("the Expiry Date") and may not be transferred unless to one of the following with the prior consent of the Company:
 - 1.1 the holder's spouse, children or other immediate family member;
 - 1.2 a corporation controlled by the holder and/or a person identified at sub-clause 1.1 hereof;
 - 1.3 a charitable institution; or
 - 1.4 a trust established for the benefit of the holder and/or the holder's immediate family.

Transfer of the Options will also be subject to any restrictions (escrow) that may be imposed by the ASX or the Company.

2. Vesting of options shall be subject to such conditions as the directors specify, (if any), at the time of issue.
3. Subject to clause 2 and clause 7 and any restrictions (escrow) that may be imposed by the ASX or the Company in relation to the Options, the Options may be exercised at any time from the date of issue up to and including the Expiry Date and shall be exercisable wholly or in part by executing and forwarding to the Company notice of the exercise of the Options ("an Exercise Form") and payment of the exercise price of 30 cents (\$0.30) for each Option.
4. There are no participating rights or entitlements inherent in the Options to participate in new issues of capital that may be offered to shareholders during the currency of the Options. However, subject to clause 2, Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the existing shareholders of the Company made during the currency of the Options and will be granted a period of at least nine (9) business days before books closing date to exercise the Options.



5. In the event of any reorganisation of the capital of the Company (including a reduction or return of capital, or a consolidation or sub-division of ordinary shares), the rights of an option holder will be amended to the extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of capital at the time of the reorganisation, and these terms and conditions (including the exercise price) shall be deemed amended accordingly. In all other respects the terms and conditions of the Options shall remain unchanged. Other than as provided for above upon a reorganisation of capital, the option holder has no rights to a change in the exercise price of an Option or to a change to the number of shares in respect of which an option can be exercised.

6. Shares allocated and issued pursuant to the exercise of the Options will be allocated and issued not more than fourteen (14) days after the receipt by the Company of a properly executed Exercise Form and the receipt of the exercise monies applicable thereto at the exercise price for each Option.

7. The Options will lapse and automatically be cancelled if before the first date the Options may be exercised under clause 3 above, the director to whom the Options were issued (or to a nominee of whom the Options were issued) if the director:
 - 7.1 is removed, becomes ineligible to act or resigns as a Director of the Company due to misconduct; or
 - 7.2 resigns as a Director of the Company voluntarily.

ANNEXURE B
MURCHISON HOLDINGS LIMITED
EMPLOYEE RETENTION OPTION SCHEME (2011)

1. PURPOSE OF THE PLAN

The Board of Directors of the Company has adopted the Option Scheme described in these Rules for the purpose of:

- 1.1 providing Eligible Persons with an additional incentive to work to improve the performance of the Company and/or any of its Associated Body Corporate(s);
- 1.2 attracting and retaining Eligible Persons essential for the continued growth and development of the Company;
- 1.3 to promote and foster loyalty and support amongst Eligible Persons for the benefit of the Company and/or any of its Associated Body Corporate(s); and
- 1.4 to enhance the relationship between the Company and Eligible Persons for the long term mutual benefit of all parties.

2. COMMENCEMENT

This Option Plan shall commence upon the day it is adopted by the Board, or such later date as the Board may determine.

3. INTERPRETATION

3.1 In these Rules, unless the context otherwise requires:

- 3.1.1 "**Associated Body Corporate**" means a body corporate (whether incorporated in Australia or elsewhere) in which the Company holds a relevant interest (as defined in the Corporations Act and as if the body corporate was incorporated in Australia) of at least 30%;
- 3.1.2 "**Acceptance**" means the endorsement by an Eligible Person of any Option offer successfully executed under this Option Scheme.
- 3.1.3 "**ASX**" means ASX Limited;
- 3.1.4 "**Offer**" means any official invitation to an Eligible Person to acquire, subscribe for or obtain an entitlement or other rights in respect of an Option(s);
- 3.1.5 "**Company**" means Murchison Holdings Limited ACN 004 707 260;
- 3.1.6 "**Board of Directors**" means the Board of Directors of the Company from time to time acting by resolution made in accordance with the Corporations Act and the Constitution of the Company;
- 3.1.7 "**Director**" means a director from time to time of the Company;

- 3.1.8 **"Eligible Person"** means a person who is:
- (a) an employee of; or
 - (b) a director or other officer of;
- the Company or an Associated Body Corporate.;
- 3.1.9 **"Execute"** means the exercise of any Option(s).
- 3.1.10 **"Listing Rules"** means the Listing Rules from time to time of the ASX or other applicable stock exchange;
- 3.1.11 **"Option(s)"** means an option to acquire an ordinary fully paid share in Murchison Holdings Limited at an exercise price of \$0.30
- 3.1.12 **"Option offer"** means any offer of any Option(s) under this plan to an Eligible Person;
- 3.1.13 **"Option Scheme"** means the Murchison Holdings Limited Employee Retention Option Scheme (2011) as contained in these Rules;
- 3.1.14 **"Rules"** means these rules as amended from time to time;
- 3.2 In these Rules, unless the context otherwise permits and requires:
- 3.2.1 A reference to "terms of issue" includes proposed terms of issue set out, described or incorporated in an Offer;
 - 3.2.2 the singular shall include the plural and vice versa;
 - 3.2.3 "person" and words importing persons includes bodies corporate; and
 - 3.2.4 a reference to an Act or other legislation includes a reference to that Act or legislation as amended, re-enacted or replaced from time to time, and in the case of an Act includes a reference to any applicable subordinate legislation.

4. NUMBER OF OPTIONS

The total number of Options which may be offered under this Option Scheme shall not exceed 1,006,000.

5. ELIGIBILITY, ENTITLEMENT AND GENERAL TERMS

- 5.1 Subject to the Listing Rules (if and where applicable) and these Rules, the Board of Directors or a sub-committee of the Board shall determine from time to time in its sole discretion the number of Options to be offered to any Eligible Person under this Option Scheme, including the terms and conditions associated with such offer and the expiry date.
- 5.2 Subject to Rule 8.1, Options may be escrowed and/or vest for a period from date of issue, in accordance with their terms of issue as determined by the Board of Directors or a sub-committee of the Board.
- 5.3 The Options shall not be listed for Official Quotation on ASX or other stock exchange.

- 5.4 Options may not be transferred, assigned or otherwise dealt with except in accordance with Rule 10 of these Rules.
- 5.5 The Company is not bound to recognise any transfer or assignment unless made in accordance with Rule 10 of these Rules and then only if a copy of the duly executed instrument of assignment or transfer is lodged with the Company.
- 5.6 Any Option(s) offered hereunder shall not grant any right to any Eligible Person to share in the dividends of the Company.
- 5.7 Options offered under this Option Scheme do not confer upon the Eligible Person a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.
- 5.8 Any Eligible Person who accepts an Option offer agrees to complete, execute and comply with any restriction agreement necessary to satisfy the requirements of the ASX.
- 5.9 The terms of an Option offer or the terms of issue of Options may provide for Option offers to be made, or Options to be issued, to either an Eligible Person or to a nominee of such an Eligible Person, the Company or a representative for the purpose of holding Options or rights to Options, and further may provide for the manner of holding or exercise of Offers as the Board of Directors considers desirable, subject always to Rule 6, ASX Listing Rules and the Corporations Act.
- 5.10 These Rules form part of and are deemed to be incorporated in the terms of any Options offer and the terms upon which Options are issued.

6. AMENDMENT OF THIS OPTION PLAN

This Option Scheme may only be amended in accordance with the Listing Rules of the ASX, with the prior approval by resolution of the shareholders of the Company in general meeting.

7. RIGHTS OF EMPLOYEES

This Option Scheme shall not form part of any contract of employment between the Company and any of its employees and shall not automatically confer directly or indirectly on any employee any rights.

8. EXERCISE PERIOD & LAPSE OF OPTIONS

- 8.1 Any Option(s) offered hereunder shall expire following a period of up to five (5) years from date of issue, as determined by the offer to the Eligible Person, or at such earlier date as may be provided for in these Rules or the terms of issue.
- 8.2 Options not executed shall automatically lapse on the expiry date.

9. CHANGES TO OPTION SCHEME UPON TAKEOVER

- 9.1 This Option Scheme shall prevail in its current format for a minimum period of five (5) years following a change in the effective control of Company and entitlements to Options shall not lapse or be cancelled solely as a result of a change in the effective control of Company.
- 9.2 Without limiting the foregoing, any Option offer made but not accepted prior to a change in the Board of Directors and/or the effective control of the Company shall remain open until the earlier of the date of expiry or lapsing specified in the offer, or five years after the date of the change in the Board of Directors and/or the effective control of the Company. The provisions of Chapter 6 of the Corporations Act are to be applied in the interpretation of this clause.

10. LIMITED TRANSFERABILITY & DEALINGS

- 10.1 Save as otherwise provided in this Rule 10, any Options offered are personal and attach to the Eligible Person and are not transferable or assignable and may only be exercised in accordance with these Rules and the terms upon which the Options are offered and issued. No Option (or any entitlement under or arising from an Option offer) under the Option Scheme shall be capable of being mortgaged, pledged or encumbered in any way whatsoever.
- 10.2 Provided that the prior written consent of the Board of Directors or a sub-committee of the Board is obtained (such consent not to be unreasonably withheld), Rule 10.1 shall not prevent any Option(s) earlier offered to any Eligible Person under this Option Scheme from being accepted and exercised by some other person than the Eligible Person, provided that such other person:
- (a) is the beneficiary of such Option offer or part thereof, by will or by operation of the laws of succession following the Eligible Person's death; or
 - (b) acts as a Curator Bonis on behalf of the Eligible Person upon the incapacity of the Eligible Person.

11. POWERS OF DIRECTORS

This Option Scheme shall ultimately be administered by the Board of Directors, who shall have the power to:

- 11.1 determine procedures from time to time for administration of the Option Scheme consistent with these Rules, including the delegation of the administration of this plan to a duly authorised committee;
- 11.2 subject to Rule 6, ASX Listing Rules and the Corporations Act, amend or modify these Rules;



- 11.3 subject to Rule 6, ASX Listing Rules and the Corporations Act, determine the manner in which offers are made, the terms upon which Options are offered or issued or how Option offers are to be accepted; and
- 11.4 resolve conclusively all questions of fact or interpretation arising in connection with the Option Scheme.

12. TERMINATION AND SUSPENSION OF OPTION PLAN

Subject to Rule 9, the Option Scheme may at any time be suspended or terminated by the Board of Directors. Suspension or termination of the Option Scheme shall not affect entitlements to Options existing at the time of suspension or termination of the Option Scheme (whether or not vested or escrowed) or Option offers which have not expired or lapsed at the time of suspension or termination of the Option Scheme.



JONDARA PTY LTD
ACN 052 255 482

The Board of Directors
Murchison Holdings Limited
Level 2,
11 Queens Road,
MELBOURNE VIC 3004

24 October 2011

Dear Sirs,

NOTICE OF NOMINATION OF AUDITOR

Jondara Pty Ltd, a shareholder of Murchison Holdings Limited, pursuant to section 328B(1) of the Corporations Act 2001 (Cth) ("Act"), nominate ShineWing Hall Chadwick, Corporate Advisors and Certified Practising Accountants, of Level 9, 552 Lonsdale Street, Melbourne, Victoria, Australia 3000 to be appointed the Auditor of Murchison Holdings Limited at the 2011 Annual General Meeting to be held on 25 November 2011.

The office of auditor, subject to Australian Securities & Investments Commission consent, will become vacant by virtue of the resignation of Bentleys Melbourne Partnership from that position.

Please distribute copies of this nomination notice as required by sections 328B(3) and 328B(4) of the Act.

Should you have any queries in relation to the above please do not hesitate to contact us.

Yours faithfully,

JONDARA PTY LTD

Grant A Robertson
Director

Address: Level 2, 11 Queens Road,
Melbourne Victoria Australia
Telephone: + 61 3 9867 7033
Facsimile: + 61 3 9867 7088