

Petratherm Ltd

105-106 Greenhill Road, Unley,
South Australia 5061
Tel: +61 8 8274 5000 Fax: +61 8 8366 6056
Website www.petratherm.com.au
Email admin@petratherm.com.au
A.C.N. 106 806 884



26 October 2007

Dear Shareholder

ANNUAL GENERAL MEETING

I am pleased to invite you to attend the Annual General Meeting of Petratherm Ltd to be held at the Balcony Room, Hilton Adelaide, 233 Victoria Square, Adelaide, South Australia on Thursday 29 November 2007 at 11.00 am.

The Australian Government recently introduced legislation changing the default option for receiving annual reports to be via a Company's web site. As a result, we have enclosed for your attention an annual report election form which provides you the option of electing to continue to receive a printed copy of the Company's annual report or receiving email notification when your annual report becomes available online.

If you are unable to attend the meeting in person, I encourage you to return the enclosed Proxy Form. The Proxy Form should be returned by post or faxed to the Company's Office or Share Registry so that it may be received by 11.00 am on Tuesday 27 November 2007.

Yours sincerely,

DEREK CARTER
CHAIRMAN

Encl.

For personal use only

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Petratherm Ltd will be held at the Balcony Room, Hilton Adelaide, 233 Victoria Square, Adelaide, South Australia on Thursday 29 November 2007 at 11.00 am.

Ordinary Business

To receive and consider the Financial Statements for the year ended 30 June 2007 and accompanying reports of the Directors and Auditor.

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

- 1] **Adoption of the remuneration report**
"That the Company adopt the Remuneration Report for the year ended 30 June 2007 as set out in the Company's Annual Report."
- 2] **Re-election of Dr Lloyd Taylor as Director**
"That Dr Lloyd Taylor, having retired by rotation in accordance with ASX Listing Rule 14.4 and Clause 6.1 of the Constitution of the Company, being eligible, and having offered himself for re-election, is re-elected as a Director with effect immediately following the conclusion of the meeting."
- 3] **Re-election of Mr Richard Bonython as Director**
"That Mr Richard Bonython, having retired by rotation in accordance with ASX Listing Rule 14.4 and Clause 6.1 of the Constitution of the Company, being eligible, and having offered himself for re-election, is re-elected as a Director with effect immediately following the conclusion of the meeting."
- 4] **Appointment of Auditor**
"That Grant Thornton, of 67 Greenhill Road, Wayville, South Australia having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company."

Explanatory Notes

The Explanatory Notes accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting, and should be read in conjunction with this notice.

Shareholders are specifically referred to the Glossary in the Explanatory Notes which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Notes.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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“Snap-shot” Time

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting. The Company’s directors have determined that all Shares of the Company that are quoted on ASX as at 7.00pm on the 27th November 2007 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative.

Dated 26 October 2007

**BY ORDER OF THE BOARD
PETRATHERM LIMITED**



**DONALD STEPHENS
COMPANY SECRETARY**

Voting

A Proxy Form is enclosed with this Notice.

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EXPLANATORY NOTES

Introduction

These Explanatory Notes set out information in connection with the business to be considered at the Annual General Meeting of Shareholders proposed to be held at the Balcony Room, Hilton Adelaide, 233 Victoria Square, Adelaide, South Australia on Thursday 29 November 2007 at 11.00 am.

These Explanatory Notes should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in these Explanatory Notes are either defined in the Glossary or elsewhere in these Explanatory Notes.

Resolution 1 : Adoption of Remuneration Report

The Annual Report for the year ended 30 June 2007 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Director, specified Executives and non-executive Directors. The report is set out in the Directors' Report section of the Annual Report.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and will not bind the Company or the Directors. However, the Board has determined that it will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

Resolutions 2 and 3: Re-election of Directors

In accordance with Listing rule 14.4 and clause 6.1 of the Company's Constitution at every Annual General Meeting, one third of the Directors for the time being (excluding those who retire under clause 9.2 of the Constitution) must retire from office and are eligible for re-election. Accordingly Dr Lloyd Taylor & Mr Richard Bonython retire in accordance with Listing Rule 14.4 and clause 6.1 of the Constitution and is eligible for, and offer themselves for, re-election.

Resumes of the candidates for election to the office of Director are as follows:-

Lloyd Taylor, BSc (Hons), PhD, MAICD (Non-Executive Director)

Lloyd Taylor joined the board of directors on 22 March 2004. He holds a doctorate in Geology and Geophysics from the University of Sydney. He has 30 years international oil exploration and production experience with Woodside Petroleum, Shell International, Santos and Fletcher Challenge Energy. In 2003 he retired as chairman and CEO of Shell New Zealand. During his career, he held general management and leadership responsibilities for oil and gas business operations in ten countries. He has been a company director for fifteen years. He is a former director of Visean Information Services Limited.

Richard Bonython, B Ag Sc (Non- Executive Director)

Richard Bonython joined the board of directors on 1 March 2004. He was a director of Minotaur Gold Ltd for six years, Minotaur Resources Ltd for 5 years and retired as chairman of Hindmarsh Resources Ltd following the take over of that company in early 2006. He retired as chairman of Diamin Resources NL in 1999 having been a director of that company for 15 years. He was executive director of Pioneer Property Group Ltd for over 15 years and has experience of over 40 years in the building, rural and mineral industries. He is a director of Mithril Resources Ltd and Minotaur Exploration Ltd, and is a member of the Company's audit committee.

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Resolution 4: Appointment of Auditor

Grant Thornton was appointed as auditor of the Company in accordance with section 327A(1) of the Corporations Act. That appointment will lapse in accordance with section 327A(2) of the Corporations Act at the Company's Annual General Meeting. Section 327B(1) requires the appointment of an auditor at the Company's Annual General Meeting.

Grant Thornton has been duly nominated for appointment as the Company's auditor, as required by section 328B of the Corporations Act. A copy of the nomination appears below. Grant Thornton has consented to the firm's appointment.

The Directors recommend that shareholders vote in favour of the appointment of Grant Thornton as auditor.

11 October 2007
Mr Donald Stephens
Company Secretary
Petratherm Ltd
82 Fullarton Road
NORWOOD SA 5067

Dear Sir,

PETRATHERM LTD – NOMINATION OF AUDITOR

In accordance with section 328B(1) of the Corporations Act 2001 (Cth), I Antonio Belperio, being a shareholder of Petratherm Ltd (Company), hereby nominate Grant Thornton for appointment as auditor of the Company.

Yours faithfully,



ANTONIO BELPERIO

Glossary

“**ASX**” means ASX Limited ACN 008 624 691;

“**ASX Listing Rules**” means the official listing rules of ASX;

“**Board**” means the board of Directors;

“**Company**” means Petratherm Limited ACN 106 806 884;

“**Constitution**” means the constitution of the Company;

“**Corporations Act**” means Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Option**” means an option to subscribe for one unissued Share;

“**Optionholder**” means a holder of an Option;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means a holder of a Share.

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Petratherm Ltd
ACN 106 806 884

Mark this box with an "X" if you have made any changes to your address details (see reverse)

Proxy Form

All correspondence to:

Computershare Investor Services Pty Limited
GPO Box 1903 Adelaide
South Australia 5001 Australia
Enquiries (within Australia) 1300 556 161
(outside Australia) 61 3 9415 4000
Facsimile 61 8 8236 2305
www.computershare.com

Appointment of Proxy

I/We being a member/s of Petratherm Ltd and entitled to attend and vote hereby appoint

the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Petratherm Ltd to be held at the Balcony Room, Hilton Adelaide, 233 Victoria Square, Adelaide, South Australia on Thursday 29 November 2007 at 11.00am and at any adjournment of that meeting.

Voting directions to your proxy - please mark to indicate your directions

	For	Against	Abstain*
1. To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To consider the re-election of Dr Lloyd Taylor as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To consider the re-election of Mr Richard Bonython as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To appoint the Company's auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

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.

Appointing a second Proxy

I/We wish to appoint a second proxy

Mark with an 'X' if you wish to appoint a second proxy.

AND

 %

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Individual/Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's Securities register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. 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 securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities 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 securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, 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.

4 Appointment of a Second Proxy

You are entitled to appoint up to two 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 Securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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.
- (c) return both forms together in the same envelope.

5 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, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document 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.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Securities registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.00am on Thursday 29 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON	Share Registry - Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street, Adelaide, South Australia, 5000, Australia
BY MAIL	Share Registry - Computershare Investor Services Pty Limited, GPO Box 1903, Adelaide, South Australia, 5001, Australia
BY FAX	+61 8 8236 2305

26 October 2007

IMPORTANT NOTICE

The default option for receiving your annual report has changed from a printed copy to be via our website. You have the choice of receiving notification about accessing your annual report online or continuing to receive a printed annual report.

MAKE YOUR SELECTION ON THE BACK OF THIS FORM

Dear valued securityholder

LEGISLATION CHANGE - WHAT THIS MEANS FOR YOU

The Australian Government recently introduced legislation changing the default option for receiving annual reports to be via a company's website. You will now receive timely, cost effective and greener online annual reports unless you request a printed version.

To assist us with our commitment to the environment and our focus on cost control, we further encourage you to provide your email address and receive all your shareholder communications online. Please refer to the back of this letter to make your communication selection.

WHAT ARE YOUR OPTIONS?

- OPTION 1**  Provide your email address and receive email notification when your shareholder communications become available online.
- OPTION 2**  Continue receiving a printed version of the annual report.
-  If you take no action, information on accessing your online annual report will be provided in your AGM notice and proxy form mail pack.

If you have any questions about this letter please contact an investor services representative on 1300 556 161.

YOUR
ANNUAL
REPORT

YOUR
CHOICE

