

MARINE PRODUCE AUSTRALIA LIMITED

ABN 70 091 805 480

NOTICE OF GENERAL MEETING

incorporating

EXPLANATORY STATEMENT

and

PROXY FORM

DATE AND TIME OF MEETING

FRIDAY, 28 SEPTEMBER 2007 AT 9.30AM (WST)

PLACE OF MEETING

THE CELTIC CLUB, 48 ORD STREET, WEST PERTH WA 6005

This is an important document. It should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional advisor.

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NOTICE OF GENERAL MEETING

NOTICE IS HEREBY given for a General Meeting of **Marine Produce Australia Limited (MPA or the Company)** to be held at the Celtic Club 48 Ord Street Perth 6005 Western Australia on Monday, Friday, 28 September 2007 at 9.30am WST.

This Notice of General Meeting should be read in conjunction with the accompanying Explanatory Statement.

ORDINARY BUSINESS

Resolution 1 – Ratification of allotment and issue of shares

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

“THAT, for the purpose of Listing Rule 7.4 of the Listing Rules of ASX and for all other purposes, the Company approves and ratifies the allotment of 60,000,000 shares in the capital of the Company at an issue price of \$0.026 per share to the parties and on terms and conditions set out in the Explanatory Statement of the notice convening this meeting.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issues or 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 the direction on the proxy form to vote as the proxy decides.

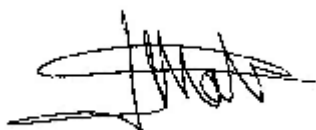
Resolution 2 – Approval for the grant options to WU Investments Pty Ltd

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

“THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant, to WU Investments Pty Ltd as trustee for the WU Investment Trust, of 50,000,000 (fifty million) options to acquire ordinary shares in the Company on the terms and conditions set out in the Explanatory Statement of the notice convening this meeting.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by WU Investments Pty Ltd and any person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed. 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 the direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Jean Mathie
Company Secretary
Dated: 30 August 2007

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of members of Marine Produce Australia Limited (MPA or Company) in connection with the business to be conducted at the General Meeting of members to be held at the Celtic Club, 48 Ord Street, West Perth 6005 Western Australia on Friday, 28 September 2007 at 9.30am (WST).

RESOLUTION 1 - RATIFICATION OF SECURITY ISSUES

On 14 February 2007, the Company placed 60,000,000 ordinary fully paid shares at an issue price of \$0.026 per share to raise \$1,560,000. The placement was made to overseas professional and sophisticated investors who are not related parties in accordance with the Corporations Act 2001. The shares were credited as fully paid and rank pari passu with all other ordinary fully paid shares on issue. The funds raised from the share placement have been used to assist the Company with its expansion plans for the Barramundi marine farm.

The ASX Listing Rules set out a rule commonly known as the "15% rule" which limits the capacity of a company to issue securities without the approval of its shareholders. The 15% rule provides that a company may not, in any twelve month period, issue securities equal to more than 15% of the total number of securities of the same class on issue at the beginning of the twelve month period unless the issue is approved by shareholders or otherwise comes within one of a number of exceptions.

One of those exceptions provides that where a company in general meeting ratifies a prior issue of securities then those securities shall be deemed to have been issued at the beginning of the 12 month period if the notice of meeting includes details in respect of the matters set out below.

If resolution 1 is passed, then the Company's capacity to issue securities under the 15 percent rule will immediately be refreshed.

RESOLUTION 2 - ISSUE OF OPTIONS

In August 2007, WU Investments Pty Ltd (atf WU Investment Trust) (ABN 80 703 342 603) (*the Lender*) granted the Company a loan facility (*the Loan Facility*) of up to a maximum of \$3,000,000 (*the Principal Sum*) on and subject to the terms and conditions contained in a loan agreement (*the Loan Agreement*) entered into between the Company and the Lender.

The performance of the Company's obligations under the Loan Agreement is guaranteed by Aussie Prawns Pty Ltd (ACN) (*APPL*), a wholly owned subsidiary of the Company, and secured by a first mortgage (*the Mortgage*) granted by APPL over the whole of the land comprised in Section 1880 Hundred of Ayres from plan S2004/158 contained in Certificate as to Title Volume 681 Folio 873 of 11/38 in the Northern Territory (*the Property*) and a registered first ranking fixed and floating charge (*the Charge*) over the other unencumbered assets of APPL.

In terms of the Loan Agreement, the Company agreed that, subject to and conditional on the grant of all approvals required under the Corporations Act the Listing Rules and any other applicable laws, it would issue to the Lender, or its nominee, 50 million non-transferable unlisted options (*the Options*), each Option being subject to the terms and conditions set out below (see - **Terms and Conditions of Options**) and carrying the right to subscribe for an ordinary fully paid share in the Company at an issue price of \$0.02 at any time within 5 years from the date of the Loan Agreement in consideration for the Lender agreeing to grant the Loan Facility to the Company.

An initial amount of \$500,000, comprising part of the Principal Sum of \$3,000,000, will be lent and advanced by the Lender to the Company as soon as practicable after registration of both the Mortgage and Charge and, subject to and conditional on the issue of the Options to the Lender, or its nominee, in compliance with the Loan Agreement, the balance of the

Principal Sum will be lent and advanced by the Lender to the Company as and when drawn down by the Company during the period (***the Facility Period***) of 2 years from the date of execution of the Loan Agreement. Each drawdown must be for an amount of \$250,000 or a whole multiple of \$250,000.

Under the Loan Agreement, interest on the Principal Sum advanced will accrue at the initial rate of 9.25% per annum from the respective date of each drawdown and will be payable monthly in arrears on the 1st day of each successive calendar month. If at any time or times before the entire amount outstanding is repaid in full, the Reserve Bank of Australia increases or decreases the Official Interest Rate, the interest rate payable under the Loan Agreement will be increased or decreased by the same percentage from the date on which the increase or decrease in Official Interest Rate takes effect. (For example: If the Official Interest Rate is increased by 0.25% from 6% to 6.25%, the interest rate payable on the Principal Sum will be increased from 9% to 9.25% and conversely, if the Official Interest Rate is decreased by .25% from say 6% to 5.75%, the interest rate payable on the Principal Sum will be decreased from 9% to 8.75%).

The entire amount outstanding (***the Amount Outstanding***) under the Loan Agreement is repayable in full upon written demand served on the Company provided that demand will not be made sooner than two (2) years after the date of the first drawdown if:

- (i) the Company pays the interest that is payable by it under the Loan Agreement within 3 days after the due date for the payment of that interest and complies with all its other obligations and liabilities under the Loan Agreement;
- (ii) no "Event of Default" occurs under the Mortgage or Charge that is not remedied or waived in accordance with the terms of the Mortgage and/or Charge, as applicable; AND
- (iii) the "Hutton Group" (comprising collectively, Faustus Nominees Pty Ltd (as trustee for the GJ Hutton Family Trust), JCO Investments Pty Ltd (as trustee for the JH Family Trust and the JCO Superannuation Fund), Rindle Pty Ltd (as trustee for the GJH Superannuation Fund), Maxima Fish Farms Pty Ltd and John Ralston Hutton) continues to have at all times a relevant interest (as defined in the Corporations Act 2001) of at least 15% in the entire issued Share capital of the Company.

The Company is entitled to repay the whole or any part of the Amount Outstanding at any times or time without penalty and must, without penalty, repay the whole of the Amount Outstanding on or before completion of:

- (1) the sale or transfer of the Property, if the Property is sold by APPL before the Amount Outstanding has been repaid in full; or
- (2) the sale or transfer of any of the issued shares of APPL, if any of the APPL shares are sold by the Company before the Amount Outstanding has been repaid in full.

If a valid written demand for repayment is served on the Company by the Lender under the Loan Agreement before the end of the Facility Period, the Lender will be entitled to notify the Company by written notice that the Lender's obligations to provide advances to MPA under the Loan Agreement has terminated, in which case the Facility Period will terminate on the date of service of that notice.

Terms and Conditions of Options

- a) Definitions:
 - (i) **ASX Listing Rules** means the official listing rules of ASX Limited;
 - (ii) **Company** means Marine Produce Australia Limited (ABN 70 091 805 480).
 - (iii) **Corporations Act** means Corporations Act 2001 (Cth).
 - (iv) **Exercise Price** means the exercise price of each Option, being 2 cents.
 - (v) **Expiry Date** means 5.00pm (WST) on the 5th anniversary of the date of issue of the Options.
 - (vi) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Options.

- (vii) **Option** means an option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.
 - (viii) **Option Holder** means the person or persons registered as the holder of one or more Options from time to time.
 - (ix) **Share** means a fully paid ordinary share in the capital of the Company.
 - (x) **Unexercised Options** means all Options not exercised on or before the Expiry Date.
- b) Each Option carries the right to subscribe for one Share.
 - c) Each Option is unlisted and is not transferable
 - d) Options may be exercised by the Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
 - e) Each Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (the Application Monies) being the result of the Exercise Price multiplied by the number of Options being exercised.
 - f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
 - g) The Company will make application to have the Shares (issued pursuant to an exercise of Options) listed for quotation by ASX within 7 days of the date of issue.
 - h) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
 - i) Options carry no right to participate in pro rata issues of securities to shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
 - j) Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
 - k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and ASX Listing Rules (in force at the time of the reorganisation).
 - l) Except as noted in paragraph (k) above, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

Number, Price and Allottees

Subject to Resolution 2 being passed, the Company will issue the Options described in Resolution 2 to the Lender, or its nominee, for no cash consideration and on the terms referred to above, within one month from the date of this General Meeting. The total number of options that will be issued under Resolution 2 is 50,000,000.

Use of Funds Raised

No funds will be raised from the issue of the Options.

Other Information

The primary purpose of the issue of the Options is not to raise capital, but to provide consideration for the grant of the Loan Facility by the Lender to the Company. Given this purpose, the Company does not believe that there are any significant opportunity costs or benefits forgone by the issue of the Options.

During the 12 months preceding this Notice of Meeting the Company's share price has traded between \$0.04 and \$0.014. On the business day prior to the date of this Notice of Meeting, the Company's share price closed at \$0.018.

The Company currently has the following issued capital:

515,546,880 ordinary fully paid Shares;

41,702,451 listed options expiring 30/09/2007, exercisable at \$0.08;

10,000,000 unlisted options expiring 28/08/2009, exercisable at \$0.30;

3,090,545 unlisted options expiring 30/06/2010, exercisable at \$0.30; and

Therefore, if all existing listed and unlisted options to acquire Shares are exercised, and if all 50,000,000 Options are issued to the Lender, or its nominee, and are exercised, the total cumulative dilution effect of the issue and exercise of those Options on the Company's fully diluted Share capital would be approximately 8.06%.

Directors' Recommendations

All of the directors were available to consider the proposed Resolution 2 and recommend that shareholders vote in favour of Resolution 2.

The Secretary
 MARINE PRODUCE AUSTRALIA LIMITED (ABN 70 091 805 480)
 PO Box 1008 West Perth WA 6872
 Fax: (+61-8) 9321 9300

SHAREHOLDER DETAILS

Name of Shareholder:

Address of Shareholder:

Telephone No:

I/We being a member(s) of Marine Produce Australia Limited, appoint the following person or failing him/her the Chairman of the Meeting as my/our proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman sees fit) at the General Meeting (Meeting) of the Company to be held at the Celtic Club, 48 Ord Street, West Perth 6005, Western Australia at 9.30am on Friday, 28 September 2007 (and at any adjournment thereof).

Name of Proxy:

Address of Shareholder:

INSTRUCTIONS AS TO VOTING – refer attached Notes to the Proxy Form

If you wish to direct your proxy how to vote with respect to the proposed resolution, please indicate the manner in which your proxy is to vote by placing a "X" in the appropriate box below, otherwise your proxy will vote or as he/she thinks fit.

I you do not wish to direct your proxy how to vote please place an "X" in this box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded.

It is the Chairman's intention to vote in favour of the resolution in relation to undirected proxies.

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of allotment and issue of shares			
Resolution 2	Issue of 50 million options to WU Investments Pty Ltd atf the WU Investment Trust, or its nominee			

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

Individual Shareholder

Individual Shareholder No.2
(where joint holders)

Individual Shareholder No.3
(where 3 joint holders) – if more holders each additional holder must sign

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Date / /

Shareholder's Name and Voting Entitlement

This is the name of the shareholder as it appears on the Company's share register. For the purposes of this Meeting, shares will be taken to be held by those persons who are the registered holders thereof 48 hours before the time appointed for the commencement of the Meeting.

Appointment of Proxy

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two other persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the Meeting. The proxy has the same right as the shareholder to speak and vote at the Meeting. If you leave this section blank, or your named proxy does not attend the Meeting (or in the case you appoint two proxies and neither attends the Meeting), the Chairman of the meeting will be your proxy to vote your shares even if you attend the meeting (unless you revoke your proxy before the meeting).

Vote on the Resolution

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. You can split your vote on any resolution by inserting the number of shares you wish to vote in the appropriate box. Please ensure you clearly mark the box in black or blue ink by placing a mark or the number of shares you are voting.

Appointing a Second Proxy

If a shareholder appoints two proxies, unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights, each proxy may exercise half the votes of the appointor.

Contact Telephone

This will help us if there are any problems with your proxy form.

Signature(s)

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 shareholders must 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: This form must be executed in accordance with Section 127 of the Corporations Act 2001 or signed by a duly authorised officer or agent.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporation Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy

To be valid, this Proxy Form (and any Power of Attorney under which it is signed) must be received not later than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote, either by facsimile on (08) 9321 9300, by mail to PO Box 1008, West Perth, 6872, Western Australia or delivery to the registered office of the Company at 11/38 Colin Street, West Perth, Western Australia, or delivery to the Company's share registry Security Transfer Registrars Pty Ltd, PO Box 535, Applecross 6953, Western Australia or at 770 Canning Highway, Applecross 6153, Western Australia.