



## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of **Optiscan Imaging Limited** ('Company') will be held at the offices of Lander and Rogers Lawyers, **Level 12 Bourke Place, 600 Bourke Street, Melbourne, Victoria on Tuesday, 24 November, 2009 at 3.30pm.**

### Business

#### Accounts

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2009.

#### Resolutions

##### 1. Remuneration Report

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

'That the Remuneration Report included in the Annual Report for the year ended 30 June 2009 be adopted.'

It should be noted that the vote on this resolution is advisory only, and does not bind the company or its directors.

##### 2. Ratification of prior Convertible Note issue

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

'That, in accordance with Listing Rule 7.4 of the Australian Securities Exchange Limited, shareholders ratify the issue on 12 May 2009 of 10,000,000 Convertible Notes at an issue price of 5 cents per note.'

##### 3. Election of Angus Holt

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

'That Angus Holt, a director appointed on 12 February 2009, retiring at this meeting in accordance with the Company's constitution, being eligible and having signified his candidature for the office, be elected a director of the Company.'

##### 4. Re-election of Peter Delaney

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

'That Peter Delaney, a director retiring by rotation in accordance with the Company's constitution, being eligible and having signified his candidature for the office, be re-elected a director of the Company.'

**Phone** (61 3) 9538 3333

**Fax** (61 3) 9562 7742

**Website** [www.optiscan.com](http://www.optiscan.com)

**PO Box 1066, Mt Waverley MDC VIC 3149 Australia**  
**15-17 Normanby Rd, Notting Hill VIC 3168 Australia**

## 5. Approval of CEO Short Term Incentive Scheme

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

“That, in accordance with Listing Rules 7.1 and 10.14 of the Australian Securities Exchange Limited, the Company approve the issue of up to 1,000,000 fully paid ordinary shares in the capital of the Company to Vicki Tutungi in accordance with the Chief Executive Officer Short-Term Incentive Plan as summarized in the explanatory memorandum accompanying the notice for this meeting”.

## Entitlement to Vote

In accordance with regulation 7.11.37 of the Corporations Regulations, all securities of the Company that are quoted securities at 7pm on Sunday, 22 November 2009 are taken, for the purposes of the above meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting on 24 November 2009.

## Proxies

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint no more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member(s) voting rights. Neither proxy is entitled to vote on a show of hands.
2. A proxy need not be a member of the Company.
3. If the form of proxy is signed but is blank in all other material aspects, it will be taken to mean that it is in favour of the chairman of the meeting for full voting rights. The chairman intends to vote any undirected proxies in favour of all resolutions.
4. If a representative of a corporation 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 office of Optiscan Imaging Limited.

## Questions and Comments by Shareholders

In accordance with the Corporations Act 2001, shareholders will be given the opportunity to ask questions about, or make comments on, the management of the Company.

Furthermore, shareholders will be provided with an opportunity to ask questions of the Company’s auditor in relation to:

1. the conduct of the audit; and
2. the preparation and content of the auditor’s report; and
3. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
4. the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the auditor if the question is relevant to the content of the audit report or the conduct of the audit. A list of any such written questions received will be made available to shareholders attending the Annual General Meeting. If written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting on the company’s website, [www.optiscan.com](http://www.optiscan.com).

Written questions for the auditor must be received at the registered office of the company no later than 5pm on Tuesday 17 November 2009. Written questions should be sent to the registered office at 15-17 Normanby Road, Notting Hill, Victoria, 3168, or by fax to (613) 9562 7742.

## Annual Report Online

The 2009 Annual Report for Optiscan Imaging Limited is available on the Company's website at **[www.optiscan.com](http://www.optiscan.com)**

Dated 24 September, 2009

By Order of the Board

A handwritten signature in blue ink, appearing to read "B. Andrew", is positioned above the printed name of the Company Secretary.

Bruce R. Andrew  
Company Secretary

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING 2009

### PURPOSE OF INFORMATION

The purpose of this Explanatory Memorandum (which is included in and forms part of the Notice of Annual General Meeting dated 24 September, 2009) is to provide Shareholders with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the Annual General Meeting on 24 November 2009 and to assist shareholders to determine how they wish to vote on these resolutions.

### ANNUAL FINANCIAL REPORT

The Corporations Act requires the reports of the directors and auditors, and the annual financial statements to be tabled at the Annual General Meeting. There is no requirement under the Corporations Act for a resolution to adopt, receive or consider the financial statements and reports.

Shareholders will be invited to raise any questions on these reports at the meeting. In addition, the company's auditor will be available to respond to questions about the auditor's report and the conduct of the audit.

### RESOLUTION 1: REMUNERATION REPORT

The Directors' Report for the year ended 30 June 2009 includes a Remuneration Report in accordance with the requirements of the Corporations Act.

Shareholders in general meeting are required to consider a resolution to adopt the Remuneration Report. The Corporations Act expressly provides that the vote is advisory only and does not bind the directors or the Company.

### RESOLUTION 2: ISSUE OF 10,000,000 CONVERTIBLE NOTES

On 12 May 2009 the Company issued 10,000,000 convertible notes at an issue price of 5 cents per note. The notes were issued to the following investors:

Investor	Number of Convertible Notes Issued
CGS Holdings Pty Ltd	7,000,000
Carlisle Lavelle Pty Ltd	3,000,000

A summary of the key terms of the Convertible Notes is set out at the end of this explanatory statement. The full terms of the notes are contained in the Convertible Note Deed Poll which has been lodged with the Australian Stock Exchange Limited.

### Shareholder Approval

Under Australian Stock Exchange ('ASX') Listing Rule 7.1, the prior approval of shareholders is required for the issue of shares which, when aggregated with securities issued during the previous twelve months, would exceed 15% of the number of securities on issue at the commencement of that 12 month period. ASX Listing rules 7.1 and 7.4 provide that where a company in general meeting ratifies an issue of equity securities, the issue will be treated as having been made with approval for the purposes of listing rule 7.1.

### Effect of Shareholder Approval

If carried, this resolution will approve the May 2009 convertible note issue, and effectively reinstate the capacity of the company to issue new shares up to the 15% limit. There is no intention at present to make such an issue, but the position of the company will be enhanced if the board has the ability to issue new shares without the cost and delay involved in seeking prior shareholder approval.

**RESOLUTION 3: ELECTION OF MR ANGUS HOLT AS A DIRECTOR – CANDIDATE PROFILE**

Mr Holt has a Commerce degree from the University of Melbourne and has over 15 years experience in funds management, private equity and early stage biotechnology ventures.

Mr Holt was a director of Equity Life during the 1990s, at the time Australia's leading provider of regulated short term annuity investments. Mr Holt was Investment Director at Equity Life overseeing in excess of \$200m invested in a range of hybrid securities, smaller companies and the leaders. Following the sale of Equity Life to Challenger International in 1997, Mr Holt has focussed on private equity opportunities funded by a few select individuals. Those opportunities have been dominated by smaller companies (<\$500m) across many fields ranging from toll roads, mezzanine infrastructure debt, waste to energy, plumbing supplies and biotech, including in imaging, surgery navigation and immunology. Mr Holt has lived in the USA where he established the local operations for a surgical navigation start up.

Mr Holt has 13 years experience as a public company director in Australia.

Mr Holt was appointed to the Board of the Company in February 2009 and was appointed Chairman in May 2009.

**RESOLUTION 4: RE-ELECTION OF MR PETER DELANEY AS A DIRECTOR – CANDIDATE PROFILE**

Peter Delaney, has been an Executive Director of the Company since its inception and currently holds the position of Director of Technology within the Company. He completed a science degree with honours in Pharmacology at Monash University in 1989. In 1993, Mr Delaney received the Victorian Young Achiever Award (Science and Technology) for his development of the company strategy and infrastructure. Mr Delaney was Managing Director until December 2002, at which time he assumed the role of Director of Technology. In April 2007, Peter Delaney was awarded a prestigious ATSE Clunies Ross award for excellence in the innovation and commercialisation of scientific endeavours.

Mr Delaney was appointed a director of Optiscan Pty Ltd in March 1994.

**RESOLUTION 5: APPROVAL OF CEO SHORT TERM INCENTIVE SCHEME**

The Board proposes, subject to shareholder approval, to issue shares pursuant to a Short Term Incentive Plan for the Company's Chief Executive Officer, Ms Vicki Tutungi, on the terms outlined in the attached summary. The Plan is designed to assist in the retention and reward for performance of the current CEO.

Only one issue would be allowed under the Plan, the issue of up to 1,000,000 fully paid ordinary shares to Ms Tutungi in February 2010.

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 2 by:

- a person who participated in the issue; and
- An associate of a person 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 a 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..

The Company will disregard any votes cast on Resolution 5 by:

- A Director of the Company except one who is ineligible to participate in any employee incentive scheme in relation to the Company; and
- An associate of a Director of the Company except one who is ineligible to participate in any employee incentive scheme in relation to the Company;

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 a 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

## SUMMARY OF CEO SHORT TERM INCENTIVE PLAN

### Introduction

In May 2009, faced with the limited financial resources that Optiscan had available to it, the Board renegotiated remuneration arrangements with the Chief Executive Officer, Vicki Tutungi.

### Amendments to Short Term Incentive

The Short Term Incentive, which previously was a cash incentive of up to \$180,000 per annum subject to achievement of agreed goals, was replaced with a proposal to issue to Ms Tutungi 500,000 shares, for each of the two key agreed objectives, if achieved. The issue of shares is subject to shareholder approval, and in the circumstances where shareholders do not approve the issue, an equivalent cash payment will be made, subject to Optiscan having sufficient cash to make the payment.

### Achievement of Key Objectives

The two key objectives were:

- 1) Satisfactory settlement of the negotiations with Hoya.
- 2) Successful completion of the clinical grade Generation 2 prototype.

The first objective, to satisfactorily settle negotiations with Hoya was achieved on 30 July 2009 with the execution of the 3 agreements with Hoya. The second objective must be completed by 1 February 2010.

### Price payable by Participant to acquire shares

No consideration is payable by the CEO upon grant of the shares.

### Vesting of Shares

Subject to achievement of the key objectives, and approval of shareholders, the shares are to be issued on 1 February 2010.

### Sourcing of shares

Optiscan intends to satisfy the obligation the CEO with newly-issued Shares.

### Change of control

In the circumstances where an existing shareholder or a 3<sup>rd</sup> party acquires 50% or more of Optiscan during the period to 1 February 2010, a further issue of 500,000 shares is to be made to the Chief Executive Officer.

## KEY TERMS OF CONVERTIBLE NOTES

Issuer	Optiscan Imaging Limited ("OIL")
Security Type	Secured redeemable convertible notes
Issue Price	\$0.05 per note
Issue Size	\$500,000 (10,000,000 notes)
Issue Date	12 May 2009
Coupon	90 day bank bill swap reference rate plus 400 basis points payable quarterly in arrears.
Conversion	At the Noteholders' option any time on or after 12 May 2010 or earlier if the closing share price as quoted on ASX is greater than 20 cents for at least five consecutive trading days and/or Optiscan is subject of a takeover.
Conversion Medium	Conversion into Optiscan fully paid ordinary shares.
Conversion Price	Noteholders may at their option, convert at either: <ul style="list-style-type: none"> <li>• the Issue Price, or</li> <li>• the volume weighted average share price of the Share for the proceeding 90 calendar days to the Conversion Date</li> </ul>
Maturity Date	3 years from the Issue Date
Redemption	The Issuer will make its best endeavours to repay the Noteholders at the Maturity Date subject to available cash however in the event that the Issuer does not have the cash to satisfy the debt, the Noteholders accept payment from proceeds of sale of the intellectual property, being the intellectual property defined in the deed of charge document dated on or about 12 May 2009, which secures the moneys lent under the deed poll.
Use of Proceeds	To fund the ongoing business of the Issuer.

# Proxy Form

I/We   
 (please print name)

of   
 (please print address)

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SRN (Security Reference Number) OR  
 HIN (Holder Identification Number)

Number of shares held

## Appointment of Proxy

**The Chairman of the Meeting** (mark with an 'X') OR  Name & Address of Proxy

or, in his/her absence, or if no person is named, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the **Annual General Meeting of Optiscan Imaging Limited to be held at Lander and Rogers Lawyers, Level 12 Bourke Place, 600 Bourke Street, Melbourne on Monday 24 November 2009 at 3.30pm** and at any adjournment of that meeting.

## Appointing a second proxy

Mark this box with an 'X' if you wish to appoint a second proxy **AND**  State % voting rights or number of securities

## Directing your Proxy

If you want to direct your proxy how to vote, please indicate with an 'X' how you wish your vote to be cast. If you do not direct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit. The resolutions are numbered as in the notice of meeting.

## Voting directions to your proxy – please insert 'X' in the appropriate box to indicate your directions

Ordinary Resolutions	For	Against	Abstain
1. To adopt remuneration report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To ratify prior Convertible Note Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To elect Mr Angus Holt as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect Mr Peter Delaney as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To approve the CEO Short Term Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Authorised Signatures

Individual or Securityholder 1  
  
 Sole Director and  
 Sole Company Secretary

Securityholder 2  
  
 Director

Securityholder 3  
  
 Director/Company Secretary

\_\_\_\_\_  
 Contact Name

\_\_\_\_\_  
 Contact Daytime Telephone

\_\_\_\_/\_\_\_\_/\_\_\_\_  
 Date

Other Information

This proxy must be signed by each member (or the member's attorney) to which this proxy relates. Proxies given by a company must be signed either under seal, by attorney or by two directors of the company, a director and a company secretary of the company or, for a proprietary company that has a sole director who is also the sole company secretary, that director.

Proxies must be lodged at the registered office of Optiscan Imaging Limited, 15-17 Normanby Road, Notting Hill, 3168 or faxed to the registered office on facsimile number (03) 9562 7742 no later than 7.00pm on Saturday, 22 November 2009 (48 hours prior to meeting).

In accordance with regulation 7.11.37 of the Corporations Regulations, all securities of the Company that are quoted securities at 7pm on Saturday, 22 November 2009 are taken, for the purposes of the above meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the General Meeting on 24 November 2009.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint no more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member(s) voting rights. Neither proxy is entitled to vote on a show of hands. A proxy need not be a member of the Company.
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