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**PHOSPHATE AUSTRALIA LIMITED**  
**ACN 129 158 550**

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**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**THURSDAY, 27 NOVEMBER 2008  
COMMENCING AT 10:00 AM (WDT)**

**AT**

**LEVEL 31  
ALLENDALE SQUARE  
77 ST GEORGES TERRACE  
PERTH, WESTERN AUSTRALIA**

**PHOSPHATE AUSTRALIA LIMITED  
NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Annual General Meeting of Phosphate Australia Limited ("the Company") will be held at Level 31, Allendale Square, 77 St Georges Terrace, Perth, Western Australia on Thursday, 27 November 2008 at 10:00 am.

**AGENDA**

**FINANCIAL REPORT**

To table the Annual Financial Report of the Company for the period ended 30 June 2008 and the related Director's Report, Director's Declaration and Audit Report thereon.

**RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

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

*"That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report for the year ended 30 June 2008 be adopted."*

*Note – section 250R(3) of the Corporations Act provides that the vote on this resolution is advisory only and does not bind the Directors of the Company.*

**RESOLUTION 2 – ELECTION OF JAMES RICHARDS AS A DIRECTOR**

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

*"Mr James Richards, having been appointed as a director on 10 January 2008 and who pursuant to the Constitution of the Company retires at the end of this meeting and who, being eligible to be re-elected as a Director of the Company, and having consented to act, be, and is hereby elected as a Director."*

**RESOLUTION 3– ELECTION OF ANDREW JAMES AS A DIRECTOR**

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

*"Mr Andrew James, having been appointed as a director on 10 January 2008 and who pursuant to the Constitution of the Company retires at the end of this meeting and who, being eligible to be re-elected as a Director of the Company, and having consented to act, be, and is hereby elected as a Director."*

**RESOLUTION 4 – ELECTION OF LISA WELLS AS A DIRECTOR**

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

*"Ms Lisa Wells, having been appointed as a director on 11 February 2008 and who pursuant to the Constitution of the Company retires at the end of this meeting and who, being eligible to be re-elected as a Director of the Company, and having consented to act, be, and is hereby elected as a Director."*

**RESOLUTION 5 – ELECTION OF GRANT MOONEY AS A DIRECTOR**

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

*"Mr Grant Mooney, having been appointed as a director on 14 October 2008 and who pursuant to the Constitution of the Company retires at the end of this meeting and who, being eligible to be re-elected as a Director of the Company, and having consented to act, be, and is hereby elected as a Director."*

**SNAPSHOT DATE**

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the persons eligible to attend and vote at the meeting are those members holding ordinary shares at 10:00am (WDT), 25 November 2008.

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**PROXIES**

In accordance with Section 249L of the Corporations Act 2001, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is 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.

In accordance with Section 250BA of the Corporations Act 2001 the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office  
and Postal Address: Suite 4  
6 Richardson Street  
West Perth WA 6005

Facsimile Number: (08) 9226 0130

Each shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each particular resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

For the purposes of Section 1074E of the Corporations Act 2001 the Company determines that members holding ordinary shares at 10:00am (WDT), 25 November 2008 will be entitled to attend and vote at the Annual General Meeting.

**BODIES CORPORATE**

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise on the body corporate's behalf all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

**INCORPORATION OF EXPLANATORY MEMORANDUM**

The Explanatory Memorandum to Shareholders attached to this Notice of General Meeting, is hereby incorporated into and forms part of this Notice of Annual General Meeting.

By order of the Board



**Grant J Mooney**  
Company Secretary  
16 October 2008

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders of Phosphate Australia Limited ("**the Company**") in connection with the business to be conducted at the first Annual General Meeting to be held at Level 31, Allendale Square, 77 St Georges Terrace, Perth, Western Australia on Thursday, 27 November 2008 at 10:00 am.

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

Defined terms in this Explanatory Memorandum and accompanying Notice of Annual General Meeting have, unless provided otherwise, the meaning given by the Glossary.

**RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

The Remuneration Report which details the Company's policy on the remuneration of non-executive directors and executive directors is set out within the Directors' Report of the Company's 2008 Annual Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. The vote on the resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act.

**RESOLUTIONS 2 TO 5 - ELECTION OF DIRECTORS**

Resolutions 2 to 5 seek approval of Shareholders to the election of James Richards, Andrew James, Lisa Wells and Grant Mooney as Directors.

Article 7.2 of the Constitution provides that all Directors shall retire from office at this the first Annual General Meeting of the Company. A retiring Director is eligible for re-election.

The Constitution requires that any director appointed by the Directors holds office only until the next following Annual General Meeting and is then eligible for re-election.

In addition, ASX Listing Rule 14.4 and Article 7.3 of the Constitution provide that a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity. This rule does not apply to the managing director (but if there is more than one managing director, only one is entitled not to be subject to re-election).

All Directors, with the exception of the Director being offered for election, recommend Shareholders approve Resolutions 2 to 5.

**Mr James (Jim) Richards** was appointed as a director on 10 January 2008.

Jim Richards is a geology graduate of the University of London. He is a Perth-based company director and geologist with 19 years experience in exploration for a wide variety of commodities. Until October 2007, Mr Richards was the chief executive officer and director of United Minerals Corporation NL ("UMC"), a successful listed iron ore and bauxite exploration company.

At UMC, Mr Richards led the team that discovered the high grade iron Railway Project in the Pilbara. While at UMC he generated in house a bauxite project located in the Kimberley. This bauxite project is currently in joint venture with a major aluminium producer. Mr Richards has particular skills in project set up and management, permitting approvals and Traditional Owner liaison.

Mr Richards has considerable overseas experience including running his own alluvial diamond dredging operation in Guyana, South America and work on the Omai gold project (that became a major mine) also in Guyana. Other resources work includes operating in Indonesia and two years spent in both Laos and Pakistan.

Previous employers and clients have included Newmont Mining Corporation, BHP Billiton Limited and Woodside Energy Limited. Prior to his corporate career, Mr Richards served as a regular officer in the British Army Parachute Regiment.

In accordance with the Company's Constitution, Mr Richards offers himself for election as a director of the Company.

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Mr **Andrew James** was appointed as a director on 10 January 2008.

Andrew James is a geology graduate of the Queensland Institute of Technology. He has 17 years of experience in the petroleum industry, 12 of them working as an independent consultant for both junior and multi-national oil companies.

Recent experience has included leading the geological teams involved in the operation and management of offshore drilling and logging operations on the north-west shelf of Western Australia. This has included responsibility for safety, administration and compliance with regulations and authorities.

Mr James generated the Company's Nicholson and Georgina Basins Phosphate-Iron-Uranium Projects. Mr James was also responsible for the acquisition of the Highland Plains phosphate deposit. He has specific skills in company administration, project generation, tenement acquisition, drilling management and joint venture negotiations.

Mr James has worked in Mongolia, Louisiana (USA), Queensland, South Australia and Western Australia. He is a Member of the Australian Institute of Company Directors.

In accordance with the Company's Constitution, Mr James offers himself for election as a director of the Company.

Ms **Lisa Wells** was appointed as a director on 11 February 2008.

Lisa Wells is a geology graduate from Curtin University of Technology with 13 years of exploration and consulting experience. Ms Wells joined Mackay & Schnellmann Geological Consultants in 1996 and specialised in writing independent geological reports for prospectuses, project management, prospectivity analysis and designing and implementing GIS databases. She gained particular experience in manipulation and interpretation of remotely sensed data for target generation purposes. Commodity experience includes: diamonds (India, Angola, Western Australia), mineral sands (Western Australia), gold (Ghana, Western Australia), base metals (Queensland, Western Australia) and iron ore (Western Australia).

For the previous three years Ms Wells has been senior geologist then exploration manager for a successful publicly listed exploration company where she managed exploration programs in remote areas and gained particular experience in gaining permit approvals for mineral leases as well as designing and implementing health and safety procedures. The work included managing a diamond bulk sampling operation and a bauxite exploration program in the Kimberley region and an advanced iron ore project in the Pilbara, all in Western Australia.

Ms Wells is responsible for the conduct, management and evaluation of the Company's exploration projects.

In accordance with the Company's Constitution, Ms Wells offers herself for election as a director of the Company.

Mr **Grant Mooney** was appointed as a director on 14 October 2008.

Grant Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies.

Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a director and company secretary to several ASX listed companies across a variety of industries including technology and resources.

He is a director of ASX-listed resource companies Barra Resources Limited and Ampella Mining Limited and renewable energy company Carnegie Corporation Limited. Mr Mooney is a member of the Institute of Chartered Accountants in Australia.

In accordance with the Company's Constitution, Mr Mooney offers himself for election as a director of the Company.

**GLOSSARY**

**Phosphate Australia or the Company** means Phosphate Australia Limited (ACN 129 158 550).

**Board** means the board of Directors of the Company.

**Constitution** means the Constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth)

**Directors** means directors of the Company.

**Explanatory Memorandum** means this explanatory memorandum.

**Annual General Meeting** means the meeting of Shareholders called by the Notice of Meeting of which this Explanatory Memorandum forms part.

**ASX Listing Rules** means the Listings Rules of the ASX

**ASX** means ASX Limited (ACN 008 624 691).

**Notice of Meeting** means the Notice of Meeting of which this Explanatory Memorandum forms part.

**Resolution** means a resolution to be considered by the Shareholders at the Annual General Meeting.

**Shareholder** or member means a registered member of the Company.

# PROXY FORM

**Phosphate Australia Limited**  
ACN 129 158 550

**All correspondence to:**  
Phosphate Australia Limited  
Suite 5, 6 Richardson Street  
West Perth WA 6005  
Enquiries (within Australia) 08 9322 6811  
(outside Australia) 61 8 9322 6811  
Facsimile 61 8 9226 0130

## Appointment of Proxy

I/We being member/s of Phosphate Australia Limited and entitled to attend and vote hereby appoint

The Chairman of the Meeting (mark with an 'X') **OR**  Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting

or failing the person named, or if no person 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 Phosphate Australia Limited to be held at Level 31, Allendale Square, 77 St Georges Terrace, Perth, Western Australia on Thursday, 27 November 2008 at 10:00am and at any adjournment of that meeting.

### IMPORTANT: FOR ITEMS BELOW

If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on the items below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the following items and your votes will not be counted in computing the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of all items.

## Voting directions to your proxy - please mark **X** to indicate your directions

### Ordinary business

		For	Against	Abstain*
Item 1	Adoption of Remuneration Report (Non-binding vote)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Election of James Richards as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Election of Andrew James as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Election of Lisa Wells as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Election of Grant Mooney as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

## 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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

# How to complete the Proxy Form

## 1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their 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 person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. 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.

## 3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the 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 persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of 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.
- (b) 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 security holders 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 the 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 company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting at 10:00 am (WDT) on Thursday, 27 November 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

## Documents may be lodged

- by delivery or facsimile to the Registered Office of Phosphate Australia Limited :  
Suite 5, 6 Richardson Street  
West Perth WA 6005

(within Australia) Facsimile 08 9226 0130  
(outside Australia) Facsimile 61 8 9226 0130