



PHOSPHATE AUSTRALIA LIMITED
ACN 129 158 550

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

Wednesday, 17th November 2010
Commencing at 10.00 am (WST)

At

Park Business Centre
45 Ventnor Avenue
West Perth
Western Australia

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

Notice is hereby given that the Annual General Meeting of Phosphate Australia Limited ("the Company") will be held at Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Wednesday, 17 November 2010 at 10.00am (WST).

AGENDA

FINANCIAL REPORT

To table the Annual Financial Report of the Company for the period ended 30 June 2010 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 2010 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: RE-ELECTION OF GRANT MOONEY AS A DIRECTOR

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

"That Mr Grant Mooney, having retired in accordance with the Constitution of the Company and being eligible offers himself for re-election, is hereby re-elected as a director."

RESOLUTION 3: APPOINTMENT OF NEW AUDITOR

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

"That in accordance with section 327(5) of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd are appointed auditor of the Company effective from the date of this meeting and that they be paid the usual and proper professional fees as remuneration."

Short Explanation of Resolution 3

In accordance with section 329(5) of the Corporations Act, the Company's auditors at the date of this notice of meeting, Deloitte Touche Tohmatsu have given notice of resignation as auditor that takes effect under section 329(8) of the Corporations Act on the date of this meeting. The Company is required to appoint a new auditor under section 327(5) of the Corporations Act to fill the vacancy in the office of auditor, and may do so at the meeting.

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SNAPSHOT DATE

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that persons who are registered holders of shares of the Company as at 4.00pm (WST) on 15 November 2010 will be entitled to attend and vote at the Meeting.

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:

Phosphate Australia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Fax No: (02) 9287 0309

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.

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
Director and Company Secretary
6 October 2010

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NOTICE OF ANNUAL GENERAL MEETING**

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 Annual General Meeting to be held Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on 17 November 2010 at 10.00 am (WST).

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 2010 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.

RESOLUTION 2: RE-ELECTION OF MR GRANT MOONEY AS A DIRECTOR

Rule 7.3 of the Company's Constitution require that at an Annual General Meeting one-third of Directors for the time being shall retire from office. This rule does not apply to the managing director. A retiring Director is eligible for re-election.

In accordance with the Company's Constitution, Director Grant Mooney retires as a director of the Company and being eligible, offers himself for re-election as a director of the Company. Details of the experience and qualifications of Mr Mooney are set out in the Company's 2010 Annual Report.

RESOLUTION 3: APPOINTMENT OF AUDITOR

In accordance with section 329(5) of the Corporations Act, the Company's auditors at the date of this notice of meeting, Deloitte Touche Tohmatsu have given notice of resignation as auditor that takes effect under section 329(8) of the Corporations Act on the date of this meeting. The Company is required to appoint a new auditor under section 327(5) of the Corporations Act to fill the vacancy in the office of auditor, and may do so at the meeting.

The Company undertook a tender process to obtain a competitive quote for professional fees charged by its auditors. After receiving and considering a number of tenders from appropriately qualified audit firms, the Board determined the successful tenderer was Grant Thornton Audit Pty Ltd.

Under section 329(5) of the Corporations Act, the Company's existing auditors gave notice of resignation to the Company which, subject to approval by ASIC, is to become effective under section 329(8) of the Corporations Act on the date of the meeting.

Under section 327(5) of the Corporations Act, where there is a vacancy in the office of auditor, the Company at general meeting may appoint a new firm as auditor. Resolution 3 proposes the appointment of the New Auditor to fill that vacancy.

GLOSSARY

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

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules means the Listings Rules of the ASX.

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.

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

Option means an option to subscribe for a Share.

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

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

Share means a fully paid ordinary share in the capital of the Company.

Shareholder or member means a registered member of the Company.