



ABN 84 117 391 812

**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

Date of Meeting

Friday, 30 November 2007

Time of Meeting

9.00am (WST)

Place of Meeting

Level 3, Mercury House
33 Richardson Street
West Perth, Western Australia, 6005

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Capitol Health Limited (**Capitol Health** or **Company**) is to be held on Friday, 30 November 2007 at Level 3, Mercury House, 33 Richardson Street, West Perth, WA, 6005, commencing at 9.00am (WST).

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

BUSINESS

Financial Statements –Year Ended 30 June 2007

To receive and consider the financial statements for the year ended 30 June 2007, and the Directors' and Auditor's reports thereon.

Resolution 1 – Remuneration Report

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

“To adopt the Remuneration Report for the year ended 30 June 2007.”

Resolution 2 – Re-election of Director – Mr Anthony Ho

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

“That Mr Anthony Ho, being a director of the Company who retires by rotation in accordance with clause 13.2 of the Company's Constitution, be re-elected as a director of the Company.”

Resolution 3 – Appointment of Auditor

To consider and, if thought fit to pass with or without amendment, the following resolution as an **ordinary resolution**:

“For the purposes of section 327B of the Corporations Act and for all other purposes, the firm BDO Kendalls Audit and Assurance (Vic) Pty Ltd, of The Rialto Building, 525 Collins Street, Melbourne, Victoria, 3000 (having been nominated by a member of the Company and consented in writing to act in the capacity of auditor) be appointed as auditor of the Company in accordance with section 327B(1) of the Corporations Act”.

Short Explanation: Pursuant to section 329(5) of the Corporations Act, Stantons International has applied to ASIC for consent to resign as auditor of the Company, with effect from the date of the AGM. Subject to ASIC consenting to the resignation and Stantons International then submitting its resignation to the Company, it is proposed that the Company appoint BDO Kendalls as auditor of the Company. Pursuant to section 328B(1) of the Corporations Act, a member of the Company has nominated BDO Kendalls to be the Company's auditor. A copy of the nomination letter is attached to this Notice at Annexure A.

**DATED THIS 29th DAY OF OCTOBER 2007
BY ORDER OF THE BOARD**

**Kim Hogg
Company Secretary**

NOTES:

1. A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member. A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg “the Company Secretary”).
2. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member’s voting rights. If no such proportion is specified, each proxy may exercise half of the member’s votes.
3. A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at PO Box 543, West Perth, WA, 6872 or by fax to (61 8) 9226 0866. Alternatively, you may photocopy the enclosed form.
4. A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, not less than 48 hours before the time for commencement of the meeting. Please send by post to PO Box 543, West Perth, Western Australia 6872 or by fax to (61-8) 9226 0866.
5. The Company will accept proxy appointments by a corporate member executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the Corporations Act.
6. The time nominated by the Board for the purpose of determining the voting entitlements at the meeting is 5.00 pm WST on Wednesday, 28 November 2007.
7. The Explanatory Memorandum attached to this Notice forms part of this Notice.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Capitol Health Limited ("Company").

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Resolution 1 – Remuneration Report

The Directors' Report for the year ended 30 June 2007 contains a Remuneration Report which sets out the policy for the remuneration of the directors and executives of the company. Section 250R(3) of the Corporations Act 2001 expressly provides that the vote on the resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Director – Mr Anthony Ho

Clause 13.2 of the Constitution requires that at the Annual General Meeting in every subsequent year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third Annual General Meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. A retiring director is eligible for re-election.

Mr Anthony Ho retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Ho graduated in 1980 with a Bachelor of Commerce from the University of Western Australia. He qualified as a Chartered Accountant in 1983 with Deloittes. Mr Ho is presently the principal of a public practice, specialising in providing corporate and financial services to ASX-listed companies.

Prior to establishing his practice in 1991, he spent 7 years in a senior corporate role with a major investment and resource group in Western Australia. He is currently a director of Redisland Australia Limited and Brumby Resources Limited, companies listed on ASX.

Directors' Recommendation

The Board recommends shareholders vote in favour of the Resolution.

Resolution 3 – Appointment of Auditor

Stantons International, the Company's present auditors, have resigned as auditors of the Company. Pursuant to section 329(5) of the Corporations Act, on 10 October 2007 Stantons International applied for ASIC's consent to resign as auditor of the Company, with effect from the date of the Company's next Annual General Meeting, being 30 November 2007. Resolution 3 cannot take effect unless ASIC consents to the resignation, and Stantons International then submits its resignation by notice in writing given to the Company.

EXPLANATORY MEMORANDUM (cont'd)

In accordance with section 328B(1) of the Corporations Act, Andrew Boris Konowalous, a member of the Company, has nominated BDO Kendalls Audit and Assurance (Vic) Pty Ltd, of The Rialto Building, 525 Collins Street, Melbourne, Victoria, 3000 to be the Company's auditor by providing the Company with written notice of the nomination not less than 21 days before the Annual General Meeting. Under section 328B(3) of the Corporations Act, a copy of this nomination:

- (a) has been sent to Stantons International;
- (b) has been sent to BDO Kendalls; and
- (c) is attached to this Notice at Annexure A.

Pursuant to section 328A of the Corporations Act, BDO Kendalls has provided the Company with written notice of its consent to act as Company auditor, to take effect from 30 November 2007.

Directors' Recommendation

The Board recommends shareholders vote in favour of the Resolution.

EXPLANATORY MEMORANDUM (cont'd)

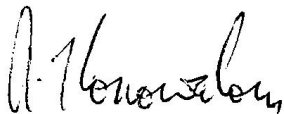
**ANNEXURE A:
Nomination of Auditor**

The Company Secretary
Capitol Health Limited
Level 3
33 Richardson Street
WEST PERTH WA 6005

Dear Sir

I, Andrew Boris Konowalous, being a member of Capitol Health Limited (**Company**), hereby nominate BDO Kendalls Audit and Assurance (Vic) Pty Ltd, of The Rialto Building, 525 Collins Street, Melbourne, Victoria, 3000 for appointment as auditor of the Company at its next Annual General Meeting.

Please distribute copies of this notice of nomination as required by section 328B(3) of the Corporations Act 2001 (Cth).



Andrew Boris Konowalous
22 October 2007

PROXY FORM

(Name of member/s)

of

(Address of member/s)

Appointment of Proxy

I/We being a member/s of Capitol Health Limited and entitled to attend and vote hereby appoint

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

If you are appointing **someone other than** the Chairman of the Meeting, write here the name of the company or person you are appointing

or, failing a company or person named, or if no company or 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 not directions have been given, as the proxy sees fit) at the Annual General Meeting of Capitol Health Limited to be held at Level 3, Mercury House, 33 Richardson Street on Friday, 30 November 2007 commencing at 9.00 am and at any adjournment of that meeting.

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

	FOR	AGAINST	ABSTAIN*
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Anthony Ho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of Auditor	<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.

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

Individual/ 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. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the company or person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that company or 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.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with a corporate representative form free of charge. Please contact the Company Secretary if you require a corporate representative form.

2. 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.

3. 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) 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.

4. 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 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 no later than 48 hours before the commencement of the meeting at 9.00 am (WST) on Friday, 30 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by posting, delivery or facsimile to Capitol Health Limited:-

PO Box 543
West Perth WA 6872

Fax: (61-8) 9226 0866
