
SWICK MINING SERVICES LTD

ABN 20 112 917 905

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2:00pm (WST)

DATE: Thursday, 19 November 2009

PLACE: Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary or Finance Director on (+61 8) 9277 8800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00pm (WST) on Thursday, 19 November 2009 at the Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company's share registry, Security Transfer Registrars, by:

- (a) **hand** to 770 Canning Highway, Applecross, Western Australia;
- (b) **post** to PO Box 535, Applecross, Western Australia, 6953; or
- (c) **facsimile** on (+61 8) 9315 2233,

so that it is received not later than 2:00pm (WST) on Tuesday, 17 November 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 2:00pm (WST) on Thursday, 19 November 2009 at the Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 4:00pm (WST) on Tuesday, 17 November 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2009 together with the Directors' report, the remuneration report, the Directors' declaration and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2009.”

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DAVID NIXON

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr David Nixon, a Director who retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PHILLIP LOCKYER

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Phillip Lockyer, a Director who retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 22,882,407 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ADOPTION OF EMPLOYEE OPTION SCHEME

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

“That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given to adopt the Company’s employee option scheme and to issue securities under that scheme on the terms and conditions summarised in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. 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 a direction on the proxy form to vote as the proxy decides.

DATED: 14 OCTOBER 2009

BY ORDER OF THE BOARD



**JASON GILTAY
SWICK MINING SERVICES LTD
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2:00pm (WST) on Thursday, 19 November 2009 at the Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2009 together with the Directors' report, the remuneration report, the Directors declaration and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 Background

The remuneration report sets out the Company's remuneration arrangements for the Directors and key management personnel of the Company. The remuneration report forms part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2009.

2.2 Requirement to put to Shareholders

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company. A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTIONS 2 & 3 – RE-ELECTION OF DIRECTORS

3.1 Background

Resolutions 2 and 3 seek Shareholder approval for the re-election of Directors, Mr David Nixon and Mr Phillip Lockyer respectively, who retire by rotation in accordance with the Constitution.

3.2 Requirement for Shareholder Approval

Clause 13.2 of the Constitution requires that at every annual general meeting of the Company, subsequent to the first annual general meeting held after incorporation, one-third of the Directors (rounded upwards in case of doubt) shall retire from office, provided always that no Director, except the Managing Director, shall hold office for a period in excess of three years or until the third annual general meeting following their appointment, whichever is the longer. A retiring Director is eligible for re-election.

3.3 Re-Election of Directors

Mr David Nixon (Non-Executive Director) and Mr Phillip Lockyer (Non-Executive Director) are retiring by rotation at the Annual General Meeting in accordance with

clause 13.2 of the Constitution and, being eligible, seek re-election at the Annual General Meeting.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 Background

On 29 June 2009, the Company announced the completion of a placement of 22,882,407 Shares at an issue price of \$0.36 per Share, raising approximately \$8.2 million (before expenses). The placement was made to institutional and sophisticated investor clients of Euroz Securities Ltd.

4.2 Requirement for Shareholder Approval

Resolution 4 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1, and provided that the previous issue did not breach ASX Listing Rule 7.1, those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue additional equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 Information required by the ASX Listing Rules

The following information in relation to the ratification of the placement is provided to satisfy the requirements of the ASX Listing Rules:

- (a) 22,882,407 Shares were allotted;
- (b) the Shares were issued at \$0.36 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to institutional and sophisticated investor clients of Euroz Securities Ltd. None of the recipients of Shares under the placement were related parties of the Company; and
- (e) the funds raised are being applied towards the Company's North American expansion program, improving working capital in Australia, part funding the construction of drilling rigs and strengthening the Company's balance sheet.

5. RESOLUTION 5 – ADOPTION OF EMPLOYEE OPTION SCHEME

5.1 Background

As part of its review of appropriate remuneration for management and key personnel, the Board considers that it is appropriate to adopt an employee option scheme (**Scheme**). The objective of the Scheme is to provide the Company with a remuneration mechanism to motivate and reward the performance of management and key personnel and align their interests with the interests of Shareholders.

The Scheme will replace the Company's existing employee share option plan which was approved for adoption by Shareholders in June 2007.

5.2 Requirement for Shareholder Approval

Resolution 5 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the issue of Options under the Scheme (**Scheme Options**) as an exception to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in section 4.2 of this Explanatory Statement. Exception 9(b) of ASX Listing Rule 7.2 provides that a company may make an issue of securities under an employee incentive scheme (such as the Scheme) if, within three years before the date of issue, holders of ordinary securities in the company have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will have the ability to issue Scheme Options to eligible participants under the Scheme over a period of three years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

5.3 Information required by the ASX Listing Rules

The following information is provided to satisfy the requirements of the ASX Listing Rules:

- (a) a total of 4,025,000 Options have been issued under the Company's existing employee share option plan since the date of its approval on 8 June 2007; and
- (b) the main terms of the Scheme are summarised below and a full copy of the Scheme is available for inspection at the Company's registered office until the date of the Annual General Meeting.

5.4 Summary of terms of the Scheme

(a) Eligibility

The Board may invite full or part time employees and directors of, and consultants to, the Company or an Associated Body Corporate of the Company to participate in the Scheme (**Eligible Employee**).

Eligible Employees do not possess any right to participate in the Scheme, as participation is solely determined by the Board.

(b) **Offer of Scheme Options**

The Scheme will be administered by the Board which may, in its absolute discretion, offer Scheme Options to any Eligible Employee from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- (i) the Eligible Employee's length of service with the Company;
- (ii) the contribution made by the Eligible Employee to the Company;
- (iii) the potential contribution of the Eligible Employee to the Company; or
- (iv) any other matter the Board considers relevant.

(c) **Number of Scheme Options**

The number of Scheme Options to be offered to an Eligible Employee will be determined by the Board in its discretion and in accordance with the rules of the Scheme and applicable law.

(d) **Conversion**

Each Scheme Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(e) **Consideration**

Scheme Options issued under the Scheme will be issued for no consideration.

(f) **Exercise price**

The exercise price for Scheme Options offered under the Scheme will be determined by the Board.

(g) **Exercise conditions**

The Board may impose conditions, including performance-related conditions, on the right of a participant to exercise Scheme Option granted under the Scheme.

(h) **Exercise of Scheme Options**

A participant in the Scheme will be entitled to exercise their Scheme Options in respect of which the exercise conditions have been met provided the Scheme Options have not lapsed and the exercise of the Scheme Options will not result in the Company contravening ASIC Class Order 03/184. A holder may exercise Scheme Options by delivering an exercise notice to the Company secretary along with the Scheme Options certificate, and paying the applicable exercise price of the Scheme Options multiplied by the number of Scheme Options proposed to be exercised.

Within ten Business Days of receipt of the required items, the Company will, subject to the ASX Listing Rules, issue to the participant the relevant number of Shares.

(i) **Cessation of employment**

If the participant in the Scheme ceases to be an employee or director of, or render services to, the Company or an Associated Body Corporate for any reason (other than by death, permanent disability or permanent retirement from the workforce) prior to the lapse of the Scheme Options, and the exercise conditions attaching to the Scheme Options have been met, the participant will be entitled to exercise their Scheme Options in accordance with the Scheme for a period of up to 28 days after the date of the cessation event.

(j) **Death, permanent disability or retirement**

If the participant in the Scheme dies, becomes permanently disabled or permanently retires from the workforce as an employee or director of, or consultant to, the Company prior to the lapse of the Scheme Options, the participant, or the participant's legal personal representative, will be entitled to exercise their Scheme Options in accordance with the Scheme rules for the period commencing on the date of the cessation event and ending on the first to occur of the date of lapsing of the Scheme Options and the date which is six months after the date of the cessation event.

(k) **Lapse of Scheme Options**

Scheme Options held by a participant in the Scheme will lapse immediately if:

- (i) the Scheme Options have not been exercised by the date which is two years after the date of issue, or such other date as the Board determines in its discretion at the time of issue of the Scheme Options;
- (ii) the exercise conditions attaching to the Scheme Conditions are unable to be met; or
- (iii) the holder ceases to be an employee or director of, or consultant to, the Company or an Associated Body Corporate and the deadline set out in paragraph (i) or (j) has passed.

(l) **Participation in Rights Issues and Bonus Issues**

The Scheme Options granted under the Scheme do not give the holder any right to participate in rights issues or bonus issues unless Shares are allotted pursuant to the exercise of the relevant Scheme Options prior to the record date for determining entitlements to such issue. The number of Shares issued on the exercise of Scheme Options will be adjusted for bonus issues made prior to the exercise of the Scheme Options.

(m) **Reorganisation**

The terms upon which the Scheme Options will be granted will not prevent the Scheme Options being reorganised as required by the ASX Listing Rules on the reorganisation of the capital of the Company.

(n) **Limitation on offers**

If the Company makes an offer under the Scheme where:

- (i) the total number of Shares to be received on exercise of Scheme Options the subject of that offer exceeds the limit set out in ASIC Class Order 03/184; or
- (ii) the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 03/184,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(o) **Trigger event**

If any of the following events occur:

- (i) the Company is subject to a takeover bid;
- (ii) the Company proposes a scheme of arrangement with its members under Part 5.1 of the Corporations Act; or
- (iii) a person, or group of associated persons, becomes entitled to sufficient Shares to give him or them the ability, in general meeting, to replace all or a majority of the Board, where such ability was not already held by a person associated with such a person or group of persons,

then the Board may:

- (iv) determine that Scheme Options may be exercised at any time from the date of such event so as to permit the holder to participate in the change of control arising from the event; or
- (v) use its reasonable endeavours to procure that an offer is made to holder of Scheme Options on like terms to the terms proposed in such event.

6. ENQUIRIES

Shareholders may contact Mr Jason Giltay (Company Secretary) or Mr Michael Fry (Finance Director) on (+ 61 8) 9277 8800 if they have any queries in respect of the matters set out in this document.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares in the Company; or
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Swick Mining Services Ltd (ABN 20 112 917 905).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Scheme means the Company's employee option scheme, the terms of which are summarised in section 5.4.

Scheme Option means an Option issued pursuant to the Scheme.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

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PROXY FORM

**APPOINTMENT OF PROXY
SWICK MINING SERVICES LTD
ABN 20 112 917 905**

ANNUAL GENERAL MEETING

I/We

of

being a member of Swick Mining Services Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, 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 to be held at 2:00pm (WST) on 19 November 2009 at the Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 5** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 5 and that votes cast by the Chair of the Annual General Meeting for Resolution 5 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 5.

OR

Voting on Business of the Annual General Meeting

| | FOR | AGAINST | ABSTAIN |
|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 – Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 – Re-election of Director - Mr David Nixon | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 – Re-election of Director - Mr Phillip Lockyer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 – Ratification of Prior Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 – Adoption of Employee Option Scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

SWICK MINING SERVICES LTD
ABN 20 112 917 905

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the Proxy Form and return to the Company's share registry, Security Transfer Registrars, by:
 - (a) **hand** to 770 Canning Highway, Applecross, Western Australia;
 - (b) **post** to PO Box 535, Applecross, Western Australia, 6953; or
 - (c) **facsimile** on (+61 8) 9315 2233,

so that it is received not later than 2:00pm (WST) on Tuesday, 17 November 2009.

Proxy forms received later than this time will be invalid.