

SAPEX LIMITED

ABN 63 093 661 164

NOTICE OF ANNUAL GENERAL MEETING 2007

Dear Shareholder,

On behalf of the Board, I have pleasure in inviting you to the Annual General Meeting of the members of SAPEX Limited.

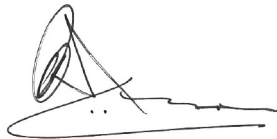
The meeting will be held at the Adelaide 1 Room, Sebel Playford Hotel, North Terrace, Adelaide at 10.30am on Thursday, 22 November 2007.

The formal Notice of Meeting is attached. Please read this carefully.

If you have elected to receive a hard copy of the Company's Annual Report, a copy of that Report is attached to this Notice. A copy of the Annual Report is also now available on the Company's website (www.sapex.com.au).

Your Directors are unanimously of the opinion that the resolutions to be proposed at the Annual General Meeting are in the best interests of shareholders of the Company. Accordingly, they recommend you vote in favour of the resolutions set out in the Notice of Meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'R M Wilson', written over a horizontal line.

R M Wilson
Chairman
22 October 2007

NOTICE OF ANNUAL GENERAL MEETING 2007

The Annual General Meeting of SAPEX Limited will be held at the Adelaide 1 Room, Sebel Playford Hotel, North Terrace, Adelaide at 10.30am on Thursday, 22 November 2007.

A G E N D A

BUSINESS

Consideration

Annual Accounts and Reports

To receive and consider the Income Statements, Balance Sheets and Cash Flow Statements of the Company and its controlled entities, the Statement by the Directors and the Reports of the Directors and Auditors for the year ended 30 June 2007.

Resolution 1 - Re-election of Director

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

“That Mr Patrick Elliott retires in accordance with Clause 7.1 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director.”

Resolution 2 - Re-election of Director

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

“That Dr David King retires in accordance with Clause 7.1 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director.”

Resolution 3 - Remuneration Report

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

“That the Company’s Remuneration Report for the year ended 30 June 2007 be adopted.”

Voting Exclusion Statement

According to the Listing Rules of the Australian Stock Exchange, the Company will disregard any votes cast on:

- Resolution 1 Not applicable
- Resolution 2 Not applicable
- Resolution 3 Not applicable

However, the Company will not disregard a vote if it is cast by:

- a person who is a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

It is the Chairman’s intention to vote open proxies in favour of all Resolutions.

Explanatory Notes

Attached to and forming part of this Notice of Meeting are the Explanatory Notes which provide shareholders with background information and further details on the resolutions to be considered at the meeting, in accordance with the Listing Rules of the Australian Stock Exchange Limited.

By Order of the Board



AW BURSILL
COMPANY SECRETARY

22 October 2007

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on the member's behalf. If the member is entitled to cast two or more votes at the meeting, the member may appoint not more than two proxies to attend and vote on the member's behalf.
2. If a member appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the member's votes. In the absence of such a specification, each proxy will be entitled to exercise half the votes.
3. A proxy need not be a member of the Company.
4. To appoint a proxy (or two proxies), a proxy form must be signed by the member or the member's attorney duly authorised in writing. If the member is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or officer duly authorised.
5. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the Meeting. Proxy forms and authorities may be sent to the Company by post, personal delivery or fax:

SAPEX Limited
C/- Franks & Associates Pty Ltd
Suite 206, "The Bentleigh"
1 Katherine Street
Chatswood NSW 2067

Fax: (612) 9419 2944

provided that members who forward their proxy forms by fax are required to make available the original executed form of the proxy for production, if called upon at the meeting to do so.

6. For the purposes of the Annual General Meeting, persons on the register of members as at 7.00pm on Tuesday, 20 November 2007 will be treated as shareholders. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

EXPLANATORY NOTES:

These explanatory notes form part of the Notice of Annual General Meeting ("Notice") of SAPEX Limited ("Company") to be held at the Adelaide 1 Room, Sebel Playford Hotel, North Terrace, Adelaide at 10.30am on Thursday, 22 November 2007.

Resolution 1 – Re-election of Director

Patrick Elliott submits himself for re-election as a Director of the Company in accordance with Clause 7.1 of the Company's Constitution requiring the rotation of one-third of Directors each year, with the longest serving Directors submitted for re-election.

Resolution 2 – Re-election of Director

David King submits himself for re-election as a Director of the Company in accordance with Clause 7.1 of the Company's Constitution requiring the rotation of one-third of Directors each year, with the longest serving Directors submitted for re-election.

Resolution 3 – Remuneration Report

As required under the Corporation Act 2001, listed companies are required to provide enhanced disclosures of Directors and remuneration in the Company's Annual Report.

The Company is now required to propose to its shareholders at its AGM a non-binding advisory resolution on the Remuneration Report prepared by the Directors, and to allow questions and comments on this Remuneration Report by shareholders.

Consideration of Financial Report

The Financial Report for the year ended 30 June 2007 is set out in the Company's 2007 Annual Report.

In accordance with the Corporation Act 2001, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report and on the business and management of the Company.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

Written questions for the auditor

If you would like to submit a written question to the Company's auditor, please post your question to the Company Secretary or fax it to (612) 9419 2944. Written questions must relate to the content of the auditor's report to be considered at the Annual General Meeting or the conduct of the audit. A list of qualifying questions will be made available at the Annual General Meeting.

Please note that all questions must be received at least five business days before the Annual General Meeting, that is by no later than 10.30 am on Thursday, 15 November 2007.