
PULSE HEALTH LIMITED
ABN 69 104 113 760

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.30am (EST)
DATE: 22 November 2007
PLACE: PKF
Level 17 Boardroom
1 Margaret St
Sydney NSW 2000

Please report first to the Concierge Desk on Level 10, 1 Margaret Street, Sydney where you will be escorted to Level 17.

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 on (02) 9419 2966.



17 October 2007

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

Pulse Health Limited (the **Company**) is convening its Annual General Meeting (**Meeting**) of shareholders on 22 November 2007 and we invite you to attend. The meeting will be held at PKF, Level 17 Boardroom, 1 Margaret St, Sydney, NSW, 2000, at 10.30am and will consider:

- The 2007 Annual Report.
- Adoption of the Remuneration Report as required by the *Corporations Act 2001* in a non-binding resolution. The Remuneration Report is contained in the 2007 Annual Report.
- Re-election of directors. Dr Landa and Mr Beazley retire by rotation and Dr Hewson retires as appointed during the year and in accordance with the Company's Constitution are offering themselves for re-election.
- Proposed issue and allotment of options to holders of expired 31 December 2007 Options
- Approval for future issue of shares under capital raising programs
- Ratification of past issues of options under Listing Rule 7.4.

Attached to this letter is a Notice of General Meeting and an Explanatory Memorandum setting out details on each of the resolutions to be proposed at the Meeting.

If you are unable to attend the Meeting, I encourage you to vote using the Proxy Form which is also enclosed. If you are able to attend, please bring this letter and package with you to facilitate your entitlement to vote. The Board recommends that you vote in favour of all resolutions, noting that Mr Beazley has refrained from making a recommendation in relation to Resolution 6 due to a personal interest in the resolution.

The 2007 year was a busy and exciting time for the Company. During the year, we have commenced the process of creating a dynamic healthcare business through:

- Changing the company name and re-listing under Chapter 1 and 2 of the Listing Rules after a change in activities of the company.
- Undertaking an equity and convertible note capital raising program.
- Acquiring two nursing agencies, being Care Call and Northside Nursing.
- Acquiring Bega Hospital.
- Commencing the building of the infrastructure required for the ongoing operations, such as engaging a Chief Financial Officer and new managers for the business segments.



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The Board looks forward to meeting those shareholders who can attend the Annual General Meeting in person. For those who are unable to attend, should you have any queries in relation to the Annual General Meeting or have any other matters you wish to discuss at any other time throughout the upcoming year, please do not hesitate to contact the Company Secretary either by phone or in writing. Full contact details of Mr David Franks are as follows:

Mr David Franks (Company Secretary)

Pulse Health Limited

Suite 1006 Milsons Landing

Level 10, 6a Glen Street

Milsons Point NSW 2061

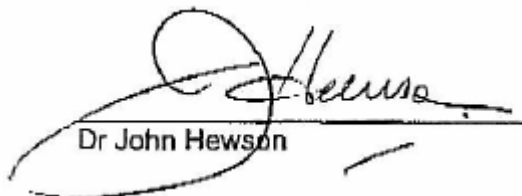
Phone (02) 9460 0577

Fax (02) 9460 0588

Email dfranks@fa.com.au

Thank you for your continued support.

Yours sincerely



Dr John Hewson

Dr John Hewson
Chairman
Pulse Health Limited

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Pulse Health Limited which this Notice of Meeting relates to will be held at 10.30am (EST), 22 November 2007 at:

PKF
Level 17 Boardroom
1 Margaret St
Sydney NSW 2000

Please report first to the Concierge Desk on Level 10, 1 Margaret Street, Sydney where you will be escorted to Level 17.

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 proxy form enclosed with this Notice of Meeting as soon as possible and:

- (a) send or deliver the proxy form to Pulse Health Limited, Suite 1006 Milsons Landing, Level 10, 6a Glen Street, MILSONS POINT NSW 2061; or
- (b) send the proxy form by facsimile to the Company on facsimile number (02) 9460 0588.

so that it is received not later than 10.30am (EST), 20 November 2007.

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 of Pulse Health Limited will be held at PKF, Level 17 Boardroom, 1 Margaret St, Sydney, NSW, 2000 at 10.30am (EST) on 22 November 2007.

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 on 20 November 2007 at 7.00pm (EST).

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

AGENDA

BUSINESS

ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2007.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company’s financial report for the year ended 30 June 2007.”

Short Explanation: The vote on this resolution is advisory only and does not bind the Directors or the Company.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR, DR BARRY LANDA

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

“That, for all purposes, Dr Barry Landa, a director of the Company who retires by rotation in accordance with clause 11.3 of the Constitution and, being eligible, is re-elected as a Director of the Company.”

RESOLUTION 3 – RE-ELECTION OF DIRECTOR, MR TREVOR BEAZLEY

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

“That, for all purposes, Mr Trevor Beazley, a director of the Company who retires by rotation in accordance with clause 11.3 of the Constitution and, being eligible, is re-elected as a Director of the Company.”

RESOLUTION 4 – RE-ELECTION OF DIRECTOR, DR JOHN HEWSON

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

“That, for all purposes, Dr John Hewson, a director of the Company appointed under the casual vacancy and additional director provisions, retires in accordance with clause 11.12 of the Constitution and, being eligible, is re-elected as a Director of the Company.”

RESOLUTION 5 – GRANT OF OPTIONS TO EXISTING OPTIONHOLDERS

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

*“That, for the purposes of Listing Rules 7.1 and for all other purposes, approval is given for the Company to grant to each person registered as the holder of an option to acquire an ordinary shares exercisable at any time up to 5.00pm (WST) on 31 December 2007 at an exercise price of 20 cents per Option (**31 December Options**) at the time it expires unexercised, 1 option to acquire an ordinary share in the capital of the Company (**New Option**) for each 31 December Option held at the time of expiry, to a maximum of 28,175,000 New Options at an issue price of \$0.002 each on the terms set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who may obtain a benefit (including any option holders or their associates of 31 December Options at the time of expiry), except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

RESOLUTION 6 – AUTHORITY FOR RELATED PARTY TO PARTICIPATE IN GRANT OF OPTIONS TO EXISTING OPTIONHOLDERS PURSUANT TO RESOLUTION 5

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

“That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 575,000 New Options under the Grant of Options to Existing Option holders to Seven High Pty Ltd, a related party to Mr Trevor Beazley, a Director of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: Under the ASX Listing Rules and the Corporations Act, an issue of securities to a director requires prior shareholder approval. A related party of Mr Trevor Beazley, a Director of the Company, owns 31 December Options and wishes to participate in the Grant of Options to Existing Optionholders referred to in Resolution 5. For the purposes of ASX Listing Rule 10.11, shareholder approval is being sought to allow the Directors to be issued securities in the Company.

Voting Exclusion: The Company will disregard any votes cast on this resolution by the Mr Trevor Beazley and any of his associates.

RESOLUTION 7 – 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 purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue and allot up to 90,000,000 Shares at an issue price of not less than 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

RESOLUTION 8 – RATIFICATION OF ISSUE OF OPTIONS

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the allotment and issue of 1,000,000 Options to Contango Services Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: An equity issue can be ratified by shareholders in accordance with the Listing Rules. This allows the Company flexibility to issue securities in the future up to the threshold of 15% of its total ordinary shares in any 12 month period. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who participated in the issue of the Options and any of their associates.

DATED: 17 OCTOBER 2007

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'D. Franks', with a long horizontal flourish extending to the right.

**PULSE HEALTH LIMITED
MR DAVID FRANKS
COMPANY SECRETARY**

Voting Exclusion Note:

Where a voting exclusion applies, 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 10.30am (EST), 22 November 2007 at:

PKF
Level 17 Boardroom
1 Margaret St
Sydney NSW 2000

Please report first to the Concierge Desk on Level 10, 1 Margaret Street, Sydney where you will be escorted to Level 17.

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 ADOPTION OF THE ANNUAL FINANCIAL REPORT

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Directors and Auditors for the year ended 30 June 2007.

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

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 (02) 9460 0588. 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 10.30am on 15 November 2007.

2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

At a listed company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. The vote on this resolution is advisory only and does not bind the Directors or the Company

3 RESOLUTION 2 - RE-ELECTION OF DIRECTOR, DR BARRY LANDA

Clause 11.3 of the Constitution requires that if the Company has three or more Directors, one third of those Directors must retire at each Annual General Meeting.

The Company currently has five Directors, one of whom retires as appointed under the casual vacancy and additional director provisions of the Constitution, and accordingly two must retire. A Director who retires under clause 11.3 is eligible for re-election.

Dr Barry Landa will retire by rotation and seeks re-election.

4 RESOLUTION 3 - RE-ELECTION OF DIRECTOR, MR TREVOR BEAZLEY

Clause 11.3 of the Constitution requires that if the Company has three or more Directors, one third of those Directors must retire at each annual general meeting.

The Company currently has five Directors, one of whom retires as appointed under the casual vacancy and additional director provisions of the Constitution, and accordingly two must retire. A Director who retires under clause 11.3 is eligible for re-election.

Mr Trevor Beazley will retire by rotation and seeks re-election.

5 RESOLUTION 4 - RE-ELECTION OF DIRECTOR, DR JOHN HEWSON

Clause 11.12 of the Constitution requires that any director appointed to fill a casual vacancy or as an addition to the Board, holds office under the next Annual General Meeting and is then eligible for re-election.

Dr John Hewson will retire at the Annual General Meeting and seeks re-election.

6 RESOLUTION 5 – GRANT OF OPTIONS TO EXISTING OPTION HOLDERS

Resolution 5 seeks Shareholder approval for the allotment and issue to each person registered as the holder of a 31 December Option at the time it expires unexercised, 1 New Option for each 31 December Option held at the time of expiry to a maximum of 28,175,000 New Options at an issue price of \$0.002 each. The terms of the New Options are set out in Schedule 1.

Shareholder approval is required pursuant to Listing Rule 7.1 for Resolution 5.

6.1 Listing Rule 7.1

Listing Rule 7.1 prohibits a listed company from issuing, during any 12 month period, any equity securities or other securities with rights of conversion to equity (including an Option) if the number of those securities exceeds 15% of its issued capital, unless an exception applies or the issue has the prior approval of Shareholders in general meeting.

The Company is seeking shareholder approval for the proposed grant of New Options under Resolution 5. The effect of this Resolution will be to permit the Directors to grant the New Options at any time within 3 months of the General Meeting (or a longer period if approved by ASX) without impacting the Company's 15% capacity.

6.2 Listing Rule 7.3

Listing Rule 7.3 requires the following information be provided to Shareholders when seeking approval for the purposes of Listing Rule 7.1:

- (a) the maximum number of securities to be issued under the Option Placement is 28,175,000;
 - (b) the New Options will be issued no later than three (3) months after the date of the Annual General Meeting (or a longer period if approved by ASX) and it is intended that allotment will occur on the same date;
 - (c) the New Options will be issued at a price of \$0.002 per New Option;
 - (d) the New Options will be issued to each person registered as the holder of a 31 December Option at the time it expires unexercised;
 - (e) the New Options will be a new class of options, the terms of which are set out in Schedule 1, and subject to Listing Rule requirements, the Company will seek to list this new class of options. Shares issued as a result of exercising of the New Options will rank equally with the Company's then issued Shares; and
 - (f) a total of \$56,350 will be raised by the issue of the New Options under Resolution 5, which will be used for expenses of the offer.
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7. RESOLUTION 6 – AUTHORITY TO RELATED PARTY TO PARTICIPATE IN GRANT OF OPTIONS TO EXISTING OPTIONHOLDERS PURSUANT TO RESOLUTION 5

Resolution 6 seeks Shareholder approval to allot and issue up to 575,000 New Options (under the Grant of Options to Existing Option holders under Resolution 5) to Seven High Pty Ltd, a related party to Mr Trevor Beazley, a Director of the Company. Seven High Pty Ltd currently owns 575,000 31 December Options.

The approval for Resolution 6 is sought for the purposes of ASX Listing Rule 10.11 which provides that, subject to certain exceptions, a company listed on ASX cannot issue or grant securities to a related party without shareholder approval.

7.1 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party. Seven High Pty Ltd is considered a related party of the Company by virtue of the fact that it is controlled by Mr Trevor Beazley, a Director of the Company.

For Resolution 6, approval pursuant to Listing Rule 7.1 is not required in order to grant the New Options to Seven High Pty Ltd as approval is being obtained under ASX Listing Rule 10.11. The grant of the New Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of New Options to be issued to Seven High Pty Ltd is 575,000;
- (b) the New Options will be issued no later than one (1) month from the date of approval of the resolutions (or such later date as approved by ASX) and it is anticipated that the New Options will be issued on one date. The company has applied to the ASX to seek a waiver to Listing Rule 10.13.3 requesting an increase in the time period for issuing the New Options from one (1) month to three (3) months;
- (c) the terms and conditions of the New Options are set out in Schedule 1 below;
- (d) the Shares issued upon exercise of the New Options will rank equally in all respects with the Company's existing issued Shares;
- (e) the New Options are being granted in accordance with proposed grant of New Options to all holders of 31 December Options; and
- (f) a total of \$1,150 will be raised by the issue of the New Options to Seven High Pty Ltd, which will be used for the expenses of the offer.

7.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities.

For the purposes of this meeting, a "related party" includes a company controlled by a director of the Company. Accordingly, the proposed grant of Options to the Related Parties involves the provision of a financial benefit to a related party of the Company.

Section 210 provides that a public company may give a financial benefit to a related party of the company if it is given on terms that would be regarded as reasonable between parties who were dealing at arm's length, or on terms that are less favourable to the related party than such arm's length terms.

Following a detailed consideration by the Board having regard to the obvious fact that the benefit to be provided to the related party is on exactly the same terms as the benefit being provided to all holders of 31 December Options, the Board resolved that the proposed grant of New Options to Seven High Pty Ltd is on arms length terms. Accordingly, approval is not being sought pursuant to Chapter 2E of the Corporations Act.

Nevertheless, the following information is provided to allow shareholders to assess the proposed grant of the New Options to Seven High Pty Ltd:

- (a) the related party to whom the financial benefits will be given is Seven High Pty Ltd, a related entity of Mr Trevor Beazley;
- (b) the maximum number of New Options (being the nature of the financial benefit being provided) to be granted to Seven High Pty Ltd is 575,000;
- (c) the New Options will be granted for \$0.002 assuming Seven High Pty Ltd is registered as the holder of a 31 December Option at the time it expires unexercised and otherwise on the terms and conditions set out in Schedule 1 below;
- (d) as at the date of this Notice, the annual remuneration (inclusive of superannuation where applicable) payable to Mr Beazley is set out below:

Person	Remuneration
Mr Beazley	\$40,000 + 9% superannuation

- (e) during the previous financial year ended 30 June 2007, the remuneration (inclusive of superannuation where applicable) paid to Mr Beazley is set out below:

Person	Remuneration
Mr Beazley	\$44,963

In addition, during the financial year ended 30 June 2007, Mr Beazley was issued with 1,500,000 options exercisable at 20 cents on or before 31 March 2009. These were assessed at a value of \$78,000.

- (f) as at the date of this Notice, Mr Beazley has notifiable interests in the securities of the Company as set out below:

Person	Shares	Listed Options	Unlisted Options
Mr Beazley ^{1,2}	700,000	575,000	1,500,000

Notes:

1. Listed options : exercisable at \$0.20 on or before 31 December 2007.
2. Unlisted options : exercisable at \$0.20 on or before 31 March 2009.

- (g) other than as set out above, Mr Beazley receives no other emoluments from the Company;
- (h) if Shareholders approve the grant of New Options to Seven High Pty Ltd and it was to exercise all of its New Options, the effect will be to dilute the shareholding of existing Shareholders by approximately 1.0% (based on the number of Shares currently on issue and assuming no other options are exercised);
- (i) the market price for Shares during the term of the New Options would normally determine whether or not the New Options are exercised. If, at the time any of the New Options are exercised, the Shares are trading on

ASX at a price that is higher than the exercise price of the New Options, there may be a perceived cost to the Company. In the 12 months before the date of this Notice, the highest, lowest and last trading price of Shares on ASX are as set out below:

Highest	24.0 cents on 1 October 2007
Lowest	12.5 cents on 17 November 2006
Last	18.5 cents on 16 October 2007

In addition, the market price for 31 December Options in the 12 months before the date of this Notice, the highest, lowest and last trading price of Shares on ASX are as set out below:

Highest	7.9 cents on 14 February 2007
Lowest	3.5 cents on 7 to 9 November 2006 inclusive
Last	3.0 cents on 15 October 2007

- (k) Mr Beazley declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the relevant Resolutions. The independent Directors recommend that Shareholders vote in favour of Resolution 6 as they are of the view that the issue of New Options including to Mr Beazley, are in the best interests of shareholders for the reasons set out in Section 7.5 below. The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolutions.

7.3 Valuation of New Options

The independent valuation, prepared by Stanton Partners Corporate Pty Ltd, has been derived using the Binomial option valuation methodology, based on the following assumptions:

- (a) the valuation date for the New Options is 9 October 2007, although the New Options will not be granted until shareholders has approved the grant of the New Options, the 31 December Options have expired and option holders have paid the required consideration further to a placement prospectus;
- (b) the price of a fully paid Share as quoted on ASX is based on the Share price at 9am (WST) on 9 October 2007, being \$0.19;
- (c) the exercise price of the New Options is \$0.20;
- (d) the New Options expire at 5:00pm (EST) on 30 June 2008, with 5.5 months to expiry;
- (e) a risk free rate of 6.50%;
- (f) a volatility rate of 70% has been applied;
- (g) the options will be issued at a price of \$0.002; and

- (h) the Company will be seeking listing of the option subject to Listing Rule requirements.

The valuation noted below is not necessarily the market price that New Options could be traded at and it is not automatically the market prices for taxation purposes.

Based on that valuation, the New Options have been valued at approximately 3.15 cents per Option or \$18,113 in total.

7.4 Terms of Options

The option terms for New Options under Resolution 5 and 6 are set out in Schedule 1.

7.5 Recommendation of Directors

The independent Directors recommend that Shareholders vote in favour of Resolutions 5 and 6 as they are of the view that the issue of New Options, including to Seven High Pty Ltd, are in the best interests of Shareholders for the reasons set out below:

- (a) the 31 December 2007 option class holders are not unfairly prejudiced by the longer than expected delay in settling Bega Valley Hospital and hence the re-listing of the Company;
- (b) the option exercise price and exercise period is similar in characteristics to the options issued as part of the June 2007 prospectus capital raising;
- (c) all option holders, including the 31 December 2007 option class, will have a reasonable time period in which to assess the merits of exercising their options since the Company was re-listed;
- (d) the Company will have a greater opportunity for having the New Options exercised and therefore provide potential access to additional capital to assist in funding the future growth acquisitions of the business plan; and
- (e) the decision in relation to the proposal will be decided by Shareholders who do not have any interest in the proposed New Options.

8 RESOLUTION 7 – ISSUE OF SHARES

Resolution 7 seeks Shareholder approval for the allotment and issue of up to 90,000,000 Shares at an issue price of not less than 80% of the average market price of the Shares calculated over the previous 5 days on which sales in the Shares were recorded before the day on which the issue is made (**Share Placement**).

Shareholder approval is required pursuant to Listing Rule 7.1.

8.1 Listing Rules

Listing Rule 7.1 prohibits a listed company from issuing, during any 12 month period, any equity securities or other securities with rights of conversion to equity (including an Option) if the number of those securities exceeds 15% of its issued capital, unless

an exception applies or the issue has the prior approval of Shareholders in general meeting.

The Company is seeking shareholder approval for the proposed Placement under Resolution 7. The effect of this Resolution will be to permit the Directors to issue the Placement securities at any time within 3 months of the General Meeting (or a longer period if approved by ASX) without impacting the Company's 15% capacity.

Listing Rule 7.3 requires the following information be provided to Shareholders when seeking approval for the purposes of Listing Rule 7.1:

- (g) the maximum number of securities to be issued under the Share Placement is 90,000,000;
- (h) the Share Placement securities will be issued no later than three (3) months after the date of the Annual General Meeting (or a longer period if approved by ASX) and it is intended that allotment will occur on the same date;
- (i) the Shares will be issued at a price of not less than 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the Share Placement issue is made;
- (j) it is intended that the Shares will be issued to persons who agree to sell, or are otherwise involved in the sale of, or agree to fund the acquisition by the Company of, health care, retirement living and/or aged care facilities, nursing agencies and recruitment operations and related businesses or rights. The Shares may also be issued to investors determined by the Company in order to fund, or are otherwise involved in, the acquisition of health care, retirement living and/or aged care facilities, nursing agencies and recruitment operations and related businesses or rights. The Shares will not be issued to related parties;
- (k) the Shares will rank equally with the Company's then issued Shares; and
- (l) funds raised from the issue of Share Placement securities will be used to assist the Company to acquire health care, retirement living and/or aged care facilities, nursing agencies and recruitment operations, together with related businesses, rights and associated chattels or to reduce short term finance taken on by the Company in connection with any such acquisition.

9 RESOLUTION 8 – RATIFICATION OF ISSUE OF OPTIONS

9.1 Background

As announced to the market on 27 June 2007, the Company undertook a capital raising of 7,500,000 Shares at an issue price of \$0.20 per Share to raise \$1,500,000 (**June Placement**). The June Placement was made under a prospectus dated 6 June 2007 and supplementary prospectus dated 18 June 2007.

In consideration for services provided to the Company in connection with the June Placement the Company issued Options to the following parties in the following amounts:

- (a) *Contango Services Pty Ltd* – 1,000,000 Options exercisable at \$0.20 on or before 31 October 2008.

9.2 ASX Listing Rules

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4.2 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder ratification for the issue of the total of 1,000,000 Options to the parties set out in Section 9.1 is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

Outlined below is the information required to be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of securities allotted and issued was 1,000,000 Options;
- (b) the Options were issued for free in consideration for services provided to the Company. No funds were raised from the issue of the Options;
- (c) the terms and conditions of the Options allotted and issued are set out in Section 9.3 below; and
- (d) the allottees of the Options were *Contango Services Pty Ltd* (in the amounts set out in Section 9.1). None of the allottees are related parties or associates of the Company.

9.3 Terms of Options

Each Option will entitle the holder to subscribe for one Share in the Company on the following terms:

- (a) the Options will be exercisable at any time prior to 5.00pm EST on 31 October 2008 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- (c) each Option will entitle the holder to subscribe (in respect of each Option held) for a fully paid ordinary share in the Company (Share) with an exercise price of 20 cents;
- (d) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking *pari passu* with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation;

- (e) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- (f) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last business day of the month in which such notice is received;
- (g) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 business days before the record date (to determine entitlements to the issue), to exercise Options;
- (h) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules.
- (i) subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date;
- (j) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise; and
- (k) in the event of a takeover under Chapter 6 of the Corporations Act (Takeover) all Options shall vest immediately and the Option holder shall have the right to elect to convert the Options into fully paid ordinary shares at the highest takeover price (as adjusted from time to time) and the Options shall convert into the number of Shares calculated as follows:

(Takeover Price less Option Exercise Price) times Number of Options divided by Takeover Price.

GLOSSARY

31 December Option means previously granted options to acquire ordinary shares which options are exercisable at any time up to 5.00pm (WST) on 31 December 2007 at an exercise price of 20 cents per Option.

Annual General Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Board means the board of Directors of the Company as constituted from time to time.

Company or **Pulse Health** means Pulse Health Limited (ABN 69 104 113 760).

Constitution means the Constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

EST means Eastern Standard Time, Sydney, New South Wales.

Explanatory Statement means the explanatory statement accompanying the Notice.

Grant of Options to Existing Option holders means the granting of options pursuant to Resolutions 5 and 6.

Listing Rules means the Listing Rules of ASX.

New Option means options to be issued under Resolution 5 and 6. Terms and condition of New Options are outlined in Schedule 1.

Notice means the notice of meeting, which forms part of this Memorandum.

Option or **Options** means an option to acquire a fully paid ordinary share in the capital of the Company.

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

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

Shareholder means a holder of a Share.

SCHEDULE 1

TERMS AND CONDITIONS OF NEW OPTIONS

Each option will entitle the holder to subscribe for one Share in the Company on the following terms:

- (a) the options may be exercisable at any time prior to 5:00pm EST on 30 June 2008 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) the exercise price of each option is 20 cents;
- (c) the options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- (d) upon the exercise of an option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation. The options will not be listed on ASX;
- (e) a summary of the terms and conditions of the options, including the Notice of Exercise, will be sent to all holders of options when the initial holding statement is sent;
- (f) there will be no participating entitlement inherent in the options to participate in the new issues of capital which may be offered to Shareholders during the currency of the options. Prior to any new pro rata issue of securities to Shareholders, holder of options will be notified by the Company in accordance with the requirements of the ASX Listing Rules;
- (g) in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the options, the exercise price of the options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- (h) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules; and
- (i) Shares issued pursuant to the exercise of an option will be issued not more than 14 days after the date of the Notice of Exercise

PROXY FORM

**APPOINTMENT OF PROXY
PULSE HEALTH LIMITED
ABN 69 104 113 760**

I/We

being a Member of Pulse Health Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman'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 10.30am (EST) on 22 November 2007 at PKF, Level 17 Boardroom, 1 Margaret St, Sydney, NSW, 2000 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the Extraordinary 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, Dr Barry Landa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of director, Mr Trevor Beazley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of director, Dr John Hewson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of options to existing option holders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Authority for Related Party to participate in grant of New Options to existing option holders pursuant to Resolution 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of Issue of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chair of the 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 a resolution, please place a mark in this box.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even though he has an interest in the outcome of the resolution and votes cast by him 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 of the Meeting will not cast your votes on these Resolutions and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chair of the Meeting intends to vote in favour of these Resolutions.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll. If two proxies are being appointed, the proportion of voting rights this proxy represents is:

Signed this _____ day of _____

2007

By: Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Signature

Sole Director and Sole Company Secretary

PULSE HEALTH LIMITED
ABN 69 104 113 760

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - two directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:
 - (a) send or deliver the proxy form to Pulse Health Limited, Suite 1006 Milsons Landing, Level 10, 6a Glen Street, MILSONS POINT NSW 2061; or
 - (b) send the proxy form by facsimile to the Company on facsimile number (02) 9460 0588.

so that it is received not later than 10.30am EST on 20 November 2007.

Proxy forms received later than this time will be invalid.