



BioDiem Ltd

ABN 20 096 845 993

000001 000 BDM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 3.00pm Monday 24 November 2008

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged 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, 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 sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of BioDiem Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate 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 no directions have been given, as the proxy sees fit) at the Annual General Meeting of BioDiem Limited to be held at The Sebel, 394 Collins Street, Melbourne on Wednesday, 26 November 2008 at 3.00pm and at any adjournment of that meeting.

Important for Item/s 4-8: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item/s 4-8 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item/s 4-8 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item/s 4-8 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 1 Non-binding advisory resolution remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of director – Donald S. Brooks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re election of director – Dr. John Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Issue of options to Hugh M. Morgan under employees' and officers' incentive option scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Issue of options to Larisa G. Rudenko under employees' and officers' incentive option scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Issue of options to Donald S. Brooks under employees' and officers' incentive option scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Issue of options to Dr. John Brown under employees' and officers' incentive option scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Issue of options to Dr. Andrew O'Brien under employees' and officers' incentive option scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

BIODIEM LTD.

ABN 20 096 845 993

NOTICE OF 2008 ANNUAL GENERAL MEETING

Notice is given that the 2008 General Meeting of the shareholders of Biodiem Ltd. ("the Company") will be held at The Sebel, 394 Collins Street, Melbourne, Victoria, 3000, on Wednesday 26th day of November 2008 at 3:00pm.

BUSINESS

To lay before the Meeting the 2008 Annual Financial Statements of the Company comprising the annual financial report, the directors' report and the auditor's report and to consider and if thought fit, to pass the following resolutions as ordinary resolutions (with or without amendment):

Resolution 1: Non-binding advisory resolution remuneration report

"That the Company adopt the Remuneration Report for the year ended 30 June 2008."

Resolution 2: Re-election of director – Donald S. Brooks

"That Mr. Donald S. Brooks, a director who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company."

Resolution 3: Re-election of director – Dr. John Brown

"That Dr. John Brown, a director who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company."

Resolution 4: Issue of options to Hugh M. Morgan under employees' and officers' incentive option scheme

"That for the purposes of ASX Listing Rules 7.1 and 10.14 members approve the issue to Hugh M. Morgan (or his nominee) of 34,144 options under the Employees' and Officers' Incentive Option Scheme adopted by the board of directors of BioDiem on 27th October 2006, the options carrying the right to subscribe for one fully paid ordinary share in the capital of the Company, exercisable at \$0.14c by no later than five years from 23rd July 2008 ("invitation date"). The options will vest on the following dates:

one-third	one year from the invitation date
one-third	two years from the invitation date
one-third	three years from the invitation date."

Resolution 5: Issue of options to Larisa G. Rudenko under employees' and officers' incentive option scheme

"That for the purposes of ASX Listing Rules 7.1 and 10.14 members approve the issue to Larisa G. Rudenko (or her nominee) of 34,144 options under the Employees' and Officers' Incentive Option Scheme adopted by the board of directors of BioDiem on 27th October 2006, the options carrying the right to subscribe for one fully paid ordinary share in the capital of the Company, exercisable at \$0.14c by no later than five years from 23rd July 2008 ("invitation date"). The options will vest on the following dates:

one-third	one year from the invitation date
one-third	two years from the invitation date
one-third	three years from the invitation date."

Resolution 6: Issue of options to Donald S. Brooks under employees' and officers' incentive option scheme

"That for the purposes of ASX Listing Rules 7.1 and 10.14 members approve the issue to Donald S. Brooks (or his nominee) of 34,144 options under the Employees' and Officers' Incentive Option Scheme adopted by the board of directors of BioDiem on 27th October 2006, the options carrying the right to subscribe for one fully paid ordinary share in the capital of the Company, exercisable at \$0.14c by no later than five years from 23rd July 2008 ("invitation date"). The options will vest on the following dates:

one-third	one year from the invitation date
one-third	two years from the invitation date
one-third	three years from the invitation date."

Resolution 7: Issue of options to Dr. John Brown under employees' and officers' incentive option scheme

"That for the purposes of ASX Listing Rules 7.1 and 10.14 members approve the issue to Dr. John Brown (or his nominee) of 34,144 options under the Employees' and Officers' Incentive Option Scheme adopted by the board of directors of BioDiem on 27th October 2006, the options carrying the right to subscribe for one fully paid ordinary share in the capital of the Company, exercisable at \$0.14c by no later than five years from 23rd July 2008 ("invitation date"). The options will vest on the following dates:

one-third	one year from the invitation date
one-third	two years from the invitation date
one-third	three years from the invitation date."

Resolution 8: Issue of options to Dr. Andrew O'Brien under employees' and officers' incentive option scheme

"That for the purposes of ASX Listing Rules 7.1 and 10.14 members approve the issue to Dr. Andrew O'Brien (or his nominee) of 250,000 options under the Employees' and Officers' Incentive Option Scheme adopted by the board of directors of BioDiem on 27th October 2006, the options carrying the right to subscribe for one fully paid ordinary share in the capital of the Company, exercisable at \$0.14c by no later than five years from 23rd July 2008 ("invitation date"). The options will vest on the following dates:

one-third	one year from the invitation date
one-third	two years from the invitation date
one-third	three years from the invitation date."

Dated: 23 October 2008

By the order of the Board



Richard Wadley
Secretary

The accompanying Proxy Instructions and Explanatory Notes form part of this Notice of Meeting.

- **VOTING EXCLUSION STATEMENTS**

The Company will disregard any votes cast on **Resolutions 4 to 8** (inclusive) by:

- a) a director of the Company; or
- b) any associate of those persons.

However, the Company need not disregard a vote on Resolutions 4 to 8 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.

PROXY INSTRUCTIONS

Voting entitlements

The Board has determined, in accordance with the Company's Constitution and the Corporations Act 2001, that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of that person shown in the register of members as at 7:00pm on Monday, 24th November 2008.

Proxy Instructions

A shareholder has a right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and specify the percentage of votes each proxy is entitled to exercise. The Proxy Form must be deposited at the share registry of the Company, Computershare Investor Services Pty. Ltd. located at Yarra Falls, 452 Johnson Street, Abbotsford, Victoria 3067 or posted using the Reply Paid envelope to *GPO Box 242, Melbourne, Victoria 3001*, or by *facsimile to Computershare on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)*, to arrive not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposed to vote.

BIODIEM LTD.

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NOTICE OF 2008 ANNUAL GENERAL MEETING

EXPLANATORY NOTES

Resolution 1: Non-binding Resolution - 2008 Annual Financial Statements & Remuneration Report

Under the Corporations Act, the Directors Report must include a separate remuneration report detailing various matters regarding the remuneration of directors, company secretaries, senior managers and officers of the Company ("Remuneration Report"), including:

- board policy on the remuneration of these officers;
- the relationship between board remuneration policy and Group performance;
- a discussion of performance conditions that apply to elements of director and executive remuneration; and
- details of the remuneration paid or payable to each director and the top five executives of the Company for the year ended 30 June 2008.

The 2008 Annual Report of the Company has been sent to all shareholders. Shareholders attending the Annual General Meeting will have the opportunity to put questions to the Board and the Auditor on matters contained in that Annual Report.

The vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Directors will take the outcome of the vote into consideration when setting the Company's remuneration policy for future financial years.

Resolutions 2 & 3: Re-election of Directors Retiring by Rotation

Pursuant to the Constitution of the Company, two directors are required to retire by rotation at each Annual General Meeting. Mr. Donald S. Brooks and Dr. John Brown who retire by rotation in accordance with this requirement, are eligible for re-election and have offered themselves for re-election.

Resolution 4-8: Issue of options to other directors under Employees' and Officers' Incentive Option Scheme

Under the Company's Employees' and Officers' Incentive Option Scheme ("the Scheme"), options may be issued to eligible persons, being directors, employees and consultants or their approved nominees. By a resolution of the board of directors on the 23rd July 2008, it was agreed that options be issued to directors (or their nominees) under and subject to the terms of the Scheme in the manner described below. The resolution was passed on the recommendation of the Remuneration Committee and subject to approval of the Company in general meeting.

ASX Listing Rule 10.14 provides that a company may not issue options to a director or proposed director under an employee incentive scheme without the approval of holders of ordinary shares. Resolutions 4-8 have been proposed to obtain approval for the allotment of shares under the Scheme.

The options to be issued to the directors or their nominees in the amounts set out below carry the right to subscribe for one fully paid ordinary share in the issued capital of the Company, exercisable at \$0.14c by no later than five years from 23rd July 2008 ("invitation date"). The exercise price was determined in accordance with the terms of the Scheme which requires that it be not less than the average closing price of the Company's ordinary listed shares on the 5 trading days prior to issuing invitations to accept options under the Scheme. The Company issued invitations to accept the options that are the subject of this Resolution on the invitation date. The average closing price of the Company's ordinary listed shares on the 5 trading days prior to the invitation date was \$0.12. The options will vest on the following dates:

one-third	one year from the invitation date
one-third	two years from the invitation date
one-third	three years from the invitation date

<u>Director/Nominee</u>	<u>Options</u>
Hugh Morgan	34,144
Larisa Rudenko	34,144
Donald Brooks	34,144
John Brown	34,144
Andrew O'Brien	250,000

The options that are the subject of Resolutions 4-8 will be issued within 12 months of the date of the meeting and no amount will be payable for the grant of the options. No loans will be made by the Company in respect of the options or their exercise. The maximum number of options which may be acquired if Resolutions 4-8 are approved is 386,576.

All of the Directors of the Company are entitled to participate in and receive options under the Employees' and Officers' Incentive Option Scheme. Options previously received by them since the Scheme's adoption was approved in 2006 are as set out below. No amounts were paid for their issue.

<u>Directors</u>	<u>No. of options</u>
Hugh Morgan	108,288
Larisa Rudenko	183,668
Donald Brooks	98,288
John Brown	134,144
Andrew O'Brien	<u>168,288</u>
Total:	<u>692,676</u>

