

28 December 2006

The Companies Section  
The Australian Stock Exchange Limited  
Level 45  
South Tower, Rialto  
525 Collins Street  
MELBOURNE VIC 3000

Dear Sir/Madam

**Notice of General Meeting**

Please find attached a Notice of General Meeting of the shareholders of the company and accompanying letter from the chairman relating to a proposed issue of options to the executive directors of Circadian Technologies Limited, which are to be despatched to shareholders today. The general meeting of shareholders will be held at 9.00 am on Wednesday, 31 January 2007 at the Royce Hotel, 379 St Kilda Road, Melbourne, Victoria.

Yours faithfully

**Natalie Korchev**  
**Company Secretary**

28 December 2006

Dear Shareholder

On 27 October 2006 Circadian Technologies Limited (Circadian or Company) announced that the Remuneration Committee of the Board had examined the appropriateness of current long term incentives available to the Company's executives. Based on the recommendations of the Remuneration Committee, the Board resolved, subject to shareholder approval, to implement a Senior Management Long Term Incentive Plan (**Plan**) and offer options to selected members of its senior management team (which options are subject to the achievement of performance hurdles). This will replace the Circadian Executive Performance Rights Plan and as such no new performance rights will be issued under this plan.

Under the proposed offer a total of 1.9 million options are to be offered to five senior executives of the Company, two of whom are executive directors of the Company.

Accordingly, a General Meeting of the shareholders of Circadian has been called for 9.00 am on Wednesday, 31 January 2007 to seek shareholder approval for the following items of business:

1. That, for the purpose of and in accordance with Australian Stock Exchange Listing Rule 7.2, Exception 9, any issue of securities made under the Plan be approved as an exception to ASX Listing Rule 7.1.
2. The issue of 750,000 options to Mr Leon Serry, Managing Director and the issue of 500,000 options to Mr Graeme Kaufman, Executive Director. The options comprise of the following tranches:

	<i>Number of options L Serry</i>	<i>Number of options G Kaufman</i>
Tranche 1	250,000	166,666
Tranche 2	250,000	166,667
Tranche 3	250,000	166,667

The options will be issued in accordance with the terms of the Plan (as outlined in the Explanatory Memorandum accompanying, and forming part of, the Notice of General Meeting). The major terms of issue are:

- each option will entitle the holder to acquire by way of issue one fully paid ordinary share in the capital of the Company at an exercise price of \$1.50;
- the options will vest on the satisfaction of the following performance conditions within 5 years of the grant date of the options:
  - *Tranche 1* – a market price for a Circadian share (**Share Price**) achieves not less than 125% of the Exercise Price (i.e. \$1.875);
  - *Tranche 2* – the Share Price achieves not less than 150% of the Exercise Price (i.e. \$2.25); and
  - *Tranche 3* – the Share Price achieves not less than 175% of the Exercise Price (i.e. \$2.625).
- no options may be exercised for 4 years; and
- the final date for exercise of the options will be the fifth anniversary of Grant Date.

The exercise price of \$1.50 is based on the volume weighted average closing price of Circadian ordinary shares traded on the ASX in the 20 days prior to and including 20 October 2006.

The offer of options to Mr Leon Serry, Mr Graeme Kaufman and to the other executive officers of the Company is to provide them with the opportunity to participate in the success of the Company and to provide them with further incentive to ensure wealth is created in the Company for the benefit of all shareholders. The board of directors, excluding Messrs Serry and Kaufman, consider the grant of the options to be reasonable in light of the other remuneration the Company provides to them. Please note that shareholder approval is not required in relation to the issue of options to non-director executives.

We enclose the following documents with this letter with respect to the General Meeting:

- (a) Notice of General Meeting, which includes an Explanatory Memorandum; and
- (b) Proxy Form

Your directors have recommended that shareholders vote in favour of the resolutions set out in the Notice of General Meeting.

If any shareholders are unable to attend the General Meeting, they are advised to complete the proxy form and lodge it with the Share Registry – Computershare Investor Services Pty Limited, using the reply paid envelope supplied or sending it by facsimile to +61 3 9473 2555 as soon as possible and in any event not later than 48 hours prior to the time appointed for the General Meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dominique Fisher'. The signature is written in a cursive style with a large initial 'D'.

Dominique Fisher  
Chairman

# CIRCADIAN TECHNOLOGIES LIMITED

ABN 32 006 340 567

## NOTICE OF GENERAL MEETING

31 January 2007

Notice is given that a General Meeting of the shareholders of Circadian Technologies Limited (**Company** or **Circadian**) will be held on Wednesday, 31 January 2007, at 9.00 am at the Royce Hotel, 379 St Kilda Road, Melbourne, Victoria.

### ORDINARY BUSINESS

**1. Senior Management Long Term Incentive Plan (Resolution 1)**

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

*That, for the purposes of and in accordance with Australian Stock Exchange Listing Rule 7.2 Exception 9, any issue of securities made to participants under the Senior Management Long Term Incentive Plan (described in the Explanatory Memorandum accompanying and forming part of this Notice of General Meeting) be approved as an exception to Listing Rule 7.1.*

**2. Issue of Options to Mr Leon Serry (Resolution 2)**

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

*That, in accordance with Australian Stock Exchange Listing Rule 10.14, approval be given to the grant of 750,000 options to Mr Leon Serry, Managing Director of the Company, on the terms detailed in the Explanatory Memorandum accompanying, and forming part of, this Notice of General Meeting.*

**3. Issue of Options to Mr Graeme Kaufman (Resolution 3)**

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

*That, in accordance with Australian Stock Exchange Listing Rule 10.14, approval be given to the grant of 500,000 options to Mr Graeme Kaufman, Executive Director of the Company, on the terms detailed in the Explanatory Memorandum accompanying, and forming part of, this Notice of General Meeting.*

### VOTING EXCLUSION

The Company will disregard any votes cast on each of the resolutions by:

- any director of the Company ; and
- any associates of any one or more of those directors of the Company.

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.

## PROXY NOTES

- A member entitled to attend and vote at the meeting has a right to appoint a proxy.
- The proxy need not be a member of the Company.
- A member who is entitled to cast two or more votes may appoint up to two proxies and, in the case of such an appointment, may specify the proportion or number of votes each proxy is appointed to exercise.
- If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes which each proxy may exercise, each proxy may exercise half of the votes.
- The proxy form included in this Notice of General Meeting must be signed by the member or the member's attorney. Proxies given by corporations must be signed under the hand of a duly authorised officer or attorney.
- To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged with the Share Registry - Computershare Investor Services Pty Limited at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, using the reply paid envelope supplied or by facsimile to +61 3 9473-2555 as soon as possible and in any event not later than 48 hours prior to the time appointed for the General Meeting.
- A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
- If a shareholder appoints the chairperson of the meeting as the shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that shareholder, in favour of the item on a poll.
- Members should refer to the Explanatory Memorandum, which accompanies and forms part of this Notice of General Meeting, for information regarding voting restrictions.

## DETERMINATION OF VOTING ENTITLEMENTS

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001(Cth)* for the purposes of the meeting, persons holding shares at 29 January 2007 at 7.00 pm 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 attend and vote in respect of that share at the General Meeting.

Dated 28 December 2006

By Order of the Board



Natalie Korchev  
Company Secretary

# CIRCADIAN TECHNOLOGIES LIMITED

ABN 32 006 340 567

## EXPLANATORY MEMORANDUM

### PURPOSE OF INFORMATION

The purpose of this Explanatory Memorandum (which is included in and forms part of the Notice of General Meeting dated 28 December 2006) is to provide members with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the General Meeting to be held on Wednesday, 31 January 2007, at 9.00 am at the Royce Hotel, 379 St Kilda Road, Melbourne, Victoria, and to assist members to determine how they wish to vote on each resolution.

### SENIOR MANAGEMENT LONG TERM INCENTIVE PLAN (Resolution 1)

#### Establishment of Senior Management Long Term Incentive Plan

In October 2005, at the Annual General Meeting of the Company, the members approved the introduction of the Circadian Executive Performance Rights Plan (**Performance Rights Plan**) and the issue of performance share rights to its senior executives (including its executive directors, Mr Serry and Mr Kaufman) under that plan.

Subsequent experience with the Performance Rights Plan has highlighted a number of issues with its operation and its suitability for the Company. In particular, there have been issues concerning the selection of a comparator group (used for benchmarking the performance of the Company against its peers), the lack of transparency in the Performance Rights Plan, the cost (and time) involved in its administration and, importantly, its effectiveness in providing a long term incentive to the senior management of the Company.

On the recommendation of the Board, the Remuneration Committee of the Company was invited to reconsider the Plan in order to address its shortcomings and as such has undertaken considerable research and review of comparable performance rights plans and other employee incentive schemes. Following that research, the Remuneration Committee recommended to the Board, which recommendation has been accepted by the Board, the replacement of the Company's Performance Rights Plan with a simpler, more transparent option scheme that directly links the ability of the participating senior executives to benefit from the long term incentive plan to increases in the market price of the Company's shares traded on the ASX. Both the Remuneration Committee and the Board believe that the new scheme is a better way to ensure that no benefit is available to the participating members of the senior management team without there also being a corresponding benefit to the members.

Accordingly, in October 2006, the Board of Circadian established the Senior Management Long Term Incentive Plan (**Plan**) to provide the Company's executive management team with the opportunity to participate in the success of the Company and to provide them with further incentive to ensure wealth is created in the Company for the benefit of all shareholders. At the same time, it was resolved that no new performance rights would be issued under the existing Performance Rights Plan.

Subject to shareholder approval for grants to the Executive Directors, the Plan will provide for the grant of options to members of the senior management team (including Directors) nominated by the Board (**Participants**) at no cost to the Participant, and will allow these options to be exercised to acquire ordinary shares in the Company (subject to satisfaction of specified performance hurdles). Options granted under the Plan will comprise the long term incentive component of the overall remuneration structure for Executives and Executive Directors.

Subject to satisfaction of the performance hurdles specified by the Board in relation to each grant of options, each option can be exercised to acquire one ordinary share in the Company.

Any shares issued upon the exercise of options will rank equally with all other existing ordinary shares in all respects including voting rights, entitlement to participate in dividends and in future rights and bonus issues, but no such entitlements will attach to options prior to exercise.

Options granted under the Plan are conditional and non-transferable – they cannot be sold, transferred, mortgaged, charged or otherwise disposed of or dealt with until vested, unless otherwise approved by the Board.

### Shareholder Approval

Under Australian Stock Exchange (**ASX**) Listing Rule 7.1, a listed company must not, without the approval of its ordinary shareholders, issue more than 15% of its ordinary securities in a 12 month period, unless an exception applies in ASX Listing Rule 7.2.

Exception 9 to ASX Listing Rule 7.2 provides that an issue of securities under the Plan to Participants will be treated as an exception to Listing Rule 7.1 if within 3 years before the date of the grant of the options, the shareholders of the Company have approved the issue of the securities pursuant to the Plan as an exception to Listing Rule 7.1.

No options have been issued under the Plan to date.

The terms and conditions of the Plan are summarised below. A copy of the complete terms and conditions of the Plan is available for inspection by the shareholders at the Company's registered office prior to the General Meeting.

- **Eligibility** - The Board may offer options to full or part time employees or directors of the Company or any related bodies corporate at the time of the offer including executive and non-executive directors (**Employees**). Subject to the Constitution, the Board is also able to determine the terms of issue that will apply to any offer (**Offer**) and the options offered to each Employee, including the exercise price, exercise period and the restrictions, if any, on the exercise of the options.
- **Entitlement** - Each option will entitle the holder to subscribe for one (1) fully paid ordinary share in the capital of the Company. When issued, each share will rank equally with all other shares then on issue.
- **Issue of Options** - Unless the Board determines otherwise, there is no issue price for the options. If the Board determines that monetary consideration is payable by an Employee on the grant of an option (on acceptance of the relevant Offer), the consideration must not exceed 1 cent per option.
- **Transfer of Options** - Options which have not vested may not be transferred except with the prior consent of the Board.
- **Vesting / Exercise of Options:**
  - Subject to the discretion of the Board, conditions are likely to be imposed on the vesting and / or exercise of options (**Performance Hurdles**). Subject to certain circumstances as described below, if conditions are attached to vesting / exercise of options, these conditions must also be satisfied before the options vest and/or are exercised.
  - The option term will be fixed by the Board at the time of issue, but will generally not exceed 10 years from the date of issue.
  - Further, the Board may provide that options lapse earlier if the employee is no longer employed by the Company, provided that their termination was not as a result of death, physical or mental incapacity, or in other circumstances set out by the Board which are detailed in this Explanatory Memorandum which forms part of the Notice of General Meeting. The options may only be exercised within the limitations imposed by the *Corporations Act* and the ASX Listing Rules.
  - The Board, at its discretion, may reduce or waive the Performance Hurdles attaching to Options in whole or in part at any time and in any particular case including due to death, physical or mental incapacity, retirement and redundancy of the Participant or due to change in control of the company (also see **Takeover Bids and Sale of Business** below). The Board may also, at its discretion, bring forward the first exercise date for some or all of a Participant's Options in any

particular case including due to death, physical or mental incapacity, retirement and redundancy of the Participant or due to change in control of the company (as described below under **Takeover Bids and Sale of Business**).

- Upon exercise of an option by a Participant, the Company may either issue new shares to the Participant or purchase the shares to be acquired by the Participant on market.
- **Exercise Price** - The exercise price for an option will, subject to the ASX Listing Rules and the Constitution, be the amount determined by the Board prior to or at the time of the grant of the option.
- **New issue of Securities** - Employees will not be entitled to participate in any new issue of securities in the Company, unless they exercise their options prior to the record date for the determination of entitlements to the new issue and participate as a result of holding shares.
- **Rights issues** - If the Company makes a pro rata rights issue or a bonus issue of shares to shareholders, there is a provision for adjustment of the option entitlement and/or the exercise price of unexercised options in accordance with ASX Listing Rule 6.22 to reflect the diluting effect of the issue.
- **Capital Reorganisations** - If any reorganisation of shares occurs, the number of options and/or the exercise price of the options held by each optionholder will be changed to comply with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation.
- **Takeover Bids and Sale of Business** - At the discretion of the Board and subject to the terms of issue of an option:
  - If a takeover bid is made for shares and is accepted by holders of not less than 50% in number of shares, an optionholder is entitled to immediately exercise his or her options.
  - If a takeover bid is made for shares and is accepted by holders of not less than 50% in number of shares and a bid is also made for options, the optionholder is entitled to immediately accept the offer for his or her options.
  - If the shareholders of the Company approve the disposal by the Company of its main undertaking, the Board by notice to the optionholder will allow the optionholder to exercise his or her options.
- **Winding Up** - If a voluntary winding up of the Company is proposed (other than for a purpose of a reconstruction or amalgamation), the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to vesting, the Participants may, during the period referred to in the notice, exercise their options if the last exercise date for the Options has not expired.
- **Restrictions on Offer and Issue** - Generally speaking and subject to certain specific exclusions, the Company will not issue options where the number of shares issued on exercise of options under an employee share scheme in the last 5 years together with the shares that may be issued if all outstanding options under an employee share scheme (and any options proposed to be granted) vested and were all exercised by the Participants, exceeds 5% of the total number of shares at the time of offer of the options.
- **Lapse of Options** - The Board may provide that options will lapse on termination of employment and in certain other specified instances. Lapse may occur either immediately on termination or after an agreed period, as determined by the Board.
- **Overriding Terms of Issue** - The Plan specifies that, despite any other terms of issue of options, an option does not confer any right to vote at a shareholder meeting.
- **Amendment** - The Plan may be amended by the Board at any time in accordance with the ASX Listing Rules.
- **Undertaking** - An Offer must include an undertaking, by the Company that, upon a request from a Participant during the Offer period, it will make available to that Participant the current market price of the Shares.

## **ISSUE OF OPTIONS TO MR LEON SERRY AND MR GRAEME KAUFMAN (Resolutions 2 and 3)**

### **Shareholder Approvals**

Under ASX Listing Rule 10.14, a listed company must not, without the approval of its ordinary shareholders, permit a director of the Company to acquire securities under the Plan (which includes options). Exercise of the options will result in the relevant Participant acquiring fully paid ordinary shares in the Company (either by way of a fresh issue of shares by the Company or shares acquired on market on their behalf).

Accordingly, shareholder approval is sought with respect to the proposed issue of options to Messrs Serry and Kaufman in accordance with the Plan, as set out below.

### **Reasons for and Benefits of Offering Options to Mr Leon Serry and Mr Graeme Kaufman**

The offer of options to Mr Leon Serry and Mr Graeme Kaufman comprises the agreed long term incentive component of their overall remuneration arrangements with the Company. It is designed to provide them with the opportunity to participate in the success of the Company and to provide them with a further benefit, but only in circumstances where a commensurate increase in value is created for the benefit of all shareholders. The Board, excluding Messrs Serry and Kaufman, consider the grant of the options to be reasonable in light of the other remuneration the Company provides to them.

The issue of further options (or any other security) will be a matter for review and consideration by the Remuneration Committee on an annual basis. However, members should note that it is not intended that the issue of options to the senior executives of the Company will be an annual event.

Aside from any dilution of shareholdings, which may occur upon exercise of the options, the current directors (with Messrs Serry and Kaufman abstaining from voting and making no recommendation on the matter of issue of options relating to each of them respectively) do not believe that there are any disadvantages to shareholders that arise from the approval of the issue of options, which are the subject of Resolutions 2 and 3.

### **Number of options to be granted**

The number of options, and hence fully paid ordinary shares on exercise of the options (subject to any adjustment in the number of shares issued as a consequence of a rights issue or a capital reorganisation, and in accordance with the terms of the Plan), to be offered to Mr Leon Serry and Mr Graeme Kaufman under the Plan will be as follows:

Mr Leon Serry	750,000
Mr Graeme Kaufman	500,000

### **Exercise price of options**

The exercise price for each option granted, if approved, is \$1.50 (**Exercise Price**) subject to any adjustment which is required under the ASX Listing Rules as a consequence of a capital reorganisation or a pro rata rights issue of shares which occurs after the grant of the options but prior to the exercise of the options.

### **Proposed Date of Issue**

The grant of options, if approved, will be made to Messrs Serry and Kaufman no later than one month after the date of this meeting (**Grant Date**).

### **Performance Conditions & Exercise Dates for options**

The options to be granted, if approved, to each of Messrs Serry and Kaufman comprise of the following tranches:

	<i>Number of options L Serry</i>	<i>Number of options G Kaufman</i>
Tranche 1	250,000	166,666
Tranche 2	250,000	166,667
Tranche 3	250,000	166,667

The options in each tranche will vest on the satisfaction of the following performance conditions within 5 years of the Grant Date (**Performance Hurdles**):

- *Tranche 1* – a market price for a Circadian share (**Share Price**) achieves not less than 125% of the Exercise Price (i.e. \$1.875);
- *Tranche 2* – the Share Price achieves not less than 150% of the Exercise Price (i.e. \$2.25); and
- *Tranche 3* – the Share Price achieves not less than 175% of the Exercise Price (i.e. \$2.625).

The Share Price is to be calculated as the volume weighted average share price of Circadian shares traded on the ASX over a 15 day trading period.

Vested options may only be exercised at any time after the fourth anniversary of Grant Date up to and including the fifth anniversary of Grant Date.

In the past Circadian has listed research and development projects in separate entities to the ASX with Circadian shareholders receiving entitlements to such listings. Also, Circadian has in the past returned capital to its shareholders. To ensure that option holders are rewarded for creating value for shareholders, subject to the ASX Listing Rules, the Board has retained a residual discretion to adjust the exercise price of Options and/or reduce the Share Price hurdles described above for benefits provided to the members resulting from such listings and/or capital returns or other benefits provided to members.

The Board has residual discretion to accelerate vesting (i.e. reduce or waive the Performance Hurdles) and exercise of Options in the event of a takeover or merger or any other circumstance in accordance with the terms of the Plan outlined under the explanatory memorandum with respect to Resolution 1 above.

### **Lapse of Options**

Options in relation to which performance conditions have not been satisfied (i.e. that do not vest) will lapse and will not be able to be exercised, except in circumstances as described below.

Options which have not vested will lapse where a Participant ceases employment with Circadian other than on retirement, redundancy, death or total and permanent disablement, or unless as otherwise determined by the Board in its absolute discretion.

Where a Participant has ceased employment with Circadian as a result of resignation, retirement, redundancy, death or total and permanent disablement prior to the end of a performance period but not before the first anniversary of Grant Date, options (whether vested or not) may be retained by the Participant on a pro-rata basis (the pro-rata being calculated over the 4 year period from Grant Date). For example if a Participant ceases employment for any of the reasons described in this paragraph on the second anniversary of Grant Date, then the Participant would be entitled to retain 50% of the options issued to him, however, he would not retain any options issued to him if he ceases employment before the first anniversary of Grant Date. However, all options will be retained by a Participant on the date of retirement if that Participant has completed 15 years employment with the company. The performance conditions for vesting, exercise date and the exercise period would remain unchanged subject to the other terms described in this Explanatory Memorandum.

Any options held by a Participant will lapse, whether or not they have vested/become exercisable, if the Board determines that the Participant has acted fraudulently or dishonestly or is in serious breach of duty to the Company.

### **Effect of Shareholder Approvals**

Resolutions 2 and 3, if approved by the members, will allow the Company to rely on ASX Listing Rule 10.14 to issue:

- 750,000 options to Mr Leon Serry; and
- 500,000 options to Mr Graeme Kaufman,

respectively in accordance with the terms outlined in this Explanatory Memorandum.

For the avoidance of doubt, resolutions 2 and 3 are not interdependent on each other.

Under ASX Listing Rule 10.11, an issue of securities to a related party of the Company (which includes its directors) requires shareholder approval unless one of the exceptions set out in ASX Listing Rule 10.12 applies. Approval under ASX Listing Rule 10.14 operates as an exception to ASX Listing Rule 10.11.

### **Use of Funds**

No funds will be raised by the issue of the options. It is currently intended that funds raised by any exercise of these options will be used by the Company for working capital purposes.

### **Other Information required by ASX Listing Rules**

All directors of the Company are eligible to participate in the Plan: Mr Leon Serry, Mr Graeme Kaufman, Ms Dominique Fisher, Dr John Stocker, Mr Don Clarke and Mr James MacKenzie. However, the proposed issue of options is only to Messrs Serry and Kaufman (being the only Executive Directors of the Company) at the General Meeting to be held on 31 January 2007. No options have been issued under the Plan to date.

# Circadian Technologies Limited

ABN 32 006 340 567

# Proxy Form

**All correspondence to:**

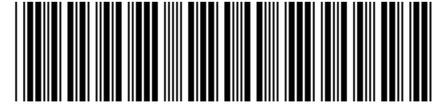
Computershare Investor Services Pty Limited  
 GPO Box 242 Melbourne  
 Victoria 3001 Australia  
 Enquiries (within Australia) 1300 850 505  
 (outside Australia) 61 3 9415 4000  
 Facsimile 61 3 9473 2555  
 www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001  
 000  
 CIR  
 MR JOHN SMITH 1  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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## Appointment of Proxy

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



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

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

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 General Meeting of Circadian Technologies Limited to be held at the Royce Hotel, 379 St Kilda Road, Melbourne, Victoria on Wednesday, 31 January 2007 at 9.00am and at any adjournment of that meeting.



**IMPORTANT: FOR ITEMS 1, 2 AND 3 BELOW**

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Items 1, 2 and 3 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. 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 Items 1, 2 and 3 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

## Voting directions to your proxy - please mark to indicate your directions

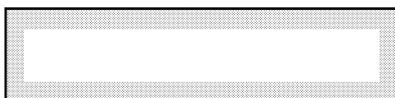
	For	Against	Abstain*
Ordinary Business			
Item 1 Senior Management Long Term Incentive Plan			
Item 2 Issue of Options to Mr Leon Serry			
Item 3 Issue of Options to Mr Graeme Kaufman			

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

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

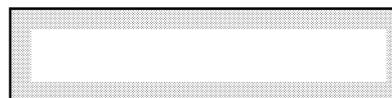
## PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



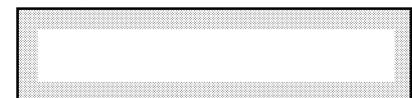
Sole Director and  
 Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

## 3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 9.00am on Wednesday, 31 January 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged using the reply paid envelope or:

IN PERSON Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia  
BY MAIL Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia  
BY FAX 61 3 9473 2555