



NOTICE OF ANNUAL GENERAL MEETING

&

EXPLANATORY STATEMENT

To be held

At 11.00am, Monday, 26 November 2007

at the

Parmelia Hilton, 14 Mill Street
PERTH WA 6000

26 October 2007

Dear Fellow Encounter Shareholder,

Please find enclosed the Notice of Annual General Meeting for the Shareholders' Meeting to be held at the Parmelia Hilton, 14 Mill Street, Perth 6000 at 11.00am on Monday, 26 November 2007.

The purpose of the meeting is to conduct the annual business of the Company, being consideration of the annual financial statements, the remuneration report and in addition seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely



Paul Chapman
Chairman

ENCOUNTER RESOURCES LIMITED
ABN 47 109 815 796

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Encounter Resources Limited will be convened at 11.00am on Monday, 26 November 2007 at the Parmelia Hilton, 14 Mill Street, Perth, Western Australia.

AGENDA

ORDINARY BUSINESS

- 1. Discussion of Financial Statements and Reports**
To discuss the Financial Report, the Directors' Report and Auditor's Report for the year ended 30 June 2007.
- 2. Adoption of the Remuneration Report**
To adopt the Remuneration Report for the financial year ended 30 June 2007.
- 3. Election of Director – Mr Peter Bewick**
To consider and, if thought fit, to pass with or without modification the following ordinary resolution:

“To elect as a Director, Mr Peter Bewick who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election.”
- 4. Election of Director – Dr Jonathan Hronsky**
To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

“That, Dr Jonathan Hronsky who was appointed to the Board since the last Annual General Meeting of the Company retires in accordance with the Company's Constitution, and being eligible, offers himself for re-election.”
- 5. Approval of Prior Placement of Equity Securities**
To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

“That for the purposes of Australian Stock Exchange Limited (ASX) Listing Rule 7.4 and for all other purposes that the prior issue and allotment of 8,600,000 Equity Securities is hereby approved.”
- 6. Remuneration of Non-Executive Directors**
To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

“That pursuant to the Company's Constitution, Non-Executive Directors fees be payable to an amount not exceeding \$200,000 per annum”.
- 7. Approval of the Grant of Options to Directors – Resolutions (a) and (b)**
To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

“That pursuant to and in accordance with ASX Listing Rule 10.11 and Section 208 of the Corporations Act 2001 and for all other purposes, Shareholders approve the issue of unlisted options to Directors, as set out in resolutions (a) and (b), to subscribe for ordinary shares in the Company. The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

<u>Director</u>	<u>Number of Options</u>
(a) Peter Bewick	800,000
(b) Jonathan Hronsky	500,000

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NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES

1. With respect to Agenda Item 2, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. The Chairman of the meeting intends to vote undirected proxies in favour of the adoption of the remuneration report.
2. The Company will disregard any votes cast on the resolutions by the following person(s) and any associate of that person(s).

AGENDA ITEM 5

Any person who participated in the placement

AGENDA ITEM 6

Any director of the company.

AGENDA ITEM 7

Any director of the company.

However, the Company will not disregard a vote if:

- (a) 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
 - (b) 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.
3. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
 4. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 11.00am on 24 November 2007.

BY ORDER OF THE BOARD



Kevin R Hart
COMPANY SECRETARY

Dated this 17th day of October 2007

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda items in the Notice of Annual General Meeting.

1. Discussion of Financial Statements & Reports

Encounter Resources Limited's financial reports and the directors' declaration and reports and the auditor's report are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

2. Adoption of Remuneration Report

During this item there will be opportunity for shareholders at the meeting to comment on and ask questions about the remuneration report. The remuneration report is available in the Directors' Report section the Annual Report.

The vote on the proposed resolution in item 2 is advisory only and will not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

A reasonable opportunity will be provided for discussion of the remuneration report at the meeting.

The Chairman of the meeting intends to vote undirected proxies in favour of the adoption of the remuneration report.

The directors recommend that shareholders vote in favour of item 2.

3. Re-Election of Director – Mr Peter Bewick
as an Ordinary Resolution

Mr Bewick is an experienced geologist and has held a number of senior mine and exploration geological roles during a fourteen year career with WMC. These roles include Exploration Manager and Geology Manager of the Kambalda Nickel Operations, Exploration Manager for St Ives Gold Operation and Exploration Manager for WMC's Nickel Business Unit. Most recently he held the position of Exploration Manager for North America based in Denver, Colorado. Whilst at WMC, Mr Bewick gained extensive experience in project generation for a range of commodities including nickel, gold and bauxite. Mr Bewick has been associated with a number of brownfields exploration successes at Kambalda and with the greenfield Collurabbie Ni-Cu-PGE discovery. Mr Bewick is an Executive Director of the Company in charge of exploration.

Mr Bewick was appointed as Director on 7 October 2005.

4. Election of Director – Mr Jonathan Hronsky
as an Ordinary Resolution

Dr. Jon Hronsky has more than twenty three years of experience in the mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. Dr. Hronsky has particular expertise in targeting for nickel sulfide deposits, but has worked across a diverse range of commodities. His work led to the discovery of the West Musgrave nickel sulfide province in Western Australia. Dr. Hronsky was most recently Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration. Prior to that, he was Global Geoscience Leader for WMC Resources Ltd.

Dr Hronsky was appointed as Director on 10 May 2007.

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EXPLANATORY STATEMENT

5. Ratification of Prior Issue of Equity Securities
as an Ordinary Resolution

This resolution seeks shareholder approval for the prior issue of 8,600,000 ordinary shares made under a private placement arrangement to professional and sophisticated investors on 5 April 2007. The shares were issued at \$0.50 each, raising \$4,300,000 prior to the costs associated with the issue. The funds raised will be used to accelerate exploration activities and to provide working capital.

The ordinary shares issued represented approximately 14.3% of the total issued capital immediately prior to the issue. The ordinary shares issued ranked equally with the Company's existing ordinary shares on issue.

The issue of the above equity securities was made within the Company's capacity to issue securities without shareholder approval pursuant to Listing Rule 7.1. No related parties participated in the share issue.

ASX Listing Rule 7.1 requires that a listed company obtain Shareholder approval prior to the issue of equity securities representing more than 15% of the issue 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 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.

6. Remuneration of Non-Executive Directors

The Company's Constitution requires Shareholder approval be obtained in respect of the maximum Director fees payable to Non-Executive Directors. The resolution proposes to set the maximum amount to be \$200,000 per annum. This revised amount will cater for the any future expansion of the Encounter Board in response to the growth of the Company.

Total remuneration for all Non-Executive Directors was last voted upon by Shareholders on 4 November 2005 when it was resolved not to exceed \$80,000 per annum. Total Non-Executive fees paid are presently \$60,000 per annum including the Chairman's base fee of \$20,000 per annum.

7. Approval of the Grant of Options to Directors – Mr Peter Bewick and Dr Jonathan Hronsky

Agenda item 7 seeks Shareholder approval to allow the Company to issue 800,000 options to Mr Peter Bewick, Executive Director and 500,000 options to Dr Jonathan Hronsky, one of the Non-Executive Directors of the Company, or his nominee. 400,000 options issued to both Mr Bewick and 500,000 options issued to Dr Hronsky are subject to a 12 month vesting period, a further 400,000 options issued to Mr Bewick are subject to a 24 month vesting period.

Listing Rule 10.11 provides that a Company must not issue equity securities (including options) to a related party of the company, such as a director, without the Company obtaining its shareholders approval. If shareholder approval is given under Listing Rule 10.11, Listing Rule 7.2, Exception 14 provides that approval is not required under Listing Rule 7.1.

The granting of the options as contemplated by Agenda item 7 also constitutes the providing of a financial benefit to a related party. Section 208 of the Corporations Act prohibits a company from giving a financial benefit, other than in certain defined circumstances, to a related party without prior Shareholder approval.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control.

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EXPLANATORY STATEMENT

7. Approval of the Grant of Options to Directors – Mr Peter Bewick and Dr Jonathan Hronsky (cont'd)

The granting of options to the Directors constitutes a financial benefit to a related party of the Company within the meaning of the Corporations Act.

In accordance with Section 219 of the Corporations Act and the notice requirements in Listing Rule 10.13, the following information is provided to Shareholders to allow them to assess the proposed resolution.

(a) The related party to whom the proposed resolution would permit the financial benefit to be given.

The options will be granted to Mr Peter Bewick, Executive Director and Dr Jonathan Hronsky, Non-Executive Director, or their nominee.

(b) Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of 800,000 unlisted options to Mr Bewick and 500,000 unlisted options to Dr Hronsky to subscribe for fully paid ordinary shares in the capital of the company.

The options will have an expiry date of 30 November 2012 and will be issued in accordance with the terms and conditions set out in Section 7(e) of this Explanatory Statement.

The Directors of the Company (having obtained an independent valuation of the options by HLB Mann Judd) consider the indicative theoretical value attributable to the options at a valuation date of 9 October 2007 to be as follows, notwithstanding that the options will not be issued until after 26 November 2007 being the date of the Annual General Meeting of the Shareholders of the company.

<i>Director</i>	<i>Exercise Price</i>	<i>Expiry</i>	<i>Theoretical Value</i>	<i>Vesting Period (months)</i>
Dr Hronsky	\$0.535	30 November 2012	24.76 cents	12
Mr Bewick (tranche 1)	\$0.55	30 November 2012	24.36 cents	12
Mr Bewick (tranche 2)	\$0.70	30 November 2012	20.86 cents	24

The Black and Scholes option valuation methodology was used by HLB Mann Judd as a basis for the calculations using the following assumptions:

The share price of a fully paid Encounter share as at the valuation date of 9 October 2007 was \$0.50.

The risk free interest rate used was 6.50% (based on the 5 year Reserve Bank treasury bond rate as at 9 October 2007).

A volatility factor of 49.53% was used to value the options as determined using the daily closing share prices for the last 12 months.

The Black and Scholes option pricing model assumes that the options the subject of the valuation can be sold on a secondary market. The terms and conditions of the proposed options state that the options shall not be listed for official quotation on ASX. In addition, the options are not transferable. Accordingly, in determining the indicative value of the options HLB Mann Judd has applied a 30% discount to the theoretical value of attributed to the Black and Scholes option pricing model.

EXPLANATORY STATEMENT

7. Approval of the Grant of Options to Directors – Mr Peter Bewick and Dr Jonathan Hronsky (cont'd)

(b) Nature of the Financial Benefit (cont'd)

Based on the above assumptions, the value of the 1,300,000 options using the indicative values attributed is as follows:

<i>Theoretical Value per Option (cents)</i>	<i>Discount (%)</i>	<i>Indicative value per Option (cents)</i>	<i>Number of Options issued</i>	<i>Total value (\$)</i>
24.76	30	17.33	500,000	86,650
24.36	30	17.05	400,000	68,200
20.86	30	14.60	400,000	58,400

(c) Directors Recommendation

Paul Chapman and Will Robinson are not beneficiaries in the proposed issue of options and recommend that shareholders vote in favour of the proposed resolution as they believe the issue of the options is in the best interests of the company because the options provide the Director with an incentive to enhance the future value of the company's shares for the benefit of all shareholders, and also an appropriate way to retain Mr Bewick's and Dr Hronsky's professional services at reasonable market rates.

Mr Bewick and Dr Hronsky declined to make a recommendation on the proposed resolution because they have a material personal interest in the outcome of the resolution, on the basis that they are to be granted options in the company should the resolution be passed. Therefore, they are not in a position to recommend either for or against the proposed resolution.

(d) Directors Interest

With the exception of Mr Bewick and Dr Hronsky, no other Director has a personal interest in the outcome of the resolution.

(e) Terms and Conditions of Options

- (1) Each Option shall be issued free for no consideration, and pursuant to the terms of the Encounter Resources Limited Employee Share Option Plan.
- (2) Each Option entitles the holder to subscribe for 1 ordinary Share upon the payment of the exercise price.
- (3) The Options will lapse at 5.00pm, Western Standard Time on 30 November 2012 ("Expiry Date").
- (4) The Options will not be listed for official quotation on the ASX.
- (5) The Options shall not be transferred or assigned by an Optionholder except that the Optionholder may at any time transfer all or any of the Options to a spouse, family trust, or to a proprietary limited company, all of the issued shares in which are beneficially owned by the Optionholder or the spouse of the Optionholder.
- (6) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.

However Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the

Company made during the currency of the Options, and will be granted a period of at least nine (9) business days before books closing date to exercise the Options.

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EXPLANATORY STATEMENT

7. Approval of the Grant of Options to Directors – Mr Peter Bewick and Dr Jonathan Hronsky (cont'd)

(e) Terms and Conditions of Options (cont'd)

- (7) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (8) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by them.
- (9) The Company shall allot the resultant Shares and deliver a statement of Shareholdings with a holders' identification number within ten (10) business days of the exercise of the Options.
- (10) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (11) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by the Australian Stock Exchange Limited.
- (12) All Options will be cancelled upon the holder ceasing to be an employee of the Company unless the Directors in their absolute discretion (with no requirement to give any reasons therefore) resolve to extend the time for cancellation.
- (13) If there is a pro rata issue (except a bonus issue) to the holders of the underlying securities, the exercise price of the Options may be reduced according to the formula set out in Listing Rule 6.22 of the Official Listing Rules of the Australian Stock Exchange Limited.

The options may be exercised at any time following the vesting date and ending on the expiry date.

(f) Other information reasonably required by the members to make a decision and that is known to the Company or any of its Directors

The options form part of the Company's long term incentive policy for executives and are to be granted in addition to the total fixed remuneration set out below. The options are subject to certain vesting periods which recognises loyalty and commitment to the Company. The exercise price of the options is linked to improved share price performance. Importantly, this provides ongoing incentive to increase shareholder value over time and the exercise price reflects levels in excess of the current market price of the Company's shares.

Exercise of the options is only allowable after 12 months from issue (24 months for the tranche 2 options to be issued to Mr Bewick) and only likely to occur if there is sustained upward movement in the Company's share price.

The number of options to be issued to Mr Bewick and Dr Hronsky has been determined based on the reasons outlined in the director's recommendation to shareholders at item 7(c). The number of options has also been determined having regard to less tangible issues such as alignment of interests to the Company.

The terms and conditions of the options are set out in section 7(e). The options shall be granted free to Mr Bewick and Dr Hronsky (or their nominee) and will be issued within one month of the date of the meeting.

If the options proposed to be granted to Mr Bewick and Dr Hronsky (or their nominee) under Agenda Item 7 are exercised, the Company's issued shares would increase by 1,300,000 shares to a total of issued capital of 69,896,900 shares (assuming no other outstanding options are exercised).

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7. Approval of the Grant of Options to Directors – Mr Peter Bewick and Dr Jonathan Hronsky (cont'd)

(f) Other information reasonably required by the members to make a decision and that is known to the Company or any of its Directors (cont'd)

The exercise of the options will provide the Company with additional working capital of \$767,500, and will represent approximately 1.85% of the total issued capital of the company on a fully diluted basis

As at 9 October 2007 the issued capital of the Company comprised the following:

68,596,900	Ordinary fully paid shares.
100,000	Options expiring on 23 March 2011 exercisable by payment of 20 cents each.
100,000	Options expiring on 15 May 2011 exercisable by payment of 45 cents each.
250,000	Options expiring on 7 December 2011 exercisable by payment of 52.5 cents each.
50,000	Options expiring on 6 July 2012 exercisable by payment of 57 cents each.
50,000	Options expiring on 9 August 2012 exercisable by payment of 50 each.

The following table sets out Mr Bewick's and Dr Hronsky's current entitlement to shares and options in the Company.

Director	Number of Shares	Number of Options
Peter Bewick	4,700,000	Nil
Jonathan Hronsky	Nil	Nil

Details of the nature and amount of each major element of the emoluments of Mr Bewick and Dr Hronsky as detailed in the 2007 Annual Report is as follows.

Director	Base Emolument \$	Superannuation Contributions \$	Value of Options \$	Total \$
Peter Bewick	170,833	15,375	-	186,208
Jonathan Hronsky (i) (Appointed 10 May 2007)	5,591	503	-	6,094

(i) Non-executive Director remuneration is based on a \$40,000 per annum base emolument.

The market price of the company's shares during the term of the options will ordinarily determine whether or not option holders exercises the option.

If the market price of the Company's shares is in excess of the exercise price of the options it is likely that the options will be exercised. A benefit would accrue on the exercise of the options by the payment of the amount determined under this notice and the sale of the ordinary shares for an amount in excess of these amounts.

In the last 12 months, the highest price for ordinary fully paid shares in the company trading on ASX was 70.0 cents which occurred on 16 July 2007. The lowest price was 35.0 cents which occurred on 15 August 2007. On 9 October 2007 the closing price was 50 cents.

All shares issued pursuant to the exercise of options under Agenda Item 7 will rank pari passu with the existing ordinary shares on issue.

There is no other information known to the Directors that is reasonably required by Shareholders to make a decision whether or not it is in the Company's interest to pass the Resolution of Agenda Item 7.

PROXY FORM

To: Encounter Resources Limited (ABN: 47 109 815 796) Fax No: 61 8 6210 1578
PO Box 273
West Perth WA 6872

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

Name: _____
 (PLEASE PRINT)
Address: _____

Appointment of Proxy:
 I/We being a member/s of Encounter Resources Limited and entitled to attend and vote hereby appoint:

The Chairman of the Meeting (mark with an 'X') **OR** Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

Or failing the person named, or if no person 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 Encounter Resources Limited to be held at the Parmelia Hilton, 14 Mill Street, Perth on Monday, 26 November 2007 at 11.00am (Perth time) and at any adjournment of that meeting.

Voting directions to your proxy – please mark **to indicate your directions**

Agenda Item	For	Against	*Abstain
2. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Peter Bewick as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Election of Dr Jonathan Hronsky as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Prior Placement of Equity Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Remuneration Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. (a) Approval of the Grant of Options to Director - Mr Bewick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Approval of the Grant of Options to Director - Dr Hronsky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If you do not wish to direct your proxy how to vote, and wish him or her to vote at his or her discretion, place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest.

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

Individual / Sole Director and
 Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

 Contact Name

 Contact Daytime Telephone

 Date

HOW TO COMPLETE THE PROXY FORM

1 Your Name and Address

This is your name and 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 should advise their 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 person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person 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. The Chairman intends to vote in favour of resolutions for which no voting indication has been given.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the 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 persons as 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 the Power of Attorney 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.

6. Lodgement of a Proxy and Deadline for Receipt of Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 11.00 am (Perth time) on 24 November 2007, being 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post, delivery or facsimile to the Registered Office of Encounter Resources Limited being:

**Level 1, 46 Parliament Place, West Perth WA 6005
Or by facsimile to fax number +61 8 6210 1578**