

UNIVERSAL RESOURCES LIMITED
ACN 090 468 018

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

EXPLANATORY MEMORANDUM

Date of Meeting
27 November 2009

MEETING
11.00 am WST

PLACE OF MEETING
BDO Kendalls
128 Hay Street
Subiaco, Western Australia

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay. Please note that a copy of the Annual Report to Shareholders may be read at www.universalresources.com.au or a printed copy is available by post by contacting the Registered Office

UNIVERSAL RESOURCES LIMITED
ACN 090 468 018

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Universal Resources Limited ACN 090 468 018 ("Company") will be held at 11.00am, on 27 November 2009 at BDO Kendalls, 128 Hay Street, Subiaco, Western Australia, for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Annual General Meeting.

AGENDA

BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2009, together with the Directors Report and the Auditor's Report as set out in the Annual Report.

Resolution 1 – Non Binding Resolution to adopt Remuneration Report

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

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2009 be adopted."

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

Resolution 2 - Re-election of Mr Kevin Maloney as a Director

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

"That, Mr Kevin Maloney, who was appointed during the year, retires in accordance with clause 13.5 of the Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 3 – Re-election of Mr Jason Brewer as a Director

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

“That, Mr Jason Brewer, who ceases to hold office in accordance with clause 13.2 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected a Director of the Company.”

Resolution 4 – Consolidation of share capital

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

*“That subject to and conditional upon the merger by way of scheme of arrangement between the Company and Vulcan Resources Limited (**Vulcan**) coming into effect under s411(10) of the Corporations Act and the issue of new Company shares to Vulcan shareholders and option holders under the merger, that in accordance with section 254H(1) of the Corporations Act 2001 and for all other purposes, the share capital of the Company be consolidated on a 10:1 basis (with all fractional entitlements being rounded to the nearest whole share, with 0.5 of a share being rounded up) with a record date to be announced.*

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

EXPLANATORY MEMORANDUM

Shareholders are referred to the explanatory memorandum accompanying and forming part of this notice of meeting.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at 5.00 pm (WDT) on 25 November 2009 will be entitled to attend and vote at the Annual General Meeting.

PROXIES

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- A shareholder entitled to attend and vote at the above meeting may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the proportion or number of votes is not specified, each proxy may exercise half of the shareholder's votes.
- A proxy may but need not be a shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Company's share registry at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.

CORPORATE REPRESENTATIVES

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

By Order of the Board of Directors

Desmond Kelly
Company Secretary

16 October 2009

UNIVERSAL RESOURCES LIMITED
ACN 090 468 018
EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Universal.

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2009 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its shareholders the Remuneration Report as disclosed in the Company's 2009 Annual Report. The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report and is also available on the Company's website (www.universalresources.com.au).

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

RESOLUTION 2 – RE-ELECTION OF MR KEVIN MALONEY AS A DIRECTOR

Clause 13.5 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but

so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting. Pursuant to Clause 13.5 of the Company's Constitution, Mr Kevin Maloney, being a Director appointed during the year, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

RESOLUTION 3 RE-ELECTION OF MR JASON BREWER AS A DIRECTOR

Resolution 3 seeks approval for the election of Mr Jason Brewer as a Director.

Mr Jason Brewer retires from office in accordance with the requirements of clause 13.2 of the Constitution and submits himself for re-election in accordance with clause 13.2.

RESOLUTION 4 CONSOLIDATION OF SHARE CAPITAL

Shareholder approval is required pursuant to section 254H(1) of the Corporations Act for the consolidation of capital.

Resolution 4 seeks Shareholder approval to consolidate all the shares in the Company on a 1 for every 10 basis.

The consolidation will apply to all the shares in the Company and will take effect after the new Company shares are issued to Vulcan share and option holders under the merger on a **record date to be announced**. At least 7 business days notice will be given of the record date.

The reason for the consolidation is to reduce the number of shares on issue, bringing them down to a more reasonable number and to prevent a low trading price in the shares after the merger. The consolidation will result in the Company's total number of issued shares decreasing to approximately 245,276,564.

Immediately after the conversion each shareholder will still hold the same proportion of the Company's total capital and net assets as before the consolidation. The rights attaching to shares will remain unchanged.

The Company options and converting notes granted before the date of the consolidation that remain unexercised or unconverted at the date of the consolidation will also be consolidated so that 10 options are consolidated into 1 option and 10 converting notes are consolidated into 1 converting note, as required by the Listing Rules. The exercise price of each option and the conversion price of each converting note will be 10 times the price applying prior to the date of the consolidation.

If the consolidation would result in a Shareholder having an entitlement to a fraction of a share, its entitlement will be rounded up to the nearest whole share (with 0.5 of a share being rounded up). The same rounding will apply to options and converting notes.

If the merger between the Company and Vulcan does not proceed then the consolidation will not occur even if it is approved. Further, if resolution 4 is not approved it will not affect any of the other resolutions proposed in this notice of meeting.

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that meeting, the representative of the corporation to attend the meeting must produce the appropriate Certificate of Appointment of Representation prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the West Perth office of the Company (Level 2, 91 Havelock St West Perth, WA, 6005, or by post to PO Box 1466 West Perth, WA, 6872 or Facsimile (08) 9486 8700 if faxed from within Australia or +618 9486 8700 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).