

Koala Corporation Australia Limited
A.C.N 010 679 633

Notice of General Meeting

Notice is given that a general meeting of the shareholders of Koala Corporation Australia Limited (**Company**) will be held at the Level 5, ASX Lecture Theatre, Riverside Centre, 123 Eagle Street, Brisbane, Queensland on 20 May 2005 at 1.00pm.

Business

1. SELECTIVE BUYBACK OF SHARES

To consider and if thought fit, pass the following resolution as a special resolution:-

"That in accordance with and pursuant to the provisions of 257(B) and 257D(1) of the Corporations Act the shareholders approve the selective buy-back by the Company from BK Hospitality Pty Ltd (In Liquidation) of 1,616,859 shares in the Company at the price at which shares are to be issued by the Company pursuant to a prospectus to be issued by the Company and from Bradley Keeling Management Pty Ltd (In Liquidation) of 1,623,376 shares in the Company at the price at which shares are to be issued by the Company pursuant to a prospectus to be issued by the Company."

2. ISSUE OF OPTIONS TO A DIRECTOR – MR HOWARD STACK

To consider and if thought fit pass the following resolution as an ordinary resolution:-

"That for the purpose of ASX Listing Rules 7.1, 10.11 and Chapter 2E of the Corporations Act shareholders approve the issue to Mr Howard Stack 500,000 options to subscribe for fully paid ordinary shares in the capital of the Company in accordance with the terms outlined in the Explanatory Memorandum accompanying this notice of meeting.

3. ISSUE OF OPTIONS TO A DIRECTOR – MR PETER GROGAN

To consider and if thought fit pass the following resolution as an ordinary resolution:-

"That for the purpose of ASX Listing Rules 7.1, 10.11 and Chapter 2E of the Corporations Act shareholders approve the issue to Mr Peter Grogan 300,000 options to subscribe for fully paid ordinary shares in the capital of the Company in accordance with the terms outlined in the Explanatory Memorandum accompanying this notice of meeting.

4. ISSUE OF OPTIONS TO A DIRECTOR – DR PHILLIP DUBOIS

To consider and if thought fit pass the following resolution as an ordinary resolution:-

"That for the purpose of ASX Listing Rules 7.1, 10.11 and Chapter 2E of the Corporations Act shareholders approve the issue to Dr Phillip Dubois 300,000 options to subscribe for fully paid ordinary shares in the capital of the Company in accordance with the terms outlined in the Explanatory Memorandum accompanying this notice of meeting.

5. ISSUE OF OPTIONS TO A DIRECTOR – DR CHARLES HO

To consider and if thought fit pass the following resolution as an ordinary resolution:-

“That for the purpose of ASX Listing Rules 7.1, 10.11 and Chapter 2E of the Corporations Act shareholders approve the issue to Dr Charles Ho 300,000 of options to subscribe for fully paid ordinary shares in the capital of the Company in accordance with the terms outlined in the Explanatory Memorandum accompanying this notice of meeting.”

6. APPROVAL OF EXECUTIVE SHARE OPTION PLAN

To consider and if thought fit, pass the following resolution as an ordinary resolution:-

“That for the purpose of ASX Listing Rule 7 and for all other purpose shareholders approve the Magnetica Limited Executive Share Options Plan (**Plan**), details of which are contained in the Explanatory Memorandum accompanying this notice of meeting.”

7. ISSUE OF SHARES AND OPTIONS TO MANAGING DIRECTOR

To consider and if thought fit, pass the following resolution as an ordinary resolution:-

“That in accordance with the provisions of Listing Rules 7.1 and 10.11 of the official Listing Rules of the Australian Stock Exchange Limited, and Chapter 2E of the Corporations Act and for all other purposes the shareholders approve the issue of 3,000,000 options to Dr David Evans in accordance with the terms outlined as set out in the Explanatory Memorandum accompanying this notice of meeting.”

8. CHANGE OF NAME

To consider and if thought fit, pass the following resolution as an special resolution:-

“That the name of the Company be changed to Magnetica Limited”

By order of the Board

D P Cornish

Company Secretary

21 April 2005

Voting and proxies

Voting

In accordance with the Company's constitution, any person who is the registered holder of a share in the Company at 7:00pm Australian Eastern Standard time on 19 May 2005 will be entitled to attend and vote at the meeting.

Proxies

- A Member who is entitled to attend and vote at the meeting may appoint a person as the Member's proxy to attend and vote on behalf of that Member.
- If a Member is entitled to cast two or more votes at the meeting, they may appoint two proxies. If you require an additional proxy form, the Company will supply it on request.
- If a Member appoints two proxies, the appointment of the proxies may specify the proportion or the number of that Member's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- A proxy need not be a Member of the Company.
- To be effective, the Company must receive the completed proxy form and, if the form is signed by the Member's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 48 hours before the meeting.
- Proxies may be lodged with the Company:
 - by mail to: C/- Hemming & Hart, GPO Box 142, Brisbane, QLD, 4001
 - by facsimile to fax number: 07 – 3221 3068
 - by delivery: C/- Hemming & Hart, Level 2, 307 Queen Street, Brisbane, Queensland
- Proxies given by corporate Members must be executed in accordance with section 127 of the *Corporations Act 2001* (Cth) or signed by a duly authorised officer or attorney.
- 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 the 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 Member appoints the chairperson of the meeting as the Member'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 Member, in favour of that item on a poll.

KOALA CORPORATION AUSTRALIA LIMITED

PROXY FORM

APPOINTMENT OF PROXY

I/We
 (name of shareholder)
 being a member/s of Koala Corporation Australia Limited and entitled to attend and vote hereby appoint

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

or failing the person named, of 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 General Meeting of Koala Corporation Australia Limited to be held at Level 5, ASX Lecture Theatre, Riverside Centre, 123 Eagle Street Brisbane, Qld on 20 May 2005 at 1.00pm and at any adjournment of that meeting.

If you do not wish to direct your proxy how to vote 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 the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions.

Voting directions to your proxy – please mark

	For	Against	Abstain*
Item 1 Buy-Back of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Issue of options to Howard Stack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Issue of options to Phillip Dubois	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Issue of options to Peter Grogan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Issue of options to Charles Ho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Approval of Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Issue of options to David Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Change of name to Magnetica Limited	<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 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.

Execution

This section *must* be signed in accordance with the instructions below to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

____/____/____
Date

How to Complete the proxy Form

1. 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. 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.

2. 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.

3. 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 on 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.

4. 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 the corporation 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.

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 1.00pm on 18 May 2005, 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 with the Company:

IN PERSON:- C/- Hemming & Hart, Level 2, 307 Queen Street, Brisbane , Queensland

BY MAIL:- C/- Hemming & Hart, GPO Box 142, Brisbane, QLD, 4001

BY FAX:- 07 – 3221 3068