

Talent2 International Limited

ABN 19 000 737 744

NOTICE OF 25 OCTOBER 2006 ANNUAL GENERAL MEETING

AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS



Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

talent²

Dear Shareholder

I have pleasure in inviting you to the 2006 Annual General Meeting (AGM) of Talent2 International Limited, to be held at the Macquarie Room, Level 5, Sheraton on the Park, 161 Elizabeth Street, Sydney on Wednesday 25th October 2006 at 11:00am.

At the AGM your directors will seek shareholder approval of ordinary resolutions for:

- > The adoption of the 2006 Remuneration Report;
- > The re-election of Mary Beth Bauer as Chairman;
- > The election of Hans Neilson as a director of the company;
- > The approval of incentive remuneration for directors of the company; and
- > A return of capital to shareholders

I am pleased to welcome Hans Neilson as our newest Board Appointment. Mr Neilson brings a wealth of experience to the Talent2 Board including numerous Board and senior management roles at Hewlett-Packard. The directors urge you to support Mr Neilson's election to the Board, and we look forward to working with him and welcoming his expertise and skills in helping steer your company into an even more prosperous and successful future.

The strong 2006 results show that the Talent2 model is working and combined with the good prospects for the year ahead, show that the company and its business model are well and truly on their way and delivering. Although the adoption of the Remuneration Report is non-binding on the company, the directors urge your support to adopt the report in recognition of the outstanding efforts of the executive management team. Similarly they seek your approval of the resolutions relating to incentive remuneration to directors in support of their ongoing hard work and dedication in driving Talent2 through what has been a very exciting and dynamic period of growth and expansion.

The past twelve months have been a busy acquisitive period which has seen the company grow and expand, tapping into key growth markets in the Asia Pacific region. Notwithstanding this growth, your company now has surplus funds, which the Board believes, should now be returned to its shareholders.

Your directors firmly believe that all the resolutions are in the best interests of your company and its shareholders. Details of the above resolutions are contained in your Notice of Meeting, together with a proxy form. If you are unable to attend the meeting, please cast your vote by completing and returning your proxy form in favour of the resolutions.

We continue to focus on reducing the numbers of shareholders that receive a printed copy of the annual report. If you have the facility to receive your company's annual report on-line and wish to do so, or you are receiving multiple copies of the annual report, please advise us by completing and returning the enclosed form.

Finally, I also take this opportunity to thank you for your continued support as a shareholder-partner in what has been an incredibly exciting and dynamic year for Talent2 and I look forward to welcoming you to the meeting.

Yours sincerely,



Mary Beth Bauer
Chairman

22 September 2006

Talent2 International Limited

ABN 19 000 737 744

Notice of annual general meeting

Notice is hereby given to the members of Talent2 International Limited (the Company) that the 2006 Annual General Meeting (**AGM**) will be held at Macquarie Room, Level 5, Sheraton on the Park, 161 Elizabeth Street, Sydney on Wednesday 25th October 2006 at 11:00am.

If you are unable to attend the AGM, we encourage you to complete and return the enclosed proxy form. The completed proxy form must be received by the Company no later than 11.00 am on Monday 23rd October 2006. Proxy forms must be posted to the Company's registry Computershare Investor Services at GPO Box D182, Perth, WA 6840 Australia or sent by facsimile on (+61 8) 9323 2033.

Ordinary business

Receipt of financial report

To receive and consider the financial statements of the Company and its controlled entities for the year ended 30 June 2006 and the related Directors' report, Directors' declaration and Auditors' report.

Resolution 1: Remuneration Report

To consider, and if thought fit, to pass the following non-binding resolution:

"That the Remuneration Report for the year ended 30 June 2006 be adopted."

Further information in relation to the Remuneration Report is set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 2: Retirement by rotation and re-election of Mary Beth Bauer

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

"That Mary Beth Bauer, having been re-elected on 19 November 2003, as a Director of the Company, retires in accordance with the Company's constitution, and being eligible, offering herself for re-election, be elected as a director of the Company effective from the date of the AGM."

Further information in relation to the appointment of Mary Beth Bauer is set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 3: To elect Hans Neilson as a Director of the Company

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

"That Hans Neilson having been appointed by the Board on the 22nd August 2006 as a casual appointee under clause 14.4 of the Company's constitution, retires and offers himself for re-election as a Director of the Company in accordance with the Company's constitution, effective from the date of the AGM."

Further information in relation to the appointment of Hans Neilson is set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Special Business

The resolutions set out below relate to the ongoing incentive remuneration packages for directors and employees of the Company and the Company's capital management strategy. The Explanatory Memorandum accompanying this Notice of Annual General Meeting provides more detail and contains other important information relating to the resolutions.

Resolution 4: To issue options to all directors

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

"That for the purposes of ASX Listing Rule 10.14.1, the members approve the issue of up to:

- a) 320,000 options to Andrew Banks;
- b) 320,000 options to Geoffrey Morgan;
- c) 320,000 options to Brian Gibson;
- d) 400,000 options to Albert 'Bud' Hawk;
- e) subject to the approval of Resolution 2, 320,000 options to Mary Beth Bauer; and
- f) subject to the approval of Resolution 3, 400,000 options to Hans Neilson,

on the terms and conditions set out in the accompanying Explanatory Memorandum, pursuant to the Company's Employee and Director Share Option Plan where each option will entitle the holder to subscribe for one ordinary share in the Company at an exercise price of \$1.60 per option provided that the performance hurdles attached to each option are met".

Further information in relation to the proposed issue of options to the Company directors is set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 5: Capital Repayment

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

"That the following reduction of share capital of the Company is approved for all purposes including for the purpose of section 256C(1) of the Corporations Act:

- a) a reduction of the share capital account of the Company by up to \$0.03 for each fully paid ordinary share on issue on the record date ("Record Date") to be set by the directors of the Company for this purpose, but without any cancellation of any issued share; and
- b) with the reduction of each ordinary share being effected and satisfied by the Company paying to holders of ordinary shares as at the Record Date the sum of up to \$0.03 for each ordinary fully paid share at the Record Date, with the payment to be affected at a time determined by the directors of the Company and in the manner provided at that time by the constitution of the Company for the payment of dividends ("Payment Date"),

subject to the following occurring within 3 months after the date of the Annual General Meeting:

- I. the Company receiving a Class Ruling from the Commissioner of Taxation in a form acceptable to the directors; and
- II. having regard to the Class Ruling, the directors determining the amount of the capital return per ordinary share (but not exceeding \$0.03 per ordinary share); and
- III. the directors causing an announcement to be made to the Australian Stock Exchange including the following: the amount of the capital return per ordinary share (but not to exceed \$0.03 per ordinary share), the Record Date and the Payment Date,

with this resolution to take effect from the time of the announcement under paragraph (III) should such date occur after the date of this resolution.”

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting.

Entitlement to vote

It has been determined that under the Corporations Regulations 7.11.37, for the purposes of the AGM, shares will be taken to be held by the persons who are registered holders at 10:00pm Sydney time on 23rd October 2006. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

Voting Exclusion Statement

The Company will disregard any votes cast on resolution 4 by the directors of the Company and their associates.

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 AGM 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.

Proxies

Members are advised that:

- (a) each member entitled to vote at the AGM has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company;
- (c) a member who is entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the member's votes; and
- (d) a member may specify the way in which the proxy is to vote on the resolution or may allow the proxy to vote at his or her discretion.

The Company specifies the following information for the purposes of receipt of proxy appointments:

Postal Address: c/o Computershare Investor Services,
GPO Box D182, Perth, WA 6840 Australia

Facsimile Number: (+61 8) 9323 2033

Proxies (and any power of attorney or other authority under which the proxy is signed) must be received by the Company, at the address or at the facsimile number specified above no later than 11.00 am on 23rd October 2006. A proxy form is attached to this Notice of Annual General Meeting.

By Order of the Board

Dated: 22 September 2006



Michael Bermeister
Company Secretary

Talent2 International Limited

ABN 19 000 737 744

Explanatory memorandum to shareholders

This Explanatory Memorandum accompanies the 2006 Notice of Annual General Meeting dated 22 September 2006 for Talent2 International Limited, ABN 19 000 737 744 (the 'Company').

This Explanatory Memorandum has been prepared to provide the shareholders of the Company with material information to enable them to make an informed decision on the business to be conducted at the forthcoming Annual General Meeting (**AGM**) of the Company to be held on Wednesday 25th October 2006.

At the AGM the Company will seek the approval of its shareholders by ordinary resolutions to re-elect Mary Beth Bauer and elect Hans Neilson as directors of the Company, to approve the proposed issue of options to the directors and to reduce the share capital of the Company.

The directors recommend that you read this Explanatory Memorandum and attend the AGM. If you are unable to attend but wish to vote, please complete the proxy form enclosed and ensure it reaches the address or facsimile stated in the Notice of Annual General Meeting no later than 11:00 am on Monday 23rd October 2006.

Ordinary business

Annual financial report

The Corporations Act requires that:

- (a) the reports of the directors and auditors; and
- (b) the annual financial report, including the financial statements of the Company for the year ended 30 June 2006,

be laid before the AGM. The Corporations Act does not require a vote of shareholders on the reports or statements. However, shareholders will be given ample opportunity to raise questions or comments on the reports and statements at the AGM.

The financial report for consideration at the AGM will be the full financial report. Unless a shareholder instructs otherwise, each shareholder will receive the full financial report.

Also, a reasonable opportunity will be given to members as a whole at the AGM to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Resolution 1: Remuneration Report

The Remuneration Report is set out in the Director's Report and the Annual Report to Shareholders 2006.

The Remuneration Report sets out the remuneration arrangements for the Managing Director, executives and non-executive directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM. While there is a requirement for a formal resolution on this item, under section 250R(3) of the Corporations Act the resolution is only advisory and does not bind the Company or its directors.

Nevertheless, the Remuneration Committee will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

Resolution 2: Retirement by rotation and re-election of Mary Beth Bauer

Mary Beth Bauer retires by rotation and offers herself for re-election as a non-executive director.

Ms Bauer has been a director of the Company since November 2001, having been re-elected as a director at the Company's 2003 AGM. Ms Bauer has also served as the Company's Chairman since August 2002. She currently serves as Chairman of the Company's Remuneration and Nomination Committees and serves as a member of the Company's Audit & Risk Committee.

The constitution of the Company requires one third of the eligible directors to retire from office each year at a general meeting. A retiring director is eligible for re-election. Ms Bauer is the longest serving eligible director and, as such, is retiring as a director at the AGM and is offering herself for re-election as a director.

In accordance with the Company's policy for remuneration of directors and executives, Ms Bauer currently receives \$92,650 per annum (inclusive of superannuation) for her services as a director of the Company. Ms Bauer is also eligible to participate in the Company's Directors and Employee Share Option Plan. Ms Bauer currently holds 120,000 conditional options with an exercise price of 22.5 cents per share.

Ms Bauer has established a national reputation within Australia's corporate and financial sectors, building on her many years experience in investor relations, chartered accounting and corporate finance. She is the founder and CEO of Value Enhancement Management Pty Ltd, a boutique investor relations consultancy specialising in aligning business imperatives with stakeholders needs. She has previously held senior executive investor relations positions with both Coles Myer Ltd and Mayne Nickless Ltd. She presently holds no directorships in other listed companies.

Ms Bauer has a Business Economics degree from the University of California, is an Australian Chartered Accountant, a USA Certified Public Accountant and a Fellow of the Australian Institute of Company Directors.

The directors (other than Ms Bauer) recommend that shareholders vote in favour of the re-election of Ms Bauer as a director of the Company.

Resolution 3: Election of Hans Neilson

On 22nd August 2006, the Board appointed Hans Neilson as a director of the Company, subject to election by the shareholders at the next general meeting. This was in recognition of the Company's strategy to appoint another non-executive director. The Board feels that Mr Neilson's expertise and experience will be of great benefit to the Company and that he will provide significant strength to the existing team.

The constitution of the Company provides that Mr Neilson's term as a director will expire on conclusion of the AGM and that he is then eligible for re-election.

In accordance with the Company's policy for remuneration of directors and executives, Mr Neilson will receive \$59,950 per annum (inclusive of superannuation) for his services to the Company. Mr Neilson will also become eligible to participate in the Company's Employee and Director Share Option Plan.

Until recently Mr Neilson was a Vice President of Hewlett-Packard Company, leading their Human Resources for the Technology Solutions Group in the Asia Pacific. Since joining Hewlett-Packard in 1976, he has held numerous management positions within Hewlett-Packard including Interim Australia Managing Director (2000) and Managing Director New Zealand (1986 – 1992). He was also a Director for Hewlett-Packard Australia and New Zealand from 1987 to 2006. He presently holds no directorships in other listed companies.

For over ten years he was an evaluator for the Australian Quality Awards and a member of the Victorian State Committee for the Australian Quality Council. He has participated in numerous community and industrial forums, and holds a Bachelor of Engineering Degree.

The directors (other than Mr Neilson) recommend that shareholders vote in favour of the election of Mr Neilson as a director of the Company.

Special business

Resolution 4: Issue of options to all directors

Outline of the proposal and its effects

As part of the Company's ongoing program to incentivise its directors to enhance the performance of the Company, and thereby shareholder value, it is proposed that options to subscribe for ordinary shares be issued to directors pursuant to the Company's Employee and Director Share Option Plan. Such options will only be exercisable by directors should earnings per share targets be achieved in a financial year. The number of options to be issued and the earnings per share performance of the Company which must be achieved to allow a director to exercise an option is set out in the table and bullet points below.

- (a) A director will only be entitled to exercise that number of options which meet or exceed the earnings per share targets in a particular financial year;
- (b) Earnings per share targets will be assessed against end of financial year results released to ASX and prepared in accordance with Australian IFRS accounting principles;
- (c) Options that are exercisable must be exercised within one year of the date the director became entitled to exercise them;
- (d) Any options that do not become exercisable, or exercisable but not exercised within the period specified, will expire.

Details of any securities issued under the Employee and Director Share Option Plan and the approval obtained are published in the Annual Report of the Company relating to the period in which the securities are issued.

The Need for Shareholder Approval

ASX Listing Rule 10.14 provides that an entity must not permit a director of the entity to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition.

For the purposes of approving the issue of options in the Company pursuant to ASX Listing Rule 10.14, the Company must include with the Notice of Annual General Meeting, the following information.

(1) The names of all persons referred to in Rule 10.14 entitled to participate in the scheme ("the persons referred to in Rule 10.14")

Mary Beth Bauer, Andrew Banks, Geoff Morgan, Brian Gibson, Albert 'Bud' Hawk and Hans Neilson

(2) The maximum number of securities that may be acquired by all persons for whom approval is required, including the formula (if one is used) for calculating the number of securities to be issued.

Earnings per share (Basic weighted average) in a financial year	Mary Beth Bauer	Andrew Banks	Geoff Morgan	Brian Gibson	Albert 'Bud' Hawk	Hans Neilson
3.75 cents – 4.99 cents	20,000	20,000	20,000	20,000	20,000	20,000
5.00 cents – 7.49 cents	20,000	20,000	20,000	20,000	20,000	20,000
7.50 cents – 8.74 cents	20,000	20,000	20,000	20,000	20,000	20,000
8.75 cents and over	20,000	20,000	20,000	20,000	20,000	20,000
Maximum number of options exercisable per year	80,000	80,000	80,000	80,000	80,000	80,000
Number of years	4	4	4	4	5	5
First Financial Year	2008	2008	2008	2008	2007	2007
Last Financial Year	2011	2011	2011	2011	2011	2011
Maximum number of options exercisable over 5 years	320,000	320,000	320,000	320,000	400,000	400,000
Exercise Price per Option	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
Consideration per Option	nil	nil	nil	nil	nil	nil

2,080,000 options will be issued to directors. The maximum number of shares that may be acquired on the exercise of options is 2,080,000 ordinary shares in the Company. The formula for calculating the number of options that can be converted into ordinary shares is set out in the table above.

(3) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme.

The exercise price for each option into one ordinary share is \$1.60. This market price has been calculated based on the average closing price of ordinary shares in the Company in the 30 days prior to this Notice of Annual General Meeting.

(4) The persons referred to in Rule 10.14 who received securities under the scheme since the last approval, the number of the securities received, and acquisition price for each security.

Mary Beth Bauer received 400,000 options with an exercise price of \$0.225 spread over 5 years commencing in 2003. 240,000 of these options have been cancelled and 80,000 options remain unvested pending the Company's financial performance during the 2007 financial year.

Andrew Banks received 400,000 options with an exercise price of \$0.225 spread over 5 years commencing in 2003. 240,000 of these options have been cancelled and 80,000 options remain unvested pending the Company's financial performance during the 2007 financial year.

Geoff Morgan received 320,000 options with an exercise price of \$0.375 spread over 4 years commencing in 2004. 160,000 of these options have been cancelled and 80,000 options remain unvested pending the Company's financial performance during the 2007 financial year.

Brian Gibson received 400,000 options with an exercise price of \$0.225 spread over 5 years commencing in 2003. 240,000 of these options have been cancelled and 80,000 options remain unvested pending the Company's financial performance during the 2007 financial year.

(5) The terms of any loan in relation to the acquisition.

Nil.

(6) The date by which the entity will issue the securities, which must be no later than 3 years after the AGM.

The Company will issue the options to directors within seven days of shareholder approval.

Resolution 5: Capital Repayment

On 27th June 2006, shareholders unanimously approved a return of capital of 3 cents per share to all Company shareholders subject to Talent2 receiving a successful Class Ruling from the Commissioner of Taxation (ATO) within 3 months after the date of notice of that meeting effectively until the end of August 2006. At the date of this Notice of Annual General Meeting, such ATO Class Ruling has not been received. The Company has engaged in several discussions with the Commission of Taxation concerning its original Class Ruling application and remains confident of a positive outcome for the Company and its shareholders. It is therefore going to shareholders at this forthcoming AGM to renew the original shareholder approval.

The Company proposes a return of capital to its shareholders of up to \$0.03 per fully paid ordinary share, to return a total of up to \$3.6 million to its shareholders. No shares will be cancelled in the proposed capital reduction.

The proposed capital reduction is to be effected by way of an equal reduction of capital and requires shareholder approval by an ordinary resolution pursuant to section 256C(1) of the Corporations Act 2001 (Cth) (the Act). The proposed capital reduction is conditional upon the Company receiving the Class Ruling from the ATO in a form acceptable to the directors and will apply equally to each holder of fully paid ordinary shares in proportion to the number of fully paid ordinary shares they hold as at 5:00pm on the Record Date. The Record Date will be set by the directors as soon as practicable but no later than 3 months from the date of the Annual General Meeting if the above condition is satisfied.

Legal requirements

Under section 256B(1) of the Act, the Company may reduce its share capital if the reduction:

- (a) is fair and reasonable to the Company's shareholders as a whole; and
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by the Company's shareholders under section 256C of the Act.

Reasons for the capital reduction

The proposed capital return forms part of the Company's active capital management strategy and its commitment towards maximising shareholder returns.

Between August 2002 and September 2003, the Company embarked upon capital raisings through the placement of its ordinary shares and some equity based acquisitions. These capital raising activities allowed the Company to repay its then short term debts and use its remaining funds to invest in the growing business of Human Resource Outsourcing and the Company's geographic expansion into Asia.

Since September 2003, the Company has continued its expansion program, acquiring many strategic businesses in both Australia and Asia, each time funding these acquisitions by issuing new shares in the Company rather than drawing down upon its cash reserves. The advantage of this ongoing approach is that the sellers then have their exit value locked into the Company for an escrow period of up to 2 years, giving them an incentive to assist in the development of the business going forward.

Whilst the directors believe that this funding mechanism is value enhancing, the issue of shares to fund these acquisitions has diluted the proportional ownership of the Company by existing shareholders. Accordingly, the directors believe that the surplus funds originally earmarked to fund the expansion of Human Resource Outsourcing activities and the Company's geographic expansion into Asia, should now be returned to its shareholders, rewarding them for their ongoing dilution.

Various alternatives for returning the funds to shareholders have been considered by the board. The directors believe that an equal capital reduction is the most effective mechanism.

Effect of the reduction of capital on the Company

The capital reduction will involve a cash payment with effect from the Record Date of up to \$0.03 per share, with an estimated total value of up to \$3.6 million. This return will see a reduction of cash assets in the Company's statement of financial position of this amount and a diminution in shareholder's funds of the same amount. No adverse income tax consequences should arise for the Company from the capital return.

The capital return will not materially impact the Company's capacity to fund growth and future acquisitions, given the profitability of its existing businesses, the strong operating cashflow of the Company and its capacity to raise debt and equity financing if required.

In the opinion of the directors the reduction of capital will not prejudice the Company's ability to pay its creditors as the directors believe that the Company's existing cashflow and working capital resources are more than adequate to pay creditors in the ordinary course.

Effect of the reduction of capital on shareholders

Subject to shareholder approval and other conditions precedent, each shareholder will receive a cash payment of up to \$0.03 per fully paid ordinary share held as at the Record Date. The capital return will not result in the cancellation of any shareholder's shares or the dilution of any shareholder's shareholding in the Company.

Taxation implications for shareholders

The income tax consequences of the capital return will depend on the personal circumstances of each shareholder. The Company recommends that each shareholder seeks professional tax advice to confirm the specific tax treatment of the capital return. The following is a brief commentary of the potential income tax implications of the capital return. These comments are of a general nature and are not specific to individual circumstances. The Company accepts no liability in respect of the comments in this section.

The Company has sought a Class Ruling from the ATO in relation to the tax treatment of the capital return to shareholders. The details below are conditional upon the final Class Ruling from the Australian taxation authorities:

Dividend: The capital return will not be treated as a dividend for Australian income tax purposes.

Capital Gains Tax: Where the shares are held on capital account, the capital gains tax ("CGT") treatment should be as follows:

(1) Resident shareholders

(i) Pre-CGT shares

Shareholders who acquired their shares before 20 September 1985 will not be subject to CGT in respect of the capital return as any capital gain will be disregarded for Australian CGT purposes.

(ii) Post-CGT shares

Where shareholders acquired their shares on or after 20 September 1985, the shareholders will not realise a capital gain from the capital return in respect of those shares but the cost base of the shares will be reduced by the amount of the capital return.

(2) Non-resident shareholders

Non-resident shareholders will not be liable to CGT in respect of the capital return provided that they and their associates have not, at any time during the five years preceding the capital return, beneficially owned at least 10% (by value) of the shares in the Company.

Shareholders who hold shares on revenue account with a profit making intention or as trading stock should seek their own tax advice in relation to the Australian tax implications of the proposed capital return.

Timing and trading implications

Subject to the capital return proceeding, it will take effect in accordance with the timetable notified to the market. Full details of the Record Date, Payment Date and any other dates relevant to the proposed capital return will be announced following receipt of the pending Class Ruling from the ATO.

Payment methods

If the proposed capital reduction is approved by shareholders, the payment of the capital reduction will be satisfied by sending a cheque to those persons who are shareholders as at the Record Date.

Shareholders who have completed and returned to the Company, or the Company's share registry, an instruction for direct crediting of dividend payments, will receive the capital return, if approved, in the manner they have instructed in relation to the direct crediting of dividends.

Whilst the Company will endeavour to comply with shareholder payment instruction requests, it reserves absolutely the right to satisfy entitlements to the proposed capital return by cheque. Payment is effected at the risk of the shareholder.

Recommendation

The directors are of the opinion that the proposed capital reduction is fair and reasonable to all shareholders and recommend that shareholders vote in favour of the resolution to approve the capital reduction.



Talent2 International Limited

ABN 19 000 737 744

Proxy Form

All correspondence to:

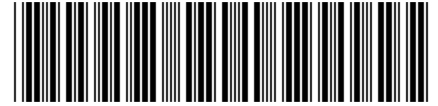
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2555
www.computershare.com

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



000001
000
TWO
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 Talent2 International 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 Annual General Meeting of Talent2 International Limited to be held at Macquarie Room, Level 5, Sheraton on the Park, 161 Elizabeth Street, Sydney NSW on 25 October 2006 at 11.00 am and at any adjournment of that meeting.



IMPORTANT: FOR ITEM 4 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 Item 4 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 she has an interest in the outcome of that Item and that votes cast by her, 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 Item 4 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4.

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

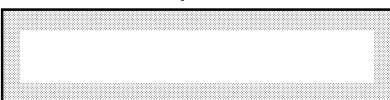
		For	Against	Abstain*
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mary Beth Bauer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Hans Neilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Options to all directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of the capital reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

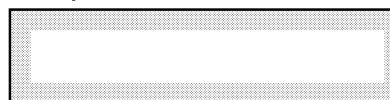
PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



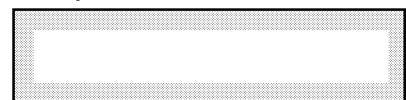
Sole Director and
Sole Company Secretary

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

/ /

TWO

1 7 P R



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.

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 11.00 am on 25 October 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON Share Registry - Computershare Investor Services Pty Limited, Level 2, 45 St George's Terrace, PERTH WA 6000
BY MAIL Share Registry - Computershare Investor Services Pty Limited, GPO Box D182, PERTH WA 6840
BY FAX 61 8 9323 2033