

SEALEGS CORPORATION LIMITED
Notice of Annual Meeting

Notice is hereby given that the 2009 Annual Meeting of Sealegs Corporation Limited ("Company") will be held at Takapuna Boating Club, 39 The Strand, Takapuna, Auckland, New Zealand on Friday, 17 July 2009, commencing at 11:00am.

BUSINESS TO BE TRANSACTED

Annual Report

Presentation of the annual report for the year ended 31 March 2009 and the auditor's report.

Resolutions

Ordinary Business

To consider and, if thought fit, to pass the following ordinary resolutions, which are resolutions passed by a simple majority of the votes of shareholders entitled to vote and voting on each resolution:

- 1. To authorise and approve the issue by the Company of 4,000,000 share options in the Company to David McKee Wright, 4,000,000 share options in the Company to Maurice Bryham, and 1,000,000 share options in the Company to William Burrell, and the allotment of shares in the Company upon an exercise of the share options on the terms and conditions described in the explanatory notes accompanying this notice.**

The NZSX Listing Rules require shareholder approval for the issue of the options and allotment of new shares to David McKee Wright, Maurice Bryham and William Burrell upon the exercise of the options. Listing Rule 7.3.1 requires this Resolution 1 to be approved by ordinary resolution of the shareholders of the Company. Listing Rule 9.2.1 requires this Resolution 1 to be approved by an ordinary resolution of the shareholders of the Company as the issue of the options is a Material Transaction with a Related Party. Further, Listing Rule 6.2.2 requires a notice of meeting to be accompanied by an appraisal report, where the meeting will consider a resolution to issue securities to directors of the Company. None of David McKee Wright, Maurice Bryham, William Burrell nor any of their associated persons may vote on this Resolution 1.

In the event that this Resolution 1 is not passed, no options will be issued.

(See the explanatory notes and the summary of the appraisal report that accompany this notice)

- 2. To authorise and approve the issue by the Company of up to 1,650,000 share options in the Company to certain employees, and the allotment of shares in the Company upon an exercise of the share options on the terms and conditions described in the explanatory notes accompanying this notice.**

In addition to the options contemplated by Resolution 1, the board intends to issue up to 1,650,000 options to certain employees. The Listing Rules require shareholder approval for the issue of the options and allotment of new shares upon the exercise of the options. Listing Rule 7.3.1 requires this Resolution 2 to be approved by ordinary resolution of the shareholders of the Company.

In the event that this Resolution 2 is not passed, no options will be issued.

(See the explanatory notes that accompany this notice)

- 3. To re-elect Maurice Bryham as a director in accordance with the Company's constitution.**
Maurice Bryham retires by rotation and, being eligible, offers himself for re-election. (See profile below)

The Board considers that Maurice Bryham does not qualify as an independent director under the Listing Rules.

- 4. To re-elect William Burrell as a director in accordance with the Company's constitution.**

William Burrell retires by rotation and, being eligible, offers himself for re-election. (See profile below)

The Board considers that William Burrell does not qualify as an independent director under the Listing Rules.

- 5. To authorise the directors' remuneration**

To authorise, for the purpose of Listing Rule 3.5.1, the total directors' remuneration per annum, for each financial year commencing 1 April 2009, to remain at:

- (a) up to \$25,000 in respect of each director who, from time to time, holds office as a director (including the chairperson); and
- (b) an additional \$25,000 in respect of the chairperson,

and to authorise the Board to implement a scheme under which directors may be issued shares in lieu of some or all of their directors fees in accordance with Listing Rule 7.3.7.

(See the explanatory notes)

- 6. To record that Ernst & Young is automatically reappointed as auditor of the Company pursuant to section 200 of the Companies Act 1993 and to authorise the directors to fix the auditor's remuneration.**

By order of the board of directors

R James Hill
Chairman

12 June 2009

DIRECTORS' PROFILES

William Burrell

Will Burrell is the Company's Director of Operations in Australia. He successfully built and recently sold the multi award winning El Questro Wilderness Park in Australia's remote Kimberley region. Previously, he worked with a Charles Barker PLC, a UK based Investor Relations firm in London, New York and Sydney. He has extensive marketing and business experience and was awarded the Order of Australia in 2006 for services to the Australian Tourism Industry.

Maurice Bryham

Maurice Bryham is the Company's founder. A proven entrepreneur, Maurice's career has seen him take senior positions with Dick Smith Electronics, Pacific Computers and Imagineering, before co-founding New Zealand's high profile personal computer company, PC Direct. Maurice co-founded Exonet with David McKee Wright in 1999 and was instrumental in developing the strategies that made Exonet a market leader in e-business software. Maurice conceived the Sealegs idea in 2000 and led the development of the Sealegs prototypes through to the current production models.

EXPLANATORY NOTES TO THE RESOLUTIONS

1. RESOLUTION 1

1.1 The purpose of the issue of options under Resolution 1 is to incentivise management and to raise further capital for the Company when the options are exercised. The Company will issue a total of 9,000,000 options (4,000,000 to David McKee Wright, 4,000,000 to Maurice Bryham, and 1,000,000 to William Burrell), such options to be issued within 10 working days of the date of the shareholders' meeting. The options will become exercisable in a series of tranches over a period of 4 years commencing from 30 June 2010, and will remain exercisable until 29 June 2014. The exercise price for each of the options is 10 cents per share, which was based on the Company's share price when the option plan was developed. The respective commencement dates of the exercise periods and the trigger prices corresponding to these options are as follows:

David McKee Wright and Maurice Bryham

<u>Tranche</u>	<u>Number of Options Exercisable by each Optionholder</u>	<u>Commencement of Exercise Period</u>	<u>Trigger Price</u>	<u>Expiry Date</u>
a)	1 million	30 June 2010	NZ\$0.12	29 June 2014
b)	1 million	30 June 2011	NZ\$0.14	29 June 2014
c)	1 million	30 June 2012	NZ\$0.17	29 June 2014
d)	1 million	30 June 2013	NZ\$0.20	29 June 2014

William Burrell

<u>Tranche</u>	<u>Number of Options Exercisable by each Optionholder</u>	<u>Commencement of Exercise Period</u>	<u>Trigger Price</u>	<u>Expiry Date</u>
a)	250,000	30 June 2010	NZ\$0.12	29 June 2014
b)	250,000	30 June 2011	NZ\$0.14	29 June 2014
c)	250,000	30 June 2012	NZ\$0.17	29 June 2014
d)	250,000	30 June 2013	NZ\$0.20	29 June 2014

- 1.2 The options will be exercisable if the Company's share price is at or above the trigger price at the commencement of the relevant exercise period. The options can be exercised by written notice to the Company (accompanied by the relevant exercise moneys) at any time during the relevant exercise period. Where the exercise of the options would result in a breach of the Takeovers Code, the options will accrue and be exercisable during the next exercise period. Other than in that event, any options not exercised within the exercise period will lapse. Any options not exercised in the event of termination of the employment agreement or contract for services between the relevant optionholder and the Company will lapse. No option will be exercisable unless the average market price per share (weighted by volume) of shares sold on the NZSX market during the 30 days ending on the date of commencement of the exercise period for that tranche, is more than or equal to the trigger price corresponding to the relevant tranche above. The number of options, the exercise price and the trigger price will be adjusted to take account of any share reconstructions. Each option is exercisable for one ordinary share in the Company. If all the options are exercised, the maximum number of shares to be issued is 9,000,000. The maximum consideration receivable by the Company from the optionholders if all of the options are exercised is \$900,000.
- 1.3 The options will not be quoted or tradable on any stock exchange or other secondary market. Upon the valid exercise of any options, shares will be issued and allotted within 10 working days. Shares issued upon an exercise of the options will rank pari passu with ordinary shares then on issue in the Company.
- 1.4 As at 10 June 2009, the market price for shares in the Company is 12.6 cents per share.
- 1.5 Mr McKee Wright, Mr Bryham and Mr Burrell are all directors of the Company, and are therefore related parties by virtue of Listing Rule 9.2.3. If all of the options are exercised, the securities to be issued are likely to have a value in excess of 10% of the Company's average market capitalisation, and the issue of the options is therefore a material transaction under Listing Rule 9.2.2. Listing Rule 9.2.1 requires material transactions with related parties to be approved by an ordinary resolution of shareholders. Listing Rule 9.2.5 requires this notice of meeting to be accompanied by an appraisal report. A summary of the appraisal report prepared by KPMG in accordance with Listing Rule 1.7.3 accompanies this Notice of Meeting. The full report is available on the Company's website (www.sealegs.com).

- 1.6 Listing Rule 9.3.1 disqualifies Mr McKee Wright, Mr Bryham and Mr Burrell. and their associated persons, from voting on this Resolution 1.
- 1.7 If Mr McKee Wright, Mr Bryham or Mr Burrell (or any of their associated persons) is appointed as proxy, only votes expressly directed as per the proxy form may be cast on Resolution 1 by such director, pursuant to Listing Rules 9.3.1 and 9.3.3. Any discretionary proxies given to them will not be able to be cast on Resolution 1.

2. EMPLOYEE OPTIONS

- 2.1 The purpose of the issue of options under Resolution 2 is to incentivise employees and to raise further capital for the Company when the options are exercised. The Company will issue a total of 1,650,000 options to employees selected by the board in its sole discretion from time to time. the options will be issued within 36 months of the date of the meeting. The options will become exercisable in a series of tranches over a period of 4 years commencing from 30 June 2010, and will remain exercisable until 29 June 2014. The exercise price for each of the options is 10 cents per share, which was based on the Company's share price when the option plan was developed. The respective commencement dates of the exercise periods and the trigger prices corresponding to these options are as follows:

<u>Tranche</u>	<u>Number of Options Exercisable by each Optionholder</u>	<u>Commencement of Exercise Period</u>	<u>Trigger Price</u>	<u>Expiry Date</u>
a)	137,500	30 June 2010	NZ\$0.12	29 June 2014
b)	137,500	30 June 2011	NZ\$0.14	29 June 2014
c)	137,500	30 June 2012	NZ\$0.17	29 June 2014
d)	137,500	30 June 2013	NZ\$0.20	29 June 2014

- 2.2 The options will be exercisable if the Company's share price is at or above the trigger price at the commencement of the relevant exercise period. The options can be exercised by written notice to the Company (accompanied by the relevant exercise moneys) at any time during the relevant exercise period. Any options not exercised within this time will lapse. Any options not exercised in the event of termination of the employment agreement between the relevant optionholder and the Company will lapse. No option will be exercisable unless the average market price per share (weighted by volume) of shares sold on the NZSX market during the 30 days ending on the date of commencement of the exercise period for that tranche, is more than or equal to the trigger price corresponding to the relevant tranche above. The number of options, the exercise price and the trigger price will be adjusted to take account of any share reconstructions. Each option is exercisable for one ordinary share in the Company. If all the options are exercised, the maximum number of shares to be issued is 1,650,000. The maximum consideration receivable by the Company from the optionholders if all of the options are exercised is \$165,000.

2.3 The options will not be quoted or tradable on any stock exchange or other secondary market. Upon the valid exercise of any options, shares will be issued and allotted within 10 working days. Shares issued upon an exercise of the options will rank pari passu with ordinary shares then on issue in the Company.

2.4 As at 10 June 2009, the market price for shares in the Company is 12.6 cents per share.

3. DIRECTORS' REMUNERATION

3.1 The current annual remuneration of the directors taken together is currently set as follows:

- (a) up to \$25,000 in respect of each director who, from time to time, holds office as a director (including the chairperson); and
- (b) an additional \$25,000 in respect of the chairperson.

3.2 Remuneration is an important element in attracting high quality directors. The Board considers that the proposed remuneration is appropriate having regard to the nature and size of the Company's business, and the responsibilities and workloads of the directors.

3.3 The Company is proposing to give the directors the option of taking any remuneration payable to them by way of the issue of shares on the following terms:

- (a) Subject to the Board being satisfied with the matters set out in paragraph (f) below, as soon as practicable after the release of the Company's interim and annual results to the market, the Board will have the option to receive their directors fees in cash or through the issue of shares.
- (b) The directors may choose to receive some or all of their remuneration paid in cash or through the issue of shares.
- (c) The price for any shares issued to directors under the scheme will be the volume weighted average market price for the Company's ordinary shares trading on the NZSX market over the 20 trading days immediately prior to the issue of the shares.
- (d) All shares issued to directors under this scheme will rank equally in all respects with all other fully paid ordinary shares in the Company on issue at the time of issue of the shares.
- (e) The Board is only required to offer directors the option to take shares in lieu of fees from time to time if the Board is satisfied that the consideration for, and the terms of, the issue of the shares, are fair and reasonable to the Company and to all existing shareholders, and that the issue will not give rise to any breach by the Company of any statutory or NZSX Listing Rules requirements.
- (f) Any shares issued to directors under this scheme must be issued within two months of the Company's announcement of its annual results or otherwise the cash equivalent must be paid.

3.4 Listing Rule 3.5.1 requires that the shareholders of the Company approve the remuneration payable to the directors of the Company by means of an ordinary resolution, and the fact that the

remuneration is payable either in whole or in part by way of an issue of shares. Listing Rule 9.3.1 disqualifies any director or any associated person of a director from voting on this Resolution 5.

- 3.5 If the Chairman or other director is appointed as proxy, only votes expressly directed as per the proxy form may be cast on Resolution 5 by such director, pursuant to Listing Rules 9.3.1 and 9.3.3. Any discretionary proxies given to the Chairman or other directors will not be able to be cast on Resolution 5.

4. PROXIES AND CORPORATE REPRESENTATIVES

- 4.1 A shareholder entitled to vote at the meeting may appoint another person (who need not be a shareholder) as a proxy to attend and vote on their behalf. A form is enclosed for appointment of a proxy. If you wish to appoint a proxy please read the notes at the bottom of the proxy appointment form carefully.
- 4.2 In the case of a corporation appointing a representative to attend the meeting to vote on its behalf, a certified copy of the resolution passed by the corporation, appointing the representative, must be deposited with the Company at least 48 hours before the meeting.

ANNUAL GENERAL MEETING
OF SHAREHOLDERS

17 July 2009



PROXY APPOINTMENT

I/We of

being a shareholder of Sealegs Corporation Limited hereby appoint

or failing him/her

as my / our proxy to vote on my/our behalf at the Annual General Meeting of Shareholders of Sealegs Corporation Limited to be held at Takapuna Boating Club, 39 the Strand, Takapuna, Auckland, New Zealand at 11:00am on 17 July 2009 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote as he or she thinks fit. Should the shareholder wish to direct the proxy how to vote, the following should be completed:

Please indicate with a ✓

Resolution number	For	Against
1. To authorise and approve the issue by the Company of 4,000,000 share options in the Company to David McKee Wright, 4,000,000 share options in the Company to Maurice Bryham, and 1,000,000 share options in the Company to William Burrell and the allotment of shares in the Company upon an exercise of the share options.	<input type="checkbox"/>	<input type="checkbox"/>
2. To authorise and approve the issue by the Company of up to 1,650,000 share options in the Company to certain employees, and the allotment of shares in the Company upon an exercise of the share options on the terms and conditions described in the explanatory notes accompanying this notice.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Maurice Bryham as a director.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect William Burrell as a director.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the total directors' remuneration per annum, for each financial year commencing 1 April 2009, to be: (a) up to \$25,000 in respect of each director who, from time to time, holds office as a director (including the chairperson); and (b) an additional \$25,000 in respect of the chairperson, and to authorise the Board to implement a scheme under which directors may be issued shares in lieu of some or all of their directors fees.	<input type="checkbox"/>	<input type="checkbox"/>
6. To record that Ernst & Young is automatically reappointed as auditor of the Company and to authorise the Directors to fix the auditors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>

Signature(s):

Date:

IMPORTANT NOTES

1. The Chairman of the meeting is prepared to act as a proxy for any shareholder(s). Please write "the Chairman" in the space provided if you wish to appoint the Chairman.
 2. Proxy forms must be lodged at the registered office of the Company, 233 Bush Road, Albany, Auckland, New Zealand, not less than 48 hours before the start of the meeting.
 3. This form must be signed by you or your attorneys. Your attorney must be authorised in writing. This form, and a copy of the power of attorney appointing the attorney or other authority, if any, under which it is signed together with a certificate of non-revocation must be deposited with the Company at least 48 hours before the meeting.
 4. In the case of joint holdings, all joint holders must sign the proxy forms.
 5. Forms appointing a proxy for a corporation must be signed by an authorised officer or attorney on behalf of the corporation.
 6. Listing Rule 9.3.1 disqualifies Mr McKee Wright, Mr Bryham, Mr Burrell or any associated person of each of them from voting on Resolution 1.
 7. If Mr McKee Wright, Mr Bryham, Mr Burrell or any of their associated persons is appointed as proxy, only votes expressly directed as per the proxy form may be cast on Resolution 1 by such person, pursuant to Listing Rules 9.3.1 and 9.3.3. Any discretionary proxies given to them will not be able to be cast on Resolution 1
 8. Listing Rule 9.3.1 disqualifies any director or any associated person of a director from voting on Resolution 5.
 9. If the Chairman or other director is appointed as proxy, only votes expressly directed as per the proxy form may be cast on Resolution 5 by such director, pursuant to Listing Rules 9.3.1 and 9.3.3. Any discretionary proxies given to the Chairman or other directors will not be able to be cast on Resolution 5.
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