



ABN 55 095 006 090

# Share Purchase Plan

**An offer to shareholders of Geodynamics Limited to purchase additional fully paid ordinary shares in Geodynamics under the terms and conditions of this Share Purchase Plan.**

## **Indicative Timetable**

Record Date	30 April 2008
Announcement of Share Purchase Plan	1 May 2008
Share Purchase Plan Offer Closes	6 June 2008
Allotment and Issue of Shares	16 June 2008
Quotation of Shares on ASX	23 June 2008

## **Letter from the Chairman**

1 May 2008

Dear Shareholder

On behalf of the Board of Geodynamics Limited, I am pleased to invite you to participate in a Share Purchase Plan (SPP).

The Plan entitles all Eligible Shareholders to purchase up to \$5,000 worth of shares in Geodynamics at an issue price of \$1.50 per share, a 1.5% discount to the market, free of all brokerage, commission and stamp duty. The above discount is based on the volume weighted average market price of \$1.523 for the twenty trading days prior to when the SPP was announced, i.e. from 2 April 2008 to 30 April 2008.

I invite you to read this document thoroughly in conjunction with the publicly available information relating to Geodynamics, including the Quarterly Report for the period ended 31 March 2008.

Your Board strongly supports this capital raising initiative. I commend the Share Purchase Plan to you and look forward to your participation.

Successful applicants for shares under the SPP will also be entitled to receive attaching options. The options offer will be made separately under a prospectus which will be sent to shareholders as a separate document accompanying the SPP.

Yours sincerely

**Geodynamics Limited**



Martin Albrecht AC  
**Chairman**

## **Geodynamics Limited Share Purchase Plan**

This is an offer to you as a shareholder of Geodynamics Limited (Company) to purchase additional fully paid ordinary shares in Geodynamics (Shares) under the terms and conditions of the Geodynamics Limited Share Purchase Plan (SPP).

Eligible shareholders have the opportunity to subscribe for additional Shares at a discount to market value and without incurring brokerage or stamp duty.

### **1. Participation**

You will be eligible to participate in the SPP if you are a holder of Shares at 7.00 pm on 30 April 2008 (Record Date), with a registered address in either Australia or New Zealand (Eligible Shareholder).

This SPP does not constitute an offer in any jurisdiction in which or to any person to whom it would be unlawful to make such an offer. The Company reserves the right to reject any acceptance which it believes comes from a person who is not an Eligible Shareholder.

Participation in the SPP is entirely optional. Offers made under the SPP are not renounceable. This means that shareholders cannot transfer their right to purchase shares under this offer to another person.

Existing optionholders who are not also shareholders are not entitled to participate in the Offer.

### **2. Pricing of Shares under the SPP**

The SPP Shares are priced at \$1.50 per Share.

The volume weighted average market price of the Shares for the twenty trading days prior to the date when the SPP was announced (i.e. between 2 April 2008 to 30 April 2008 inclusive) was \$1.523.

Shareholders should be aware that the market price of Shares may rise or fall between the date of this Offer and the date when Shares are allotted and issued to you. Any such change in the Share price will not affect the purchase price for Shares under this SPP. You should obtain your own independent investment advice in relation to the offer and consider price movements of shares before accepting the offer.

### **3. Shares Offered**

Eligible Shareholders may apply for a specified number of Shares under one of the following alternative offers:

<b>Offer</b>	<b>Number of Shares offered</b>	<b>Total amount payable</b>
A	666	\$1,000
B	2,000	\$3,000
C	3,333	\$5,000

You may apply for the total number of Shares specified under any one of the Offers A, B or C. The rounding difference between the total amount payable under each alternative

and the total subscription price will be donated by the Company to the Royal Flying Doctor Service of Australia.

#### 4. Applying for Shares under the SPP

If you would like to apply for Shares under the SPP, please complete the enclosed Application Form and return it, together with your cheque made payable to "Geodynamics Limited - Allotment Account", to either of the following addresses:

Post To:	Or Hand Deliver To:
Computershare Investor Services Pty Limited GPO Box 5240 Brisbane QLD 4001	Computershare Investor Services Pty Limited Level 19 307 Queen Street Brisbane QLD 4000

Applications should only be made in one of the designated amounts set out in the Application Form. If the amount of the cheque tendered with the Application Form is not one of the designated amounts, Geodynamics reserves the right to return the Application Form and cheque and not allot any Shares to you or to accept it in respect of a lesser number of Shares and refund the balance of your application monies without interest.

You can also remit funds electronically using BPAY® as indicated on the Application Form. Please be sure to type the customer reference number and biller code exactly as it appears on your application form. If you remit only using BPAY®, you are not required to return the SPP application form to complete your application.

Applications must be received by 5:00 pm on Friday 6 June 2008 (Closing Date). Applications received after that time will not be accepted.

The return of the Application Form with the application monies, or the remittance of funds via BPAY will constitute the Eligible Shareholder's offer to subscribe for shares on the terms and conditions of this SPP. Once an application has been made, it cannot be revoked. No notice of acceptance of the application will be provided.

#### 5. Issue of Shares

The Company will not be obliged to allot shares and the applicant will not be entitled to receive or be issued shares until the Board resolves to allot the shares.

Shares under the SPP will be allotted and issued on or about 16 June 2008. After all Shares have been allotted, Geodynamics will promptly make application to ASX Limited for the shares to be listed for quotation. Holding statements/allotment notices should be received shortly after the allotment date.

#### 6. Indicative Timetable

Record Date	30 April 2008
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These dates are indicative only. The Company may vary the dates and times of this offer or withdraw it without notice. Accordingly, shareholders are encouraged to submit their Application Form as early as possible.

## 7. Additional Terms of this SPP

The requirements of the Australian Securities and Investments Commission's Class Order CO 02/831 are incorporated into this SPP.

Under that Class Order, the yearly limit that can be raised from an Eligible Participant in a share purchase plan is \$5,000. Accordingly, no shareholder (including through joint holdings, multiple share accounts or any holding in which the shareholder may have a beneficial interest) will be issued with shares under this or any other share purchase plan with an application value totalling more than \$5,000 in any consecutive 12 month period.

All Shares issued under the SPP will rank equally with existing Shares.

The SPP is administered by the Board which may determine in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant, or application, or Shares and the determination of the Board will be conclusive and binding on all participants and other persons to whom the determination relates.

The Board reserves the right to withdraw this SPP and any offer under it at any time prior to the allotment of shares and to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time. If the SPP is withdrawn, all application monies will be refunded without interest.

## 8. Why should you subscribe for Shares pursuant to this SPP?

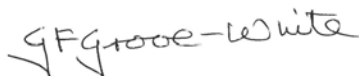
Shares offered under this SPP are offered at a discount to their market value prior to the date when the SPP was announced. There is no brokerage, commissions or other participation costs payable by you in respect of any acquisition of Shares under this SPP.

## 9. Queries

If you have any queries concerning the SPP, please call Computershare Investor Services on 1300 552 270.

Yours sincerely

**Geodynamics Limited**



Gerry Grove-White  
**Managing Director**