



NOTICE OF ANNUAL GENERAL MEETING and EXPLANATORY STATEMENT

TO SHAREHOLDERS

**Time and:
Date of Meeting** 10:30 am (Sydney time)
on Thursday, 28 November 2013

Place of Meeting: Wentworth Room
Sofitel Sydney Wentworth
61-101 Phillip Street
Sydney, New South Wales

IMPORTANT INFORMATION

This Meeting Document of has been prepared for the purpose of providing shareholders with all the information known to the Company that is material to the shareholders' decision on how to vote on the proposed resolutions at the Annual General Meeting. Shareholders should read this Meeting Document in full to make an informed decision regarding the resolutions to be considered at this Annual General Meeting.

The Chairman of the Annual General Meeting will vote open proxies received in favour of Resolutions 1 to 5 (inclusive) considered at the Annual General Meeting.

This Meeting Document is dated 23 October 2013.

ENQUIRIES

If you have any questions regarding the matters set out in this Meeting Document, please contact the Company or your professional advisers.



ASX Code: OEQ

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A.B.N. 77 000 742 843

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Orion Equities Limited A.B.N. 77 000 742 843 (**Orion** or **OEQ** or **Company**) will be held in Wentworth Room, Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales at 10:30 am (Sydney time) on Thursday, 28 November 2013.

AGENDA

1. 2013 Annual Report

To consider and receive the Directors' Report, Financial Report and Audit Report of the Company for the financial year ended 30 June 2013.

The 2013 Annual Report will be sent to those shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2013 Annual Report may be viewed and downloaded from the Company's website: www.orionequities.com.au or emailed to shareholders upon request to info@orionequities.com.au, when available.

2. Resolution 1 – Re-Election of Victor Ho as Director

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

"That Mr Victor Ho, having retired pursuant to the Constitution of the Company, being eligible, be re-elected as a Director of the Company."

2. Resolution 2 – Re-Election of Farooq Khan as Director

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

"That Mr Farooq Khan, having retired pursuant to the Constitution of the Company, being eligible, be re-elected as a Director of the Company."

4. Resolution 3 – Approve On-Market Buy-Back of 1.6 Million Shares

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

"That, for the purposes of section 257C of the Corporations Act 2001 (Cth) and all other purposes, shareholders authorise and approve the Company undertaking an on-market buy-back of up to 1,600,000 fully paid ordinary shares."

5. Resolution 4 – Modification to Constitution to Add "Wind-Up Trigger"

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

"That, for the purposes of section 136 of the Corporations Act 2001 (Cth) and for all other purposes, the Constitution of the Company be modified by inserting a new clause for a 'performance-based wind-up vote trigger' to the effect that if, in each of two consecutive financial years, the percentage change in the Company's consolidated adjusted net assets for a financial year is more than 15% lower (in absolute terms) than the percentage change in the ASX All Ordinaries Accumulation Index over that financial year, for so long as the Company is admitted to the Official List, the Directors shall propose for shareholders' consideration at the next annual general meeting a special resolution to commence the voluntary winding up of the Company - on the specific terms of the amendment set out in the Explanatory Statement accompanying this Notice."

6. Resolution 5 – Adoption of 2013 Remuneration Report

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

“That the Remuneration Report as detailed in the Directors’ Report for the financial year ended 30 June 2013 be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this resolution.

Voting Exclusion: Except as stated below the Company will disregard any votes cast (in any capacity) on this resolution by or on behalf of a “Key Management Personnel” (as defined in the Accounting Standards) and their “Closely Related Parties” (as defined in the *Corporations Act 2001 (Cth)*) (together, the **Restricted Voters**).

Key Management Personnel (**KMP**) are the Company’s Directors and Executives identified in the Company’s Remuneration Report (which is included in the 2013 Annual Report).

A Closely Related Party of a KMP means a spouse or child of the KMP, a child of the KMP’s spouse, a dependant of the KMP or the KMP’s spouse, anyone else who is one of the KMP’s family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP’s dealings with the Company or a company the KMP controls.

However, a Restricted Voter may cast a vote on this resolution as a proxy, for a person other than a Restricted Voter, and either:

- (a) the Proxy Form specifies the way the proxy is to vote on the resolution; or
- (b) the proxy is the Chair of the meeting and the Proxy Form expressly authorises the Chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

Shareholders should note that if they appoint the Chair as a proxy, or the Chair is appointed by default under the Proxy Form, and the Chair is not directed as to how to vote on Resolution 5 then, on the poll for that item, the Chair intends to vote any undirected proxies in favour of Resolution 5.

Shareholders may also choose to direct the Chair to vote against the resolution or to abstain from voting on the resolution.

DATED THIS 23rd DAY OF OCTOBER 2013

BY ORDER OF THE BOARD



VICTOR HO
COMPANY SECRETARY

Notes:

- Attached to and forming part of this Notice of Annual General Meeting is an Explanatory Statement (being referred to together as the **Meeting Document**) that provides shareholders with background information and further details of the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for and effect of the resolutions, if passed.
- A copy of this Meeting Document has been lodged with ASX and ASIC. Neither ASX, ASIC nor any of their officers takes any responsibility for the contents of these documents.

EXPLANATORY STATEMENT

This information in this Explanatory Statement is provided to the shareholders of Orion Equities Limited (**Orion** or the **Company** or **OEQ**) pursuant to and in satisfaction of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and the Listing Rules of the Australian Securities Exchange (**ASX**). Shareholders should read this Meeting Document in full to make an informed decision regarding the resolutions considered at this Annual General Meeting (**AGM**).

1. 2013 ANNUAL REPORT

Section 317 of the Corporations Act requires the Directors of the Company to lay before the AGM the Directors' Report, Financial Report and the Auditor's Report for the last financial year that ended before the AGM. These reports are contained within the Company's 2013 Annual Report.

A copy of the 2013 Annual Report will be sent to those shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2013 Annual Report may be viewed and downloaded from the Company's website: www.orionequities.com.au or the ASX website (www.asx.com.au) under ASX Code: OEQ or emailed to shareholders upon request to info@orionequities.com.au, when available.

Shareholders will be provided with a reasonable opportunity as a whole to ask questions or make statements in relation to these reports and on the business and operations of the Company but no resolution to adopt the reports will be put to shareholders at the AGM.

2. ORDINARY RESOLUTION 1 – RE-ELECTION OF VICTOR HO AS DIRECTOR

Resolution 1 seeks shareholders' approval for the re-election of Mr Victor Ho as a Director of the Company.

Clause 5 of the Company's constitution requires one third of the Directors (or if that is not a whole number, the whole number nearest to one third) to retire at each AGM. The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed.

Mr Ho retires at the AGM under this 'one-third rotation rule'. However, being eligible, he has offered himself for re-election as a Director of the Company.

Mr Ho has been a Director of the Company since 4 July 2003 and the Company Secretary since 2 August 2000. Mr Ho's qualifications and experience are detailed in the Directors' Report in the Company's 2013 Annual Report.

The Board (other than Mr Ho, who makes no recommendation in respect of his own re-election as a Director) supports the re-election of Mr Ho to the Board and recommends that shareholders vote in favour of Resolution 1.

3. ORDINARY RESOLUTION 2 – RE-ELECTION OF FAROOQ KHAN AS DIRECTOR

Resolution 2 seeks shareholders' approval for the re-election of Mr Farooq Khan as a Director of the Company.

Clause 5 of the Company's constitution requires one third of the Directors (or if that is not a whole number, the whole number nearest to one third) to retire at each AGM. However, no Director may retain office for more than 3 years without submitting himself for re-election even though the submission results in more than one-third of the Directors retiring from office.

Mr Farooq Khan retires at the AGM under this '3 year rule'. However, being eligible, he has offered himself for re-election as a Director of the Company.

Mr Farooq Khan has been a Director of the Company since 23 October 2003 and was last re-elected a Director at the 2010 AGM. Mr Farooq Khan's qualifications and experience are detailed in the Directors' Report in the Company's 2013 Annual Report.

The Board (other than Mr Farooq Khan, who makes no recommendation in respect of his own re-election as a Director) supports the re-election of Mr Farooq Khan to the Board and recommends that shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVE ON-MARKET BUY-BACK OF 1.6 MILLION SHARES

4.1. Background - the Current Buy-Back

As announced to ASX on 5 August 2013¹, the Company is in the process of conducting an on-market buy-back of up to 1,600,000 shares, representing 8.98% of the 17,814,389 shares on issue at that date (**Current Buy-Back**). Under the Current Buy-Back, as at 22 October 2013, the Company:

- has bought back 414,239 shares at an average price of \$0.2520 per share, for a total cost of \$104,397.25; and
- may, at the determination of the Company as to quantum, timing and price, buy back up to a further 1,185,761 shares.

If the Current Buy-Back is completed:

- The Company will have 16,214,389 shares on issue; and
- Assuming that the average price per share paid is \$0.25 per share, the Company will have expended \$400,000². The actual prices paid under the Current Buy-Back will, however, vary in line with the market price of the shares, as detailed further in Section 4.2.4 below.

Note: Shareholders' approval is not being sought, or required for, the Current Buy-Back. This Explanatory Statement includes information about the Current Buy-Back as shareholders' approval is being sought for the Additional Buy-Back (detailed below) and the effects of the Additional Buy-Back are cumulative upon the effects of the Current Buy-Back.

4.2. Overview of the proposed Additional Buy-Back

Resolution 3 seeks shareholder approval for the Company to buy back a further 1,600,000 shares (being 9.9% of the post Current-Buy-Back completion share capital) under an on-market share buy-back (**Additional Buy-Back**), in addition to shares to be bought back under the Current Buy-Back.

It is proposed that the Additional Buy-Back commence immediately after the Current Buy-Back concludes. That is, after the Company has completed buying back the balance of 1,185,761 shares (as at 22 October 2013) remaining under the Current Buy-Back (initially set at 1,600,000 shares).

The Additional Buy-Back would bring the total number of shares to be acquired under both Buy-Backs (that is, including shares to be bought under the Current Buy-Back) to 3,200,000 shares, representing 17.96% of total shares on issue before the start of the Current Buy-Back.

¹ Refer the Company's market announcement [Appendix 3C – Announcement of Additional Buy-Back](#).

² The average price paid to date under the Current Buy-Back is \$0.2523 per share. It is not possible to make a precise estimate of the amount the Company will spend under the Current Buy-Back, because the price paid in future will be related to the market price of the shares. Section 4.2.4, below explains how pricing is determined under an on-market buy-back.

4.2.1. The Purpose of the Additional Buy-Back

The purposes of the Additional Buy-Back (and the Current Buy-Back (together, the **Buy-Backs**)) are twofold:

- To give shareholders who wish to do so an improved opportunity to realise their shares in light of low market liquidity. Approximately 0.90 million shares have traded in the six months prior to 22 October 2013 (excluding the 0.4 million shares bought-back under the Current Buy-Back in September and October 2013) (refer below and also Section 4.2.4). The total number of shares that would be acquired under both Buy-Backs, if fully implemented, represents over three times that volume.
- To increase the net tangible assets (**NTA**) backing per share of the remaining shares, for the benefit of shareholders who choose not to sell into the Buy-Backs. This will be achieved by the Company only buying back shares if it can do so at a discount to NTA per share. Projected increases in NTA per share on various assumptions about the prices paid under the Buy-Backs are set out in Section 4.3.5 below.

To illustrate the lack of liquidity in Orion shares on ASX, the following summary table includes rolling data on volumes and values (as at 22 October 2013) which includes the 414,239 shares bought back under the Current Buy-Back:

	High (cents)	Low (cents)	Volume (Shares)	Value (\$)	Date High	Date Low
Week Rolling	25	23.5	198,550	48,388.445	22-Oct-2013	22-Oct-2013
Month Rolling	25.5	22.5	699,600	172,867.945	25-Sep-2013	27-Sep-2013
6 Month Rolling	26.5	19	1,277,846	303,911.995	26-Apr-2013	19-Jun-2013
Year Rolling	29	19	2,040,181	500,901.675	31-Jan-2013	19-Jun-2013
Prev. Year	30	18	1,218,879	297,006.875	29-Mar-2012	09-Jul-2012

Source: IRESS Market Technology

4.2.2. What is an on-market buy-back?

An on-market buy-back is a buy-back that results from an offer made by a listed company on a prescribed financial market (which includes ASX) to buy back its shares, in the ordinary course of trading on that market (as defined in section 257B of the Corporations Act).

The Corporations Act permits a company to conduct an on-market buy-back if:

- the buy-back does not materially prejudice the company's ability to pay its creditors; and
- shareholders' approval is obtained if the buy-back would result in the total number of shares being bought back in any 12 month period exceeding 10% of its issued shares (section 257C).

The Additional Buy-Back will not cause any prejudice to the Company's ability to pay its creditors. Refer Sections 4.3.2, 4.3.3 and 4.3.4 below for details of the financial effects of the Buy-Backs.

4.2.3. Shareholders' approval

As the Additional Buy-Back will cause the total number of shares to be bought back by the Company in 12 months to exceed 10% of its issued capital, shareholders' approval is required. Shareholders' approval for the Current Buy-Back was not required, as the total shares to be acquired under that buy-back are below 10% of the Company's issued capital.

If shareholders' approval is given in respect of [Resolution 3](#), the period during which the Additional Buy Back will (subject to the matters outlined at Section 4.2.4) commence within 2 months after the date on which this Meeting Document was lodged with ASIC (on or about 30 October 2013) and will finish no later than 12 months from that date of lodgement.

The Corporations Act requires the Company to give shareholders all information known to the Company that is material to their decision on how to vote on [Resolution 3](#). The information in Section 4 of this Explanatory Statement is provided for that purpose.

Shareholders will also be given an opportunity to ask questions about the Additional Buy-Back at the AGM.

4.2.4. Potential Additional Buy-Back price

It is not possible to accurately estimate the price per share that the Company will pay under the Additional Buy-Back. The Additional Buy-Back is likely to extend over the course of the next 12 months and the Additional Buy-Back price will be closely related to the market price of the shares at the time they are bought back.

ASX Listing Rule 7.33 states that a company may only buy back shares under an on-market buy-back at a price which is not more than 5% above the average market price³ over the last five days on which share sales occurred before the day on which shares are bought back.

Further, the Company will only form a view on whether to conduct the Additional Buy-Back at the relevant time and it is not given that such buy-back will occur. The commencement of the Additional Buy-Back will be a function of a range of matters at that time including but not limited to the financial position of the Company, its capital requirements and other considerations in relation to the commercial operations and prospects of the Company. In addition, it is not likely to buy back shares under the Current Buy-Back or the Additional Buy-Back unless it is able to do so at a discount to their NTA backing per share. As noted above, the Company has bought back 414,239 shares at an average price of \$0.2520 per share (to 22 October 2013) under the Current Buy-Back.

The last sale price of Orion shares on the ASX prior to the date of this Meeting Document was 25 cents on 22 October 2013.

A summary of the Orion share price and volume monthly trading history on ASX between October 2012 and October 2013 (to 22 October) are set out below:

Month Ending	Open (cents)	High (cents)	Low (cents)	Close (cents)	VWAP (cents)	Volume (shares)	Value (\$)	No. Transactions
22-Oct-2013	23	25	23	25	23.8944	273,100	65,630.445	9
30-Sep-2013	22	25.5	22	22.5	24.3045	701,139	170,408.025	21
31-Aug-2013	20	22	19	22	19.8188	100,369	19,891.955	7
31-Jul-2013	19	20	19	20	19.1011	29,682	5,669.58	3
30-Jun-2013	23.5	24	19	19	20.6828	32,238	6,667.72	4
31-May-2013	24	24	24	24	24	72,200	173.28	2
30-Apr-2013	26.5	26.5	23	26.5	26.4981	373,818	99,054.77	5
31-Mar-2013	26	27	23	23	25.8996	145,400	37,658	9
28-Feb-2013	26	27	26	27	26.5001	99,985	26,496.1	3
31-Jan-2013	25	29	25	29	25.7382	85,168	21,920.72	8
31-Dec-2012	24.5	25	23	25	23.9126	103,828	24,827.94	9
30-Nov-2012	23	23	23	23	23	23,254	5,348.42	3
31-Oct-2012	26	29	18	29	23.3934	133,051	31,125.105	18
TOTAL						2,173,232	514,899.78	101

4.3. Effects of the Additional Buy-Back on the Company

4.3.1. Current financial performance

Further information about Orion's business, financial position and prospects is contained in the 2013 Annual Report and other Company announcements and reports (including monthly NTA backing reports) which may be viewed and downloaded from the Company's website: www.orionequities.com.au or the ASX website (www.asx.com.au) under ASX Code: OEQ or emailed to shareholders upon request to info@orionequities.com.au.

³ The market price is the closing price on ASX, excluding special crossings and overnight sales (as defined in Chapter 19 of the ASX Listing Rules)

4.3.2. Potential Additional Buy-Back cost

The total cost of the Additional Buy-Back will depend upon the prices at which the Company is able to buy back shares on market. The table below sets out the potential total cost to the Company of the Additional Buy-Back, the Current Buy-Back and the total cost of both Buy-Backs, on three different assumptions about the average price paid under the Buy-Backs.

Average Buy-Back Price	Cost of Buy-Backs		
	Current ¹	Additional	Total
\$0.20	\$237,152	\$320,000	\$557,152
\$0.25	\$296,440	\$400,000	\$696,440
\$0.30	\$355,728	\$480,000	\$835,728

1 Based on the outstanding balance of 1,185,761 shares able to be bought-back as at 22 October 2013

4.3.3. Effect on the Company's cash holding

The Company's cash holding as at 30 September 2013 was \$1.45 million (30 June 2013: \$1.69 million). The following table shows what the Company's cash position would have been had both Buy-Backs been undertaken on that date, on three different assumptions as to the average price paid under both Buy-Backs.

Average Buy-Back Price	Cash Position (\$' million)	
	Post Current Buy-Back ¹	Post both Buy-Backs
\$0.20	1.204	0.884
\$0.25	1.144	0.744
\$0.30	1.085	0.605

1 Based on the outstanding balance of 1,185,761 shares able to be bought-back as at 22 October 2013

The Company holds a 27.97% (20,513,783 shares) interest in ASX-listed Bentley Capital Limited (**Bentley**). On 30 August 2013, Bentley announced its intention to seek shareholders' approval (at its upcoming 2013 AGM) to undertake a one cent per share return of capital. Subject to receipt of Bentley shareholders' approval, Orion's entitlement under the return of capital will be \$205,138.

As at 30 June 2013 the Company had total liabilities of \$0.291 million and net assets of \$9.864 million. The Directors are satisfied that conducting the Buy-Backs will have no negative impact upon the Company's ability to pay its creditors and that the Company's expected post Buy-Back cash reserves will be adequate for ongoing operations.

4.3.4. Effect on the Company's financial position

The Directors have prepared a *pro-forma* Consolidated Statement of Financial Position as at 30 June 2013 (unaudited), on the assumptions that the Current Buy-Back and the Additional Buy-Back had been completed on that date at an average cost of \$0.25 per share, with a comparison to the actual Consolidated Statement of Financial Position (audited) at that date.

**PRO-FORMA CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
as at 30 June 2013**

	Audited 30 June 2013 \$	Buy-Backs ^{1, 2} \$	Pro-Forma 30 June 2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	1,695,628	(800,000)	895,628
Financial Assets at Fair Value through Profit or Loss	720,085		720,085
Trade and Other Receivables	40,591		40,591
Inventories	140,622		140,622
Other Current Assets	3,428		3,428
TOTAL CURRENT ASSETS	2,600,354	(800,000)	1,800,354
NON CURRENT ASSETS			
Trade and Other Receivables	32,823		32,823
Property held for Development or Resale	1,490,000		1,490,000
Investment in Associate Entity	4,079,810		4,079,810
Property, Plant and Equipment	1,142,127		1,142,127
Olive Trees	65,500		65,500
Intangible Assets	650,433		650,433
Deferred Tax Asset	94,688		94,688
TOTAL NON CURRENT ASSETS	7,555,381	-	7,555,381
TOTAL ASSETS	10,155,735	(800,000)	9,355,735
CURRENT LIABILITIES			
Trade and Other Payables	127,389		127,389
Provisions	69,543		69,543
TOTAL CURRENT LIABILITIES	196,932	-	196,932
NON CURRENT LIABILITIES			
Deferred Tax Liability	94,688		94,688
TOTAL NON CURRENT LIABILITIES	94,688	-	94,688
TOTAL LIABILITIES	291,620	-	291,620
NET ASSETS	9,864,115	(800,000)	9,064,115
EQUITY			
Issued Capital	19,374,007	(800,000)	18,574,007
Reserves	227,806		227,806
Accumulated Losses	(9,737,698)		(9,737,698)
TOTAL EQUITY	9,864,115	(800,000)	9,064,115

- 1 Assumes that the Company buys back 1.6 million shares at an average price of \$0.25 per share under the Current Buy-Back – the Company has bought back 414,239 shares at an average price of \$0.2520 per share to 22 October 2013
2. Assumes that the Company buys back 1.6 million shares at an average price of \$0.25 per share under the Additional Buy-Back

4.3.5. Effect on Net Tangible Assets per share

While the Company's NTA will be reduced as a result of expenditure on buying back shares, the number of issued shares will reduce by a proportionately larger amount, as the Company intends to only buy back shares at a price below its prevailing NTA backing per share. This will result in an increase in the NTA backing per share post completion of the Buy-Backs.

The table below show the Company's pre- and post-tax NTA and NTA per share as at 30 June 2013, compared to the projected figures on the two alternative assumptions that:

- the Current Buy-Back had been completed on that date; and
- the Current Buy-Back and the Additional Buy-Back had both been completed on that date.

The post Buy-Back NTA reductions are due solely to expenditure on buying back shares.

NTA per share - actual and projected

Basis	NTA (\$m)	Shares	NTA/share (\$)	Increase (%)
30 June 2013	\$9.2137	17,814,389	\$0.5172	-
Post Current Buy-Back ¹	\$8.8137	16,214,389	\$0.5436	5.10
Post both Buy-Backs ²	\$8.4137	14,614,389	\$0.5757	11.31

1 Assumes that 1.6 million shares are bought back in total under the Current Buy-Back at an average price of \$0.25 per share, for a total cost of \$400,000; the Company has bought back 414,239 shares at an average price of \$0.2520 per share to 22 October 2013.

2 Assumes that 1.6 million shares are bought back under the Additional Buy-Back at an average price of \$0.25 per share, for a total cost of \$400,000 and an aggregate cost for both Buy-Backs of \$800,000.

4.3.6. Effect on loss per share

The Company's consolidated loss per share for the financial year ended 30 June 2013 was 17.47 cents per share.

If it is assumed that the Buy-Backs were conducted on 1 July 2012 (at the start of the 2012/2013 financial year), the Company's loss per share would have been greater, as a result of the lower number of shares on issue post Buy-Back. The post Buy-Backs loss per share would depend on the extent to which shares have been bought back under both Buy-Backs.

If it is assumed that the Current Buy-Back and the Additional Buy-Back had been conducted on 1 July 2012, with 3.2 million shares bought back, the Company's loss per share for the financial year ending 30 June 2013 would have been 21.30 cents per share, as a result of the lower number of shares on issue after the Buy-Backs.

Expenditure on buying back the shares will not increase the Company's loss because it is on capital account.

4.3.7. Potential post Buy-Back capital structure

Before the Current Buy-Back commenced the Company had 17,814,389 fully paid, ordinary shares on issue and no shares in any other classes.

The Company has bought back 414,239 shares under the Current Buy-Back (as at 22 October 2013) resulting in a current share capital 17,400,150 shares (being a reduction of 2.33%).

If the Current Buy-Back is fully implemented, the Company will cancel a total of 1,600,000 shares and have 16,214,389 fully paid, ordinary shares on issue (being a reduction of 8.98% from the pre Current Buy-Back share capital).

If the Additional Buy-Back is fully implemented, the Company will cancel a total of 1,600,000 shares and have 14,614,389 fully paid, ordinary shares on issue (being a reduction of 9.87% from the post Current Buy-Back/pre Additional Buy-Back share capital).

If both Buy-Backs are fully implemented, the Company will cancel a total of 3,200,000 shares and have 14,614,389 fully paid, ordinary shares on issue (being a reduction of 17.96% from the pre-Current and Additional Buy-Back share capital).

4.3.8. Effect on control of the Company

The Company's shareholders with beneficial interests of 5% or above, according to substantial shareholder notices filed by them, are set out in the table below, along with their current shareholdings and voting power in the Company (as at 22 October 2013).

The Company's largest shareholder, Queste Communications Ltd (**Queste**), holds 9.368 million shares representing 53.84% of the Company's issued capital as at 22 October 2013. (30 June 2013: 9.368 million shares and 52.58%). Queste's holding gives it control of the Company.

Assuming the Buy-Backs are fully taken up by other shareholders, Queste's interest in the Company will increase, however this will not have any effect on control of the Company (as Queste already has control of the Company).

The table below shows the major shareholders' current and post Buy-Backs' shareholdings and voting power in the Company where it is assumed that each have not sold their shares into the Buy-Backs.

Substantial Shareholders	Registered Shareholder	Current (as at 22 October 2013)		Post Current Buy-Back	Post Additional Buy-Back
		Shares Held/Voting Shares	% Voting Power	% Voting Power	% Voting Power
Queste Communications Ltd	Queste Communications Ltd	9,367,653	53.84%	57.77%	64.10%
Cellante Securities Pty Limited and Associates	Cellante Securities Pty Limited	417,038	5.30%	5.69%	6.32%
	Cleod Pty Ltd <Cellante Super Fund A/C>	506,000			

In the above scenario Queste's shareholding would increase by more than 3%. A shareholder with a 20% or greater holding in a company may increase its shareholding by any percentage as a result of a permitted buy-back, without a requirement to seek shareholder approval, under section 611 of the Corporations Act.

4.3.9. The Company's intentions after the Additional Buy-Back

After the Additional Buy-Back, the Company will continue with the management of its investments, including investments in listed and unlisted securities, real estate held for development and resale, an olive grove and ultra-premium 'Dandaragan Estate' olive oil operation.

The Company may also consider undertaking annual on-market share buy-backs, depending on the evaluation of the success of the Buy-Backs, Orion's financial position and the liquidity of trading in Orion shares on ASX at the relevant time.

4.4. Australian tax implications for shareholders

4.4.1. Overview

This Explanatory Statement is not intended to provide personal taxation advice. This summary is of a general nature only and is not an exhaustive analysis of all potential tax implications relevant to the Additional Buy-Back. Shareholders should consider obtaining independent taxation advice before making any decisions about how to vote on [Resolution 3](#) and whether to participate in the Additional Buy-Back.

The tax information given in this Explanatory Statement is limited in its application to Australian resident taxpayers who hold their shares on capital account (and not on revenue account or as trading stock).

Shareholders who are regarded as tax residents of a foreign country under its tax laws may be subject to taxation under the laws of their own countries in addition to Australian tax. Shareholders may be regarded as tax residents of foreign countries even if they are also Australian residents for tax purposes.

4.4.2. Tax character of Additional Buy-Back payments

The Additional Buy-Back constitutes an 'on-market' share buy-back for the purposes of the tax legislation. The whole of the Additional Buy-Back price will be debited against the Company's share capital account. Accordingly, no part of the Additional Buy-Back price will be a dividend.

A shareholder whose shares are bought back under the Additional Buy-Back should realise a capital gain or loss on the disposal of their shares under that Buy-Back. This capital gain or loss arises at the time the contract for the disposal is entered into. This will be the date on which the trade occurs on ASX under which the shareholder sells the relevant shares to the Company.

The capital gain or loss that arises under the Additional Buy-Back is expected to equal the difference between the capital proceeds received under the Additional Buy-Back (being the Additional Buy-Back price) and the shareholders' cost base or reduced cost base of the share. The capital proceeds are equal to the Additional Buy-Back price per share, as this is the consideration that shareholders are entitled to receive in respect of their disposal of shares under the Additional Buy-Back.

Any capital gain that arises under the Additional Buy-Back may qualify as a discount capital gain for some shareholders (for example, an individual or a complying superannuation fund) if they have held their shares for at least 12 months before disposing of them under the Additional Buy-Back. Shareholders should obtain their own advice on the amount of any capital gain that would to be included in their taxable income.

4.4.3. GST and duty

GST and duty (formerly called stamp duty) will not be payable on the transfer and cancellation of shares under the Additional Buy-Back.

4.5. Tax implications for the Company

It is unlikely that the Additional Buy-Back will result in any adverse income tax implications for the Company.

4.5.1. Tax losses

The Additional Buy-Back should not have any impact upon the Company's ability to utilise prior year tax losses of approximately \$2.127 million against its future taxable income.

Generally, the Company must pass the continuity of ownership test (**COT**) to set off prior year tax losses against its taxable income in a given income year. While the proportionate change in ownership of the Company as a result of the Additional Buy-Back will depend on the number of shares that are ultimately bought back, the Company cannot fail the COT unless Queste's shareholding falls below 50%.

Even if the Company fails the COT, it may nonetheless utilise prior year tax losses if it is able to pass the same business test (**SBT**). It is not possible to measure the risk of the Company failing to pass SBT as it is not possible to predict the nature of the Company's business activity in the future. However, it is noted that the Commissioner of Taxation takes a strict view of the application of the SBT in determining whether tax losses are available for utilisation.

4.5.2. Other tax effects for the Company

There are no other reasonably anticipated tax effects for the Company of the Additional Buy-Back.

4.6. Advantages and disadvantages to Shareholders

4.6.1. Advantages and disadvantages if the Additional Buy-Back proceeds

If the Additional Buy-Back proceeds, shareholders will have the option of either selling some or all of their shares or retaining them. Shareholders will benefit from the advantages, and bear the risks of the disadvantages involved in whichever of those options they choose, addressed below.

Shareholders who sell shares

Not all shareholders will, of course, have the opportunity to sell all their shares. Nevertheless, many shareholders may be able to sell all, or a major portion, of their Orion holdings if they wish to do so.

The implementation of the Additional Buy-Back whereby the Company can stand in the market to bid for shares gives shareholders the opportunity to realise their shares in a stock that is otherwise relatively illiquid. Approximately 0.9 million Orion shares have traded in the past six (6) months (excluding the 0.4 million shares bought-back under the Current Buy-Back in September and October 2013) - less than one third of the 3.2 million shares proposed to be bought back under both Buy-Backs.

However, there is no assurance that the Company will buy back the maximum number of shares that may be bought back under the Current or Additional Buy-Backs - the Company's ability to complete the Buy-Backs will be affected by the willingness of the Company to buy shares at volume at prevailing market prices (subject to ASX pricing conditions referred to in Section 4.2.4) and the willingness of shareholders to sell their shares in sufficient volume on-market at prevailing market prices, from time to time, together with other commercial considerations at the relevant time.

The disadvantage for shareholders who sell their shares is that they will not benefit from the increase in the Company's NTA backing that is likely to result post completion of the Additional Buy-Back.

Shareholders who retain shares

Shareholders who retain their shares will benefit from the likely increase in the Company's NTA backing that will result from the Additional Buy-Back.

The Company's post tax consolidated NTA backing per share was \$0.5172 as at 30 June 2013. This may increase to \$0.5757, an increase of 11.31%, if both Buy-Backs are fully implemented (refer Section 4.3.5). There is, however, no guarantee that the Company will be able to buy back enough shares to have a material effect on its NTA backing. This will depend on a sufficient number of shares being available for sale at prices that comply with the ASX pricing conditions stated above (in Section 4.2.4) and that the Company considers appropriate.

Shareholders may consider that there is an advantage in retaining their shares in the expectation of the Company's share price increasing in future as a consequence of the increase in the NTA backing per share or generally of the Company being wound up with net assets being distributed to shareholders (with potential entitlements under the same being greater than the Buy-Back prices on offer). There is, however, no guarantee that these scenarios will occur.

Shareholders who retain their shares will of course forego the benefits available from selling shares, detailed in the previous section.

The Company's cash holdings will be reduced by the amount expended on the Buy-Backs, as detailed in Sections 4.3.2 and 4.3.3 above. The Directors consider, however, that this will not negatively impact the Company's ability to conduct its operations.

Shareholders who sell some of their shares

Some shareholders may wish to rebalance their holding of Orion shares by realising some of their investment, while also maintaining some exposure to the Company. This will enable them to derive a combination of the benefits referred to in the previous sections.

4.6.2. Advantages and disadvantages if the Additional Buy-Back does not proceed

The main advantage of the Additional Buy-Back not proceeding is that the Company will retain the cash that would otherwise be expended on the Additional Buy-Back. The Directors consider, however, that this expenditure will not negatively impact the Company's ability to conduct its operations.

The disadvantage to shareholders if the Additional Buy-Back does not proceed is to forego the advantages that would flow if the Additional Buy-Back proceeds, detailed above.

4.7. Additional Buy-Back process

4.7.1. ASX Listing Rule limits on buying shares

Under ASX Listing Rule 7.29 a company may only buy shares under an on-market buy back if transactions in the shares occurred on ASX on at least five days in the three months before the day on which it buys back shares.

4.7.2. Avoiding insider trading

The Company is not permitted to buy shares at any time when it is in possession of market-sensitive information that has not been announced to the market. "Market-sensitive information" is information which a reasonable person would expect would be likely to influence the price of the shares.

The Company has adopted a [Share Trading Policy](#) to ensure that the Company and its personnel do not engage in insider trading and to avoid the perception that insider trading may have occurred. Under the Share Trading Policy, the Company may not buy shares under a buy-back for a period commencing seven (7) days before the release on ASX of its month end NTA backing report (**NTA Report**) and ending at the start of ASX trade on the second trading day after the release of that report. (NTA Reports are released around the 14th day of each month).

Furthermore, the Company will not buy shares at any time from the start of a month until the start of trade on the second trading day after the release of its NTA Report for that month. The Company may also be prevented from buying shares under both Buy-Backs at other times to comply with insider trading laws.

4.7.3. Buy-Back procedure

During periods when the Company is permitted to buy shares under the ASX Listing Rules and the Share Trading Policy it will determine the maximum price that it may bid for shares under ASX Listing Rule 7.33⁴. As a parallel limit, the Company will not bid more than a price that represents a discount to NTA per share that the Company considers appropriate. The Company retains a discretion to bid a lower price than that determined under the above criteria.

The Company will then instruct its nominated broker to bid for shares at up to that maximum price.

The Company retains a discretion to buy less than the maximum number of shares under each Buy-Back or to buy no further shares under either Buy-Back. The Company's ability to buy back shares under either Buy-Back will depend upon the extent to which investors are prepared to sell them at a price which meets the conditions referred to in this Explanatory Statement and which the Company otherwise considers appropriate, together with other commercial considerations at the relevant time.

Under the Corporations Act, shares bought back are automatically cancelled upon settlement of the transfer to the Company.

4 105% of the average price in the last 5 days in which trades occurred.

4.7.4. Which Shareholders are eligible?

All shareholders are eligible to participate, as the Buy-Backs are on-market buy-backs, including shareholders who are not Australian residents.

There is no requirement under Australian law to exclude non-resident shareholders from participation in the Additional Buy-Back. Non-resident shareholders' participation may be affected by the laws in their own countries – see Section 4.9.4 below.

4.8. Directors' Support for the Additional Buy-Back

4.8.1. Directors' Recommendations

For the reasons set out in this Explanatory Statement, each Director is of the view that it is in the best interests of shareholders to vote in favour of Resolution 3, to enable the Company to potentially bid for shares on-market to enable those shareholders who wish to exit or reduce their investment in the Company the opportunity to be able to do so via the Additional Buy-Back (after the Current Buy-Back has been completed or lapsed).

The Director who holds shares in the Company intends to vote in favour of Resolution 3.

By proposing the Buy-Back, none of the Company or its Directors are making a recommendation or providing advice in relation to whether shareholders should sell any of their shares on-market generally and potentially to the Company pursuant to the Additional Buy-Back.

Each shareholder's decision whether or not to sell their shares on-market will depend on that shareholder's own circumstances and the Board suggests that each shareholder should seek appropriate accounting, legal, taxation or other advice before deciding whether to offer to their sell their shares on-market.

4.8.2. Directors' relevant Interests in shares

Executive Chairman Farooq Khan holds 2,000 shares in the Company. No other Director holds (or has a relevant in) shares in the Company.

4.9. Reliance on information in this Explanatory Statement

4.9.1. Forward-looking statements

This Explanatory Statement contains forward-looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward-looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of the Company, as well as general economic conditions, prevailing interest rates, conditions in financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in forward-looking statements.

None of the Company or its directors, officers, employees and advisers makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking- statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. Accordingly, shareholders are cautioned about placing undue reliance on forward-looking statements contained in this Explanatory Statement.

4.9.2. Investment decisions

The material in this Explanatory Statement does not constitute investment advice and does not take into account the personal circumstances and needs of any particular shareholder. Before making any investment decision shareholders should consider their own personal circumstances and take appropriate professional advice.

4.9.3. Lodgement at ASIC

In accordance with subsection 257C(3) of the Corporations Act, a copy of this Meeting Document has been lodged with ASIC. ASIC does not approve notices of meeting or explanatory statements lodged with it. ASIC may, but is not required to, notify the Company if it believes a document lodged with it does not comply with the Corporations Act. The Company has received no notification from ASIC concerning the Meeting Document.

4.9.4. Notice to shareholders who reside outside Australia

Warning: The contents of this Section 4 of the Explanatory Statement, concerning the Additional Buy-Back, have not been reviewed by any regulatory authority outside Australia. You are advised to exercise caution in relation to any decision on whether to participate in the Additional Buy-Back. If you are in any doubt about any of the contents of the Explanatory Statement as concerns the Additional Buy-Back or generally, you should obtain independent professional advice.

5. SPECIAL RESOLUTION 4 – MODIFICATION TO CONSTITUTION TO INCLUDE A "PERFORMANCE-BASED WIND-UP VOTE TRIGGER"

5.1. Overview

Resolution 4 seeks shareholders' approval for a modification to the Company's constitution to introduce a new "performance-based wind-up vote trigger" clause. The proposed new clause is intended to provide a mechanism to give shareholders the opportunity to realise the value in the Company in the event that performance is more than 15% below a benchmark index for two consecutive financial years.

In summary if, in each of two consecutive financial years, the percentage change in the Orion consolidated group's adjusted net assets for a financial year is more than 15% lower (in absolute terms) than the percentage change in the ASX All Ordinaries Accumulation Index (**Index**) over that financial year, the Directors would be required to put a special resolution to the next AGM for shareholders to vote on whether the Company should be wound up.

That is, if the Orion group's performance is more than 15% below the performance of the Index for two consecutive financial years, shareholders will be able to vote on whether to wind up the Company.

Under the Constitution, if the Company were wound up its assets would be sold and its liabilities discharged, with surplus funds being distributed to shareholders in proportion to their holdings.

To pass, any wind-up resolution would require a "For" vote by 75% of the Company's shareholders present in person or by proxy who vote on the resolution.

The Index measures the performance of a basket of over 500 shares traded on ASX (accounting for over 95% of the total value of ASX-traded shares) and assumes that all dividends paid were reinvested into the shares concerned. It is considered an appropriate 'market' benchmark for measuring the performance of companies listed on the ASX.

In summary, "Adjusted Net Assets" means the Orion consolidated group's assets net of liabilities (reflecting the parent entity interest excluding minority or non-controlling interests), adjusted by adding back any dividends or capital paid, returned or distributed to shareholders during the financial year (including the cost of share buy-backs, whether on-market or off-market) and deducting the proceeds of any capital raisings from share issues (where applicable).

If money is paid to shareholders as a dividend, a return on capital or under a share buy-back then, as investors have had the benefit of that money, it would be disregarded in determining whether net assets have declined. Conversely, additions to net assets through capital raisings do not represent performance and would not be taken into account when determining whether net assets have risen. Other unusual items such as gains or losses on the consolidation of the Company's accounts with those of another entity are also disregarded (if Directors consider it appropriate to do so).

A number of companies that hold significant investments in other entities have clauses of this kind in their constitutions, although the specific content of the performance triggers varies.

The percentage change in the Orion group's adjusted net assets during 2012/2013 was more than 15% below (in absolute terms) the percentage change in the performance of the Index over the same period.

Given the foregoing, the Board has determined that the 2013/2014 financial year will be the second financial year for the purposes of determining whether the "wind up vote trigger" condition has been met.

Therefore, if the percentage change in the Orion group's adjusted net assets during 2013/2014 is more than 15% lower (in absolute terms) than the percentage change in the performance of the Index over the same period, the Directors will propose a voluntary winding up (special) resolution at the 2014 AGM.

Passing this Resolution 4 does not necessarily mean that the Company will ever be wound up. The resolution merely gives shareholders the opportunity, if the "performance-based trigger" test is failed in two consecutive financial years, to decide whether winding up the Company is in their best interests. A special resolution (requiring a 75% "For" vote by those voting in person or by proxy) is required to wind up the Company.

5.2. Specific Terms of Modification to Constitution

If Resolution 4 is passed, the following provisions would be inserted into the Company's Constitution:

- (1) A new clause 164A (to be inserted before clause 164 (Shareholders' Rights on Distribution of Assets)), as follows:

"164A. Performance-Based Wind-Up Vote Trigger

164A.1 If, in each of two consecutive Financial Years, the percentage change in the Company Group's Adjusted Net Assets over a Financial Year is more than 15% lower (in absolute terms) than the percentage change in the ASX All Ordinaries Accumulation Index over that Financial Year, for so long as the Company is admitted to the Official List, the Directors shall propose for shareholders' consideration at the next annual general meeting a special resolution to commence the voluntary winding up of the Company."

- (2) New definitions to be inserted into clause 2.1 (Definitions) of the Company's Constitution as follows:

"Accounting Methodology" means the Company Group's accounting policies, the provisions of the Act and any regulations and other instrument made under the Act that govern financial reporting and the Australian Accounting Standards, including the Australian Accounting Interpretations.

"Adjusted Net Assets" as at the end of a Financial Year means:

- (a) *the aggregate value of all assets and liabilities held by the Company Group determined in accordance with the Accounting Methodology as at the end of a Financial Year (reflecting the parent entity interest excluding minority or non-controlling interests); plus*
- (b) *the value of any dividend or capital paid, returned or distributed to shareholders (including amounts expended on share buy-backs) by the Company Group during that Financial Year; less*
- (ii) *the value of any capital raised by the Company Group through the issue of securities during that Financial Year,*

as determined by the Directors. The Directors may make any further adjustments to assets and liabilities that they consider appropriate to ensure that extraordinary items that do not reflect performance (including, but not limited to, gains or losses on consolidation or deconsolidation of the Company's accounts with or from those of other entities) are disregarded where the Directors consider it appropriate to do so.

"ASX All Ordinaries Accumulation Index" means the index with that name, with current ASX code: XAOAI. If that index is renamed, is no longer published or, in the Board of Director's opinion, the basis on which it is determined has materially changed, a reference to that index is a reference to the index determined by the Board of Directors to most closely serve the same purpose as that index served as at 28 November 2013.

"Company Group" means the Company and controlled entities whose accounts the Company is required to consolidate with its own accounts under the Accounting Methodology.

"Financial Year" means each period of 12 months commencing on 1 July.

5.3. Directors' Recommendation

For the reasons set out in this Explanatory Statement, each Director is of the view that it is in the best interests of shareholders to vote in favour of [Resolution 4](#).

6. ADVISORY NON-BINDING RESOLUTION 5 – ADOPTION OF 2013 REMUNERATION REPORT

[Resolution 5](#) seeks shareholder approval to adopt the 30 June 2013 Remuneration Report as disclosed in the Company's 2013 Annual Report (refer above for information on accessing the report).

Section 250R(2) of the Corporations Act requires the Company to present to its shareholders for adoption the Remuneration Report.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to "Key Management Personnel" (being the Company's Directors and Executives identified in the Remuneration Report) (**KMP**), sets out remuneration details for each KMP, any service agreements and details of any performance-based and equity-based benefits provided to KMP (where applicable).

Shareholders attending the AGM will be given a reasonable opportunity as a whole to ask questions about, or make comments on, the Remuneration Report.

The vote on [Resolution 5](#) is advisory only and does not bind the Directors or the Company.

However, the Company notes that the Corporations Act was amended in June 2011 to introduce the so-called "two-strikes" rule - if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGM's are against adopting the remuneration report, shareholders will have the opportunity to immediately vote on an ordinary "Board spill resolution" (**Spill Resolution**) at the second AGM.

At last year's (2012) AGM, a resolution to adopt the prior year (2012) Remuneration Report was put to the vote and 77.9% of "yes" votes (and 22.1% of "no" votes) were cast by shareholders. This did not constitute a "first strike" for the Company.

If at least 25% of "no" votes are cast against [Resolution 5](#) for the adoption of the Remuneration Report at this AGM, and then again at the next (2014) AGM, the Company will be required to immediately put a Spill Resolution to the 2014 AGM to approve calling another general meeting (the **Board Re-election Meeting**).

If the Spill Resolution is passed (by a simple majority at the next (2014) AGM), the Company must convene the Board Re-election Meeting within 90 days of the 2014 AGM.

All of the Directors who were in office when the Board approved the 2014 Remuneration Report, other than the Managing Director (where applicable), will be put up for re-election at the Board Re-election Meeting and will cease to hold office after the Board Re-election Meeting, unless re-elected at that meeting.

Directors' Recommendations

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution except as specified below, the Directors recommend that shareholders vote in favour of Resolution 5 to adopt the Remuneration Report.

Voting Exclusion

A voting exclusion applies to Resolution 5 in the terms set out in the Notice of AGM. In particular, the Restricted Voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a KMP. The Chair will use any undirected/open proxies to vote in favour of Resolution 5.

The Company encourages shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, opposite each resolution, including Resolution 5.

If shareholders have appointed the Chair of the Meeting as their proxy (or the Chair of the Meeting becomes their proxy by default) under the Proxy Form, shareholders can direct the Chair of the Meeting to vote FOR or AGAINST, or to ABSTAIN from voting on Resolution 5 by marking the appropriate Voting Direction box opposite that resolution.

However, if the Chair of the Meeting is proxy under the Proxy Form and shareholders do not mark any of the Voting Direction boxes opposite Resolution 5, shareholders are, in effect, directing the Chair to vote "FOR" the resolution as the Chair of the Meeting intends to vote undirected proxies in favour of Resolution 5.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this resolution.

TIME AND PLACE OF AGM AND HOW TO VOTE

Venue

The Annual General Meeting of the shareholders of Orion Equities Limited will be held in:

Wentworth Room	commencing	10:30 am (Sydney time)
Sofitel Sydney Wentworth		Thursday, 28 November 2013
61-101 Phillip Street, Sydney, New South Wales		

Voting Rights (subject to the voting exclusion noted in the Notice of AGM)

- At any meeting of the shareholders, each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative.
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote.
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by them.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- by facsimile to (08) 9389 7871;
- by mail to Advanced Share Registry, PO Box 1156, Nedlands WA 6909; or
- by hand delivery to Advanced Share Registry, Suite 2, 150 Stirling Highway, Nedlands, Western Australia or Level 6, 225 Clarence Street, Sydney, New South Wales,

so that it is received **not later than 7:30 am (Perth time) / 10:30 am (Sydney time) on Tuesday, 26 November 2013.**

Bodies corporate

A body corporate may appoint an individual as its authorised corporate representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. A properly executed original (or certified copy) of an appropriate "Appointment of Corporate Representative" should be produced for admission to the meeting. Previously lodged Appointments of Corporate Representative will be disregarded by the Company.

Voting by Attorney

A shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the Annual General Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

Voting Entitlement

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Annual General Meeting all shares in the Company will be taken to be held by the persons who held them as registered shareholders at 4:00pm (Perth time)/7:00 pm (Sydney time) on 26 November 2013 (**Voting Entitlement Time**). Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

PROXY FORM

Annual General Meeting

Orion Equities Limited

A.B.N. 77 000 742 843

Website: www.orionequities.com.au

LODGE YOUR VOTE – PLEASE RETURN TO:

By Mail: Advanced Share Registry

PO Box 1156

Nedlands WA 6909

By Facsimile: (08) 9389 7871

ENQUIRIES: (08) 9389 8033

or admin@advancedshare.com.au

{Na1}
{Na2}
{Na3}
{Na4}
{Na5}
{Na6} {PostCode}

Our Reference: OEQ / {SubReg} / {Holder_Mode} {HinSrn}

Shareholding as at 25 October 2013: {Balance}

Current Election to Receive Hard Copy Annual Report: {Annual}

A. Appointment of Proxy

I/We being a member/s of Orion Equities Limited and entitled to attend and vote hereby appoint

The Chair of the Meeting

(mark with)

OR

Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting.

or failing the person named attending the Meeting, or 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 at the Annual General Meeting of Orion Equities Limited to be held in the **Wentworth Room, Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales, at 10:30 am (Sydney time) on Thursday, 28 November 2013** and at any adjournment of such Annual General Meeting.

IMPORTANT:

The Company encourages shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, against each resolution in Section B.

If you leave Section A blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy by default.

If you have appointed the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default), you can direct the Chair of the Meeting to vote FOR or AGAINST, or to ABSTAIN from voting on the Resolutions by marking the appropriate Voting Direction boxes in Section B below. However, note that under Section A, if the Chair of the Meeting is your proxy and you do not mark any of the Voting Direction boxes in Section B below you are, in effect, directing the Chair to vote "For" each resolution as the Chair of the Meeting intends to vote undirected proxies in favour of each resolution.

YOUR ACKNOWLEDGEMENTS ON REMUNERATION RELATED RESOLUTIONS

Chair to vote undirected proxies in favour of **Resolution 5**: I/We acknowledge that the Chair of the Meeting intends to vote undirected proxies in favour of Resolution 5.

Direction to Chair for voting on Resolution 5: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair of the Meeting becomes my/our proxy by default), but I/we have not marked any of the boxes opposite that resolution in Section B below, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of **Resolution 5** even though the Chair is, and those items are connected directly or indirectly with the remuneration of, a member of key management personnel for the Company.

B. Voting directions to your proxy – please mark to indicate your directions

RESOLUTIONS	FOR	AGAINST	ABSTAIN*
1. Re-Elect Victor Ho as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Elect Farooq Khan Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approve 1.6 Million On-Market Buy-Back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Modify Constitution to Add "Wind-Up Trigger"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

* If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

C. Change of Address and Annual Report Elections

- mark if you want to make any changes to your address details (see Note 1 overleaf)
- mark if you wish to receive a printed Annual Report by post (see Note 2 overleaf)
- mark if you wish to receive an electronic Annual Report by email and specify your email address below

D. Please Sign Here

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

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Company Secretary

Contact Name

{TELEPHONE}
Contact Daytime Telephone

Date

Email Address

{Email}

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **Change of Address:** Your pre-printed name and address is as it appears on the Share register of the Company. If this information is incorrect, please mark the box at **Section C** of the proxy form and make the correction at the top of the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.
2. **Annual Report Elections:** Companies are no longer required to mail out printed annual reports to shareholders. Instead, shareholders can now make an election as follows:
 - (a) make a written request for a hard copy annual report to be mailed to you; or
 - (b) make a written request for an electronic copy of the annual report to be emailed to you.If you wish to update your annual report elections, please complete **Section C** of the Proxy Form.
3. **Voting on Remuneration Matters:** The Company will disregard any votes cast on Resolution 5 (Adoption of Remuneration Report) by or on behalf of a "Key Management Personnel" (as defined in the Accounting Standards) and their "Closely Related Parties" (as defined in the *Corporations Act 2001*) (**Restricted Voter**). Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report. A Closely Related Party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company or a company the KMP controls. The Company need not disregard a vote if a vote is cast by a KMP on Resolution 2 as a proxy, for a person other than a Restricted Voter, and either:
 - (a) you directed the KMP the way they are to vote on Resolution 5; or
 - (b) if the Chair is your proxy, you expressly authorise him to vote as he sees fit on Resolution 5 under the Proxy Form even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP.Shareholders may also choose to direct the Chair to vote against this resolution or to abstain from voting.
4. You may direct your proxy how to vote by marking one of the voting direction boxes opposite each resolution. If you do not mark a voting direction box your proxy may, to the extent permitted by law, vote as they choose. If you mark more than one voting direction box on a resolution your vote will be invalid on that resolution.
5. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
6. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
7. A proxy need not be a shareholder of the Company.
8. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
9. If a representative of a company shareholder is to attend the meeting, a properly executed original (or certified copy) of the appropriate 'Appointment of Corporate Representative' should be produced for admission to the meeting. Previously lodged Appointments of Corporate Representative will be disregarded by the Company.
10. **Signing Instructions:** You must sign this form as follows in the spaces provided at **Section D**:

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 shareholders should sign.
Power of Attorney:	If you are signing under a Power of Attorney, you must lodge an original or certified copy of the appropriate Power of Attorney with your completed Proxy Form and produce a properly executed original (or certified copy) of that Power of Attorney at the Annual General Meeting.
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.
11. **Lodgement of a Proxy:** This Proxy Form (and the original or certified copy of any Power of Attorney under which it is signed) must be received at the address below not later than **7:30 am (Perth time) / 10:30 am (Sydney time) on Tuesday, 26 November 2013** (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the meeting. **Proxy Forms may be lodged** by posting, delivery or facsimile to the address below:

Advanced Share Registry
PO Box 1156
Nedlands WA 6909

Advanced Share Registry
Suite 2, 150 Stirling Highway
Nedlands, Western Australia
or
Level 6, 225 Clarence Street
Sydney, New South Wales

By Facsimile: (08) 9389 7871