

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of the Company will be held at Melbourne Town Hall, Swanston Walk, Melbourne, Victoria, at 11.00am on Tuesday 23 October 2007.

BUSINESS TO BE CONDUCTED

1. Financial Statements and Reports

To consider the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2007.

2. Adoption of Remuneration Report

To adopt the Remuneration Report for the financial year ended 30 June 2007.

(Note that the vote on this item is advisory only and does not bind the Directors or the Company.)

3. Election of Directors

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

- (a) "That Mr R.N.Herbert AM, having retired in accordance with Clause 14.3 of the Company's Constitution, be re-elected as a Director."
- (b) "That Mr K.W.Hughes, having retired in accordance with Clause 14.3 of the Company's Constitution, be re-elected as a Director."

4. Approval of the Grant of Options to Executive Directors

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

- (a) "That, for the purposes of Listing Rule 10.14 of the Australian Stock Exchange Limited, approval be given to grant an option to Mr G.M.Hargrave, a Director of the Company, to subscribe for 353,000 fully paid shares in the Company pursuant to the Skilled Group Executive Long Term Incentive Plan and that approval be given to him exercising his option accordingly."
- (b) "That, for the purposes of Listing Rule 10.14 of the Australian Stock Exchange Limited, approval be given to grant an option to Mr J.B.Dixon, a Director of the Company, to subscribe for 195,000 fully paid shares in the Company pursuant to the Skilled Group Executive Long Term Incentive Plan and that approval be given to him exercising his option accordingly."
- (c) "That, for the purposes of Listing Rule 10.14 of the Australian Stock Exchange Limited, approval be given to grant an option to Mr T.B.Janes, a Director of the Company, to subscribe for 144,000 fully paid shares in the Company pursuant to the Skilled Group Executive Long Term Incentive Plan and that approval be given to him exercising his option accordingly."

Voting exclusion statement:

The Company will disregard any votes cast on this resolution by any Director of the Company or any of their associates unless the vote is cast:

- as proxy for a person who is entitled to vote in accordance with directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. **Directors' Remuneration**

"That the maximum aggregate amount of fees payable to Directors be increased by \$300,000 to \$900,000 per year."

Voting exclusion statement:

The Company will disregard any votes cast on this resolution by any Director of the Company or any of their associates unless the vote is cast:

- as proxy for a person who is entitled to vote in accordance with directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. **Other Business**

To deal with any other business that may be brought forward in accordance with the Constitution or the Corporations Act.

Dated this 19th day of September 2007.

BY ORDER OF THE BOARD



K.W. BIEG
Company Secretary

Voting Entitlements

The Board has determined that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of those persons recorded on the register of members as at 11.00 am on Sunday 21 October 2007.

Proxies

1. A member entitled to attend and vote at this meeting is entitled to appoint no more than two proxies (who need not be members of the Company) to attend and vote in his or her place.
2. A single proxy exercises all voting rights.
3. A member appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two proxies and does not specify each proxy's proportion (or number) of voting rights, the rights are deemed to be 50 percent each. Fractions of votes will be disregarded.

The Proxy Form must be received by 11.00 am on Sunday 21 October 2007, and be lodged:

By Fax: +61 (3) 9473 2555

In Person: Registered Office: 850 Whitehorse Road, Box Hill, Victoria, 3128
Share Registry: Computershare Investor Services Pty Limited, Yarra Falls,
452 Johnston Street, Abbotsford, Victoria, 3067

By Mail: Registered Office: 850 Whitehorse Road, Box Hill, Victoria 3128
Share Registry: Computershare Investor Services Pty Limited, GPO Box 242,
Melbourne, Victoria, 3001

Explanatory Notes

Item 1. Financial Statements and Reports

During this item there will be an opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2007.

Shareholders will be provided the opportunity to ask questions about these reports or about the Company generally.

Shareholders also have the right to question the auditors in connection with such matters as the Auditor's Report or the conduct of the audit. Written questions must be submitted no later than 5 business days before the AGM and they and the answers will be available at and after the meeting.

There will be no formal resolution in respect to this Item.

Item 2. Adoption of Remuneration Report

During this item there will be an opportunity for shareholders to ask questions and comment on the Remuneration Report which is included as part of the Directors' Report in the 2007 Annual Report.

The Board considers that the Company's remuneration policies are structured to provide rewards based on its performance and competitive with those in the markets in which it operates. On that basis, and with each executive director acknowledging their personal interest, the Board recommends that shareholders vote in favour of this resolution.

The Corporations Act requires that shareholders vote on the adoption of the Remuneration Report. The vote is advisory only and will not bind the Directors or the Company.

Item 3. Election of Directors

Bob Herbert AM B.Comm., Age 63
Independent Non-Executive Director

Mr Herbert AM was appointed to the Board in November 2003. He is Chairman of the Remuneration Committee and member of the Audit, Risk and Compliance Committee.

As the former CEO of Australian Industry Group, Bob Herbert AM brings considerable industry experience to the Board. He has been involved with Australian Industry Group and its predecessor organisation, Metal Trades Industry Association of Australia, since 1961 including 30 years as a director in various roles. Mr Herbert is now involved in various company director and advisory roles.

Current directorships and offices:

Chairman: IXC Australia Ltd – trading as InnovationXchange Network (since July 2006)

Executive Chairman: National Manufacturing Forum (since April 2006)

Director: MainCo Melbourne Pty Ltd (since August 2005)

Trustee: Melbourne Cricket Ground Trust (since November 2003)

Deputy Chairman: Industry Capability Network Limited (since May 2003)

Chairman: Ai Group/Sir William Tyree Foundation (since February 2002)

Director: Trade Union Education Foundation (since February 2002)

Kerry Hughes JP, MAICD, Age 63
Non-Executive Director

Mr Hughes was appointed to the Board in May 1994. He was an Executive Director until his retirement as an executive of the Company in August 2005 and has since served as a Non-Executive Director.

Kerry Hughes joined SKILLED Group in 1977 and was appointed to the Committee of Management upon its establishment in 1990. He has a broad business background with experience in banking, engineering and contracting services and has worked in Australia, New Zealand and the Middle East. Since his retirement as an executive of the Company, he has acted a Safety Ambassador for the Company. In this capacity he actively promotes SKILLED's OH&S commitment and leadership position to both internal and external stakeholders.

The Board, other than the director the subject of the relevant resolution, recommends that shareholders vote in favour of the two directors standing for re-election.

Item 4. Approval of the Grant of Options to Executive Directors

Under ASX Listing Rule 10.14, a Director of the Company may only participate in an Employee Share Option Plan where such participation is approved by a resolution of the Company in general meeting.

It is proposed to grant options to subscribe for fully paid shares in the Company to Mr. Greg Hargrave, Mr. John Dixon and Mr. Terry Janes, all of whom are Directors of the Company, pursuant to the Executive Share Option Plan. This represents the long term incentive component of the 2007/08 remuneration package.

Under the ASX Listing Rules the following information is required to be provided in the notice of meeting to approve the granting of these options:

The maximum number shares that may be acquired by each of the executive directors as a result of this resolution is:

- Mr G.M. Hargrave: 353,000 fully paid shares
- Mr J.B.Dixon: 195,000 fully paid shares
- Mr T.B.Janes: 144,000 fully paid shares

The exercise price for each option will be the market price of the Company's ordinary shares on the date the options are granted. The market price is the weighted average market price of ordinary shares sold on the ASX on the five business days immediately before the options are granted.

There are no loans applicable to the granting of these options.

In accordance with approvals obtained at the 2006 Annual General Meeting, the following directors were granted options under the Executive Share Option Plan since the last Annual General Meeting. These were the only Directors entitled to participate in the Executive Share Option Plan.

- Mr G.M Hargrave was granted an option to subscribe for 368,000 fully paid shares in the Company;
- Mr J.B.Dixon was granted an option to subscribe for 469,000 fully paid shares in the Company; and
- Mr T.B.Janes was granted an option to subscribe for 368,000 fully paid shares in the Company.

If shareholders approve Resolutions 4(a), 4(b), and 4(c), the options will be granted no later than 12 months after the meeting, and as soon as practicable after the meeting.

The operation of the Plan is governed by a document entitled "Rules of the Skilled Group Limited Executive Share Option Plan". A copy of those Rules will be sent free to a shareholder on request. A summary of the Rules of the Option Plan is set out above in the Explanatory Notes to Resolution 4.

	Plan Rule	Terms for Options to be granted November 2007
Term of Option	<ul style="list-style-type: none"> • Up to 10 years at Board discretion. • Options lapse if they are not exercised by the end of their term. • Rules may be suspended or cancelled at Board discretion. 	<ul style="list-style-type: none"> • 6 years. • Options lapse if they are not exercised by the end of their term.
Cost to Executives of Options	<ul style="list-style-type: none"> • Nil or up to one cent per option (as determined by the Board). 	<ul style="list-style-type: none"> • Nil
Exercise Price	<ul style="list-style-type: none"> • Market price of a share when the option is granted. • Market share price defined as the 5 day weighted average market price. • Board discretion to be applied in extenuating circumstances with the aim of neutralising temporary price spikes or troughs. 	<ul style="list-style-type: none"> • As per the rule.
Performance Vesting Condition	<ul style="list-style-type: none"> • Performance measure is EPS performance determined by Directors at time of Grant. • Measurement period is 3 years. • Retesting at the 4th and 5th years. • Improved performance at any retest would increase vesting. 	<ul style="list-style-type: none"> • See below for vesting scale • Measurement period is 3 years from the base year. • Retesting at the 4th and 5th years. • Improved performance at any retest would increase vesting.
Base Year		<ul style="list-style-type: none"> • 2007/08

	Plan Rule	Terms for Options to be granted November 2007
Exercise	<ul style="list-style-type: none"> At any time between when the options vest and when they lapse. No option can be exercised unless: <ul style="list-style-type: none"> the exercise date is a minimum of 3 years from the grant date; and the performance criteria has been met Participants need to pay the exercise price. 	<ul style="list-style-type: none"> As per the rule.
Termination of Employment	<ul style="list-style-type: none"> Death or Total permanent disablement Company initiated termination for other than cause, eg: retrenchment. Retirement (permanent retirement with the consent of the Board): <ul style="list-style-type: none"> Unvested options will be allowed to continue until 3 years from date of grant and then (based on performance) will either lapse or vest (i.e. no retesting at 4 or 5 years). Then have 6 months from date of vesting to exercise, otherwise they lapse 6 months* in which to exercise any vested options which exist at time of termination of employment, or they lapse Resignation: <ul style="list-style-type: none"> Unvested options lapse; and 30 days* in which to exercise vested options or they lapse Dismissal for Cause: <ul style="list-style-type: none"> Unvested options lapse; and Unexercised options lapse <p>Note: *period to exercise cannot exceed period remaining in the term of the options.</p>	<ul style="list-style-type: none"> As per the rule.

Performance vesting scale:

	Minimum average annual percentage EPS Growth	% of Options to Vest
Below threshold		0%
Threshold	15%	25%
>Threshold but < Target		Pro rata
Target	25%	50%
>Target but < Stretch		Pro rata
Stretch	40%	100%

Noting the interests of the executive directors, the proposed option grants (being consistent with the grant of options to other senior executives of the Company) are unanimously recommended by the independent directors on the Board.

Voting Exclusion Statement

Pursuant to Listing Rules 10.14 and 14.11.1, the Company will disregard any votes cast on this resolution by:

- a Director of the Company; and
- an associate of any Director.

However, the Company may not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Item 5: Directors' Remuneration

The current maximum aggregate amount which shareholders have approved to be paid as fees to the Directors for their ordinary services as Directors is \$600,000 per annum. This amount was approved by shareholders in 2004 at a General Meeting of Shareholders.

The Chairman is currently paid an annual fee of \$165,000. The Chairman of the Audit, Risk and Compliance Committee is paid an annual fee of \$86,900 and the other Non-Executive Directors are each paid an annual fee of \$75,900. No additional fees are paid for Board Committee work. There are currently five Non-Executive Directors, one of whom is the Chairman, and three Executive Directors making a total of eight Directors. Directors' fees for the five Non-Executive Directors currently total \$479,600 per annum.

It should be noted that no fees are paid to the Managing Director and Executive Directors for their services as a director and that their remuneration for their services as executives is not included in the maximum aggregate amount for the purpose of this resolution.

The Directors may also be paid their travelling and other expenses incurred in connection with their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Clause 14.4(a) of the Company's Constitution provides that "...the Directors are paid for their services as Directors such fees as the Directors determine not exceeding in aggregate a maximum sum that is approved by the Members in a general meeting. The notice convening a general meeting at which it is proposed to seek approval to increase that maximum aggregate sum must specify the proposed new maximum aggregate sum and the amount of the proposed increase."

Australian Stock Exchange Listing Rule 10.17 provides that a listed company must not, without shareholder approval, increase the total amount of non-executive directors' fees.

Pursuant to clause 14.4(a) of the Company's Constitution and Listing Rule 10.17, shareholder approval is sought to increase the maximum aggregate which can be paid as fees to the Directors, for their ordinary services as Directors, from \$600,000 to \$900,000 per annum. This is a maximum sum that can be spent on Directors' fees and is not an indication that current fees paid to Directors are to be increased. This proposed increase will allow directors' fees and the number of directors to be adjusted over a period of time to reflect market conditions and appoint additional Directors if needed.

The purpose of the proposed increase is to allow for growth in Board remuneration over time to reflect market movements, increasing workloads and changing responsibilities, and to provide the flexibility to appoint additional directors if and when considered appropriate.

The proposed resolution is an ordinary resolution requiring it to be passed by more than 50% of the votes cast by members present in person, or by proxy, attorney or representative..

Noting that each Director has a personal interest in their own remuneration from the Company, the Board nevertheless recommends that shareholders approve the increase in the maximum aggregate amount which can be paid as fees to the Directors, for their ordinary services as Directors.

Voting Exclusion Statement

Pursuant to Listing Rules 10.17 and 14.11.1, the Company will disregard any votes cast on this resolution by:

- c) a Director of the Company; and
- d) an associate of any Director.

However, the Company may not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

All correspondence to:

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

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



000001 000 SKE
 MR JOHN SMITH 1
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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I N D

Appointment of Proxy

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



the Chairman
 of the Meeting
 (mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Skilled Group Limited to be held at Melbourne Town Hall, Swanston Walk, Melbourne, Victoria on Tuesday 23 October 2007 at 11.00am and at any adjournment of that meeting.



IMPORTANT: FOR ITEMS 4a, 4b, 4c AND 5 BELOW

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Items 4a, 4b, 4c and 5 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 4a, 4b, 4c and 5 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

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

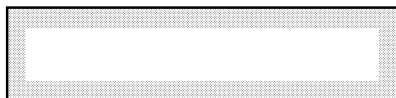
	For	Against	Abstain*		For	Against	Abstain*
Item 2	Adopt the Remuneration Report (non-binding resolution)			Item 4b	Approve the Grant of Options to Mr J B Dixon		
Item 3a	To re-elect Mr R N Herbert AM as a Director			Item 4c	Approve the Grant of Options to Mr T B Janes		
Item 3b	To re-elect Mr K W Hughes as a Director			Item 5	Increase in Directors' Remuneration		
Item 4a	Approve the Grant of Options to Mr G M Hargrave						

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

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

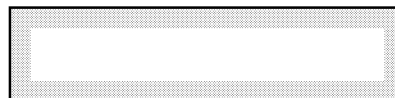
PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



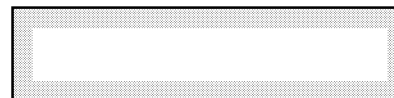
Sole Director and
 Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.00am on Tuesday 23 October 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON Registered Office - 850 Whitehorse Road Box Hill VIC 3128
Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
- BY MAIL Registered Office - 850 Whitehorse Road Box Hill VIC 3128
Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC 3001 Australia
- BY FAX 61 3 9473 2555