

SKILLED Group

SKILLED GROUP LIMITED
ACN 005 585 811

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000001 000 SKE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Shareholder,

I have pleasure in inviting you to attend an Extraordinary General Meeting of Skilled Group Limited. The meeting will be held at St Kilda Road Towers, Business Centre, Level 1, 1 Queens Road, Melbourne 3004, at 2.00pm on Friday 25 September 2009.

The meeting will consider resolutions concerning the capital raising that the Company recently announced which are set out in the notice of meeting attached to this letter.

Your directors unanimously recommend that you vote **in favour** of the resolutions for the reasons set out in the notice of meeting.

If you are attending this meeting, please bring this letter with you to facilitate registration at the meeting.

If you are unable to attend the meeting, you are encouraged to complete the enclosed proxy form. The proxy form should be posted to our share registry or faxed on (61 3) 9473 2555 so that it is received by 2.00pm on Wednesday 23 September 2009.

Corporate shareholders will be required to complete a "Certificate of Appointment of Representative" to enable a person to attend on their behalf. A certificate form may be obtained from the Company's share registry.

As this is expected to be a short meeting, refreshments will not be served.

On behalf of the Board, I recommend that you vote in favour of the resolutions and thank you for your support as a shareholder of the Company.

Yours sincerely



Ken V. Loughnan AO

Chairman

25 August 2009

Enc

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at St Kilda Road Towers, Business Centre, Level 1, 1 Queens Road, Melbourne 3004, at 2.00pm on Friday 25 September 2009.

BUSINESS TO BE CONDUCTED

1. Ratification of Unconditional Placement

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

“That for the purposes of Listing Rules 7.1 and 7.4 of the ASX Listing Rules and all other purposes, approval is given to the issue of shares to investors under the Unconditional Placement as described in the Explanatory Notes which accompanied the notice convening this meeting.”

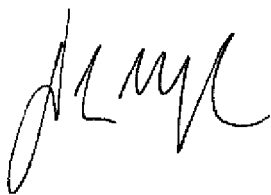
2. Approval of Conditional Placement

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

“That for the purposes of Listing Rules 7.1 and 7.3 of the ASX Listing Rules and all other purposes, approval is given to the proposed issue of shares to investors under the Conditional Placement as described in the Explanatory Notes which accompanied the notice convening this meeting.”

Dated this 25th day of August 2009.

BY ORDER OF THE BOARD



Brendan Maher

Company Secretary

Explanatory Notes

In August 2009, the Company announced a capital raising which comprised:

- an unconditional placement of 18,500,000 ordinary shares to raise \$27,750,000 (**Unconditional Placement**);
- a conditional placement of 38,661,372 ordinary shares to raise a further \$57,992,058 (**Conditional Placement**); and
- a share purchase plan.

If Resolution 2 is approved, the funds raised under the Unconditional Placement are expected to be received by the Company on 2 October 2009 with the relevant shares to be issued on 5 October 2009.

Resolution 1 – Ratification of issue of Shares

The ASX Listing Rules permit the Company to issue a maximum of 15% of its issued capital in any twelve month period without shareholder approval, unless an exception applies (the **15% Rule**). However, if shareholders subsequently approve specified issues of securities, those issues do not count towards the 15% limit.

Under the Unconditional Placement, 18.5 million shares, which used up almost all of the Company's 15% placement capacity, were issued to investors. These shares were issued on identical terms to and ranking equally with all existing ordinary shares. The issue price of the new shares was \$1.50 per share. The shares were issued largely to persons identified by Bell Potter as the manager of the Unconditional Placement as persons to whom such offers of Shares could be made without disclosure under Chapter 6D of the Corporations Act. In addition some shares were also issued to some of the vendors of OMS Australia as a reinvestment of their earn out entitlement under the relevant Sale Agreement.

The Board believes that it is in the best interests of the Company to maintain the ability to issue up to 15% of its issued capital. This gives the Company the maximum flexibility in its funding options for future investment opportunities or working capital needs, whilst ensuring that an optimal capital structure can be maintained.

Accordingly, the directors of the Company unanimously recommend that you vote in favour of Resolution 1.

The shareholding entities associated with the Managing Director, Mr Greg Hargrave, are not participating in the Unconditional Placement. Accordingly, those entities will be able to vote on the resolution. Their shares represent over 50% of the votes that may be cast on the resolution.

Resolution 2 – Approval of Conditional Placement

The shares offered under the Conditional Placement were offered on the basis that they would only be issued if shareholders approve their issue. The 15% Rule therefore requires the Company to obtain approval of shareholders for the Conditional Placement.

If Resolution 2 is passed, 38,661,372 shares, being 27.2% of the Company's issued capital (assuming completion of the Unconditional Placement), will be issued to investors on 5 October 2009. These shares will be issued on identical terms to and ranking equally with all existing shares. The issue price of the new shares will be \$1.50 per share. The shares will be issued to the same persons who participated in the Unconditional Placement in the same proportions.

If Resolution 2 is passed, the Company will receive an additional \$57,992,058 which will be used to reduce its debt to a level which is considered appropriate by the Board in the current economic environment. If Resolution 2 is not passed, the Company will be exposed to higher than desired gearing levels.

Accordingly, the directors of the Company unanimously recommend that you vote in favour of Resolution 2.

Again, as the shareholding entities associated with Mr Hargrave are not participating in the Conditional Placement, those entities will be able to vote on the resolution. Their shares represent over 50% of the votes that may be cast on the resolution.

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Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 2.00pm Wednesday 23 September 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Skilled Group Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 Extraordinary General Meeting of Skilled Group Limited to be held at St Kilda Road Towers, Business Centre, Level 1, 1 Queens Road, Melbourne 3004 on Friday, 25 September 2009 at 2.00pm and at any adjournment of that meeting.

STEP 2 Items of Business

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

| | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| Item 1 Ratification of Unconditional Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2 Approval of Conditional Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____