

Premium Investors Limited

A.B.N. 47 106 259 885



29 September 2006

Dear shareholder(s)

I have pleasure in inviting you to attend our 2006 Annual General Meeting and have enclosed the Notice of Meeting, which sets out the items of business. The meeting will be held in the Bristol Room, Royal on the Park, cnr Alice and Albert Street, Brisbane, Queensland on Wednesday, 1 November 2006 at 10:30 a.m.

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

If you are unable to attend the meeting, you are encouraged to complete the enclosed proxy form. The proxy form should be returned in the envelope provided or faxed to our share registry on 61 3 9473 2555 so that it is received by 10:30 a.m. on 30 October 2006.

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

I look forward to your attendance at the meeting.

Yours sincerely

Don Sharp
Chairman

Encl.

Notice of Annual General Meeting

Wednesday 1st November 2006

Notice is hereby given that the 2006 Annual General Meeting of Premium Investors Limited will be held in the Bristol Room, Royal on the Park, cnr Alice and Albert Streets, Brisbane, Queensland on Wednesday, 1 November 2006 at 10:30 a.m.

Ordinary Business

1. Financial Statements and Reports

"To consider and discuss the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2006."

2. Re-election of Mr Ken Stout

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

"That Mr Ken Stout, a director retiring by rotation in accordance with the Company Constitution and offering himself for re-election be re-elected a Director of the Company."

3. Re-election of Mr John Elfverson

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

"That Mr Elfverson, a director retiring by rotation in accordance with the Company Constitution and offering himself for re-election be re-elected a Director of the Company."

Special Business

4. Approval of Employee and Director Share Plan

To consider and if thought fit, pass the following resolution:

"That the Company approves the establishment of a plan to be called the "PRV Share Plan" to be constituted and administered in accordance with the Rules of the PRV Share Plan, details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting."

5. Adoption of Remuneration Report

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

"To adopt the remuneration report forming part of the Directors' Report for the financial year ended 30 June 2006."

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

Other Business

To transact any other business that may be lawfully brought forward.

Dated this Day 29th day of September 2006.

By Order of the Board.



J. Elfverson
Managing Director
Sydney

EXPLANATORY MEMORANDUM

Resolution 2 Re-election of Mr Ken Stout

Mr Stout is a non Executive founding director of Premium Investors and meets all of the requirements to be considered an Independent Director. Mr Stout is also the Chairman of the Risk and Audit Committee which is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

Mr Stout has over 25 years commercial experience, 13 years as a partner of Ernest and Young Corporate Services where he specialised in corporate recovery, advisory and litigation support. Mr Stout has extensive experience in the conduct of prudential financial risk reviews of numerous businesses, in particular for lead syndicate financiers and funding underwriters. He conducted lending risk review programs for various main stream lenders, concentrating on lending risks in new or non-traditional areas. Mr Stout currently provides specialist financial and corporate advisory services to small and medium businesses.

Mr Stout is an Associate of the Institute of Chartered Accountants in Australia, an Associate of the Chartered Institute of Company Secretaries in Australia, an Associate Member of the Insolvency Practitioners Association of Australia and an Associate and Graded Arbitrator of the Institute of Arbitrators and Mediators Australia. Mr Stout is also the honorary treasurer of the Institute of Arbitrators and Mediators Australia.

Resolution 3 Re-election of Mr John Elfverson

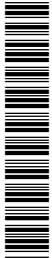
John Elfverson was appointed Managing Director and Chief Executive Officer of Premium Investors on 1st August 2005 and joined the Board on that date.

John has extensive experience in listed and unlisted investments, including equity and debt markets and derivatives. Mr Elfverson was previously in a range of management roles for the Australian Stock Exchange including the management of the ASX/Standard and Poors index relationship, qualitative and technical support to ASX operations and information product development and enhancement. Prior to joining the ASX in 2001 John was Manager of Research at Assirt Pty Limited.

Resolution 4 Approval of Employee and Director Share Plan

The purpose of an Employee and Directors Share Purchase Plan (the Plan) is to assist employees and directors of the Company to acquire fully paid ordinary shares in the Company. The Australian Government supports initiatives which encourage employee share ownership through the provision of tax concessions under Division 13A of the Income Tax Assessment Act 1936. Copies of the Plan Rules are available on request from the Company Secretary.

The Plan allows each Director to sacrifice all or part of his or her director's fees for the purposes of acquiring ordinary shares in the Company. The Plan also allows an eligible employee to sacrifice all or part of his or her salary or bonus for the purposes of acquiring ordinary shares in the Company. The Company does not currently have any eligible employees, which restricts the benefits of the Plan currently to directors.



Under the terms of the Plan:

- Directors or Eligible Employees who elect to participate in the Plan are called “Participants”.
- A Participant must notify the Company of his or her decision to sacrifice a part of his or her remuneration (Salary Sacrifice) in order to participate in the Plan.
- The Company will then make a Contribution to the Plan Trustee in respect to an amount of salary sacrificed by the Participant.
- The Plan Trustee will use the Contribution to acquire Shares in the ordinary course of trading on the Australian Stock Exchange (“ASX”)
- The Plan Trustee will allocate the Shares to the Participant at a discount to their fair market value (referred to as the Discount Percentage). The Discount Percentage in relation to each Contribution to the Plan will be determined in the sole discretion of the Board of the Company and an appointed Committee.
- The Plan Trustee will hold the Shares until a “Notice of Withdrawal” is lodged with the Plan Trustee to withdraw the Shares. A Participant cannot lodge a Notice of Withdrawal (unless either Special Circumstances exist or the Shares have been acquired using a Salary Sacrifice Contribution by the Employee) until any Vesting Conditions or additional restrictions have been satisfied. The Committee must approve the Notice of Withdrawal before the Shares can be withdrawn from the Plan.
- The Participant has full voting rights and full dividend rights relating to Shares held by the Plan Trustee on behalf of the participant.
- After the Shares have been withdrawn from the Plan, the Participant is free to deal with those Shares however he or she may wish

Premium Investors Limited will establish a Trust to acquire on market and hold PRV shares, for Participants in the Plan.

Accounting Implication of the Plan

Under Accounting Standard AASB 2 – Share-based Payment, the Company is required to expense the fair value of shares issued and options granted to their directors in their annual general purpose financial reports.

Resolution 5 Adoption of Remuneration Report

This item is intended to provide shareholders with the opportunity to ask questions and comment on the Remuneration Report. Any vote on the adoption of the report is advisory only and does not bind the Directors.

Premium

Investors Limited

ABN 47 106 259 885

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

Proxy Form

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



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PRV

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



Securityholder Reference Number (SRN)

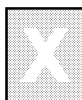


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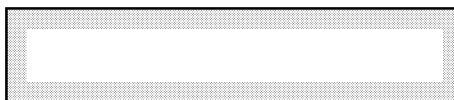
Appointment of Proxy

I/We being a member/s of Premium Investors 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 Premium Investors Limited to be held at the Bristol Room, Royal on the Park, cnr Alice and Albert Street, Queensland on Wednesday 1st November 2006 at 10.30 am and at any adjournment of that meeting.

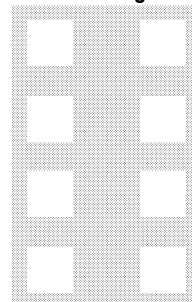
Voting directions to your proxy - please mark



to indicate your directions

- 2 To re-elect Mr Ken Stout as a Director
- 3 To re-elect Mr John Elferson as a Director
- 4 Approval of Employee and Director Share Plan
- 5 Adoption of Remuneration Report

For Against

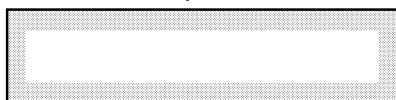


The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

PLEASE SIGN HERE

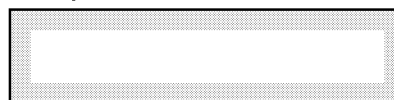
This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



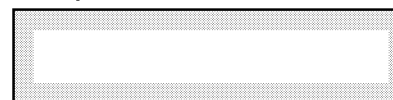
Sole Director and
Sole Company Secretary

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

/ /

PRV

1 4 P R



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 two 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 10.30 am on Wednesday 1st November 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

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