

CHAIRMAN'S LETTER

16 August 2007

Dear Shareholder

I have pleasure in enclosing your Notice for the 2007 Annual General Meeting of Alesco Corporation Ltd. The Meeting will be held on Wednesday 26 September 2007 at 2.30pm at the AGL Theatre, Museum of Sydney, corner of Phillip and Bridge Streets, Sydney.

ANNUAL GENERAL MEETING

This year we are seeking your approval to refresh our 15 per cent share placement capacity following our recent \$230 million capital raising which helped fund the acquisition of Total Eden Holdings Pty Ltd, the company which owns the Total Eden McCracken's business. This acquisition was completed on 1 August 2007. Approximately 7.6 million shares were issued as a placement to existing and new institutional shareholders, in addition to the entitlements right offer, with approximately 2 million shares also being issued to vendor management in part payment of the shares held by them in Total Eden Holdings Pty Ltd. If the resolution to refresh our 15 per cent share placement capacity is approved, Alesco will have the flexibility to issue more shares during the next 12 months if an opportunity arises which the Board believes is in the best interests of the Company.

We are also seeking your approval to issue to Mr Thompson, Finance Director, 100,000 ordinary fully paid shares in the Company in tranches over the next three years under the Alesco Performance Share Acquisition Plan. This Plan was approved by shareholders at the 2006 Annual General Meeting and the level of participation offered to Mr Thompson under the Plan has been determined having regard to his overall remuneration package including base salary and short-term incentive component.

We are also asking shareholders to approve a change to the Company's Constitution to bring it up-to-date with today's common corporate practice to allow the Directors to serve a three year term.

The other items of business will be familiar to you, including the re-election of Directors Mr Hall and Mr Pope and the election of Mr Thompson as Finance Director as well as the motion to approve the Company's Remuneration Report.

Your Directors believe that the proposals set out in the Notice as described in more detail in the Explanatory Notes are in the best interests of the Company and its shareholders and unanimously recommend that you vote in favour of all resolutions, as we intend to do in respect of our own beneficial holdings.

If you are not able to attend the Meeting in person, please complete the enclosed proxy form and return it to us by mail or fax. Alternatively you may register your proxy online at www.linkmarketservices.com.au under Proxy Voting. We also invite you to lodge questions about, or to make comments on, the Company's management, its Remuneration Report or Financial Report by completing the question form enclosed with this letter.

ANNUAL REPORT AND SHAREHOLDER COMMUNICATIONS

I note that a number of our shareholders continue to receive the Company's annual report each year. Due to recent changes to the law, Alesco will now only provide shareholders with a printed version of the annual report, if shareholders elect to receive a copy by completing the necessary acknowledgment form. A copy of this form is enclosed with this letter. However, we encourage shareholders to take the opportunity of receiving these and all other company communications electronically rather than a printed version. We believe that there are a number of benefits in receiving communications this way, including prompt and environmentally friendly notification and convenience as well as significant cost savings for Alesco. Of course, all our announcements and key communications are placed on our website at www.alesco.com.au.

I sincerely hope that you can join us at the meeting and take advantage of the opportunity to meet and talk to the Directors and senior executives.

Yours sincerely



Sean P Wareing
Chairman

NOTICE OF 2007 ANNUAL GENERAL MEETING

Notice is given that the 96th Annual General Meeting of shareholders of Alesco Corporation Limited (Company) will be held in the AGL Theatre, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney on Wednesday 26 September 2007 commencing at 2.30pm (Sydney time).

ORDINARY BUSINESS

A. Chairman's Address and the Chief Executive's Report

B. Financial Report

To receive and consider the Financial Statements and the Reports of the Directors and the Auditor on the Financial Statements for the year ended 31 May 2007.

C. Remuneration Report

1. To adopt the Remuneration Report for the year ended 31 May 2007.

Note – the vote on this resolution is advisory only and does not bind the Directors of the Company.

D. Election of Directors

2. To elect as a Director, Mr James William Hall who retires by rotation in accordance with article 9.3 of the Company's Constitution, and, being eligible, offers himself for re-election.
3. To elect as a Director, Mr Ernest John James Pope who retires by rotation in accordance with article 9.3 of the Company's Constitution, and, being eligible, offers himself for re-election.
4. To elect as a Director, Mr Neil Alexander Thompson who having been appointed a Director since the last Annual General Meeting, is ceasing to hold office in accordance with article 9.8 of the Company's Constitution, and, being eligible, offers himself for election.

SPECIAL BUSINESS

E. Approval of issue of shares

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

5. "THAT the issue by the Company on or about 31 July 2007 of 7,609,515 fully paid ordinary shares at \$12.80 each under an institutional placement be approved for all purposes."
6. "THAT the issue by the Company on or about 1 August 2007 of 2,020,971 fully paid ordinary shares at \$12.80 each under the TEM Share Purchase Agreement be approved for all purposes."

F. Allotment of shares to the Finance Director

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

"THAT approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Stock Exchange Limited for:

- (a) the making of a contract between the Company and Mr Neil Alexander Thompson for the issue of 100,000 fully paid ordinary shares in the Company to Mr Thompson in three tranches over a three year period under the terms of the Alesco Performance Share Acquisition Plan (**Plan**), and the provision of benefits under that Plan;
 - (b) the allocation of 100,000 fully paid ordinary shares in the Company to Mr Thompson under the terms of the Plan;
 - (c) the making of an interest-free loan to Mr Thompson under the Plan for 100% of the issue price of the shares approved to be allocated to Mr Thompson under paragraph (b); and
 - (d) the provision of an award to Mr Thompson, being either a bonus with the after tax amount being applied to reduce the loan balance, or as a loan waiver and fringe benefits tax on the loan waiver, determined by the Board under the Plan, subject to the Company achieving certain performance targets based on the Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items) over a three-year period,
- as described in the Notice of Meeting convening this Meeting."

G. Amendment to the Constitution

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

"THAT the Constitution of the Company is modified:

1. by replacing article 9.3 with the following:

"Retirement and election of Directors

At each annual general meeting of the Company there must be an election of Directors. The Directors who must retire from office (but are eligible to stand for re-election) at the annual general meeting are as follows:

- (a) each Director who has held office without re-election:

- (i) beyond the third annual general meeting following the Director's appointment or last election; or
- (ii) for at least three years,

whichever is the longer period;

- (b) each Director who was appointed by the Directors under article 9.8; and

- (c) if none of (a) or (b) is applicable, the Director who has served office longest without re-election. If there are two or more such Directors who have been in office an equal length of time, then in default of agreement, the Director to retire will be determined by lot.

This article 9.3 does not apply to a Managing Director who is exempt from retirement by rotation in accordance with article 10.10."

2. by deleting article 9.5; and

3. by replacing article 10.10 with the following:

"One Managing Director exempt

One Managing Director, nominated by the Directors, is exempt from the election requirement under article 9.8 and from retirement by rotation under article 9.3."

For further information, please refer to the Explanatory Notes which form part of this Notice of Meeting.

By order of the Board

Luci Rafferty
Company Secretary
16 August 2007

1. If you cannot attend the Meeting you may appoint a proxy to attend and vote for you. A proxy form is included with this Notice of Meeting for this purpose. Alternatively, you can appoint your proxy online by visiting the Share Registrar's website at www.linkmarketservices.com.au under Proxy Voting. To do this, you will need your holder identification number (HIN) or securityholder reference number (SRN), surname or company name and postcode or country code and follow the prompts.
2. You may appoint no more than two proxies to attend and vote on your behalf. A proxy need not be a member of the Company. If you appoint two proxies, the instrument may specify the proportion or number of your votes that each proxy is appointed to exercise. If it does not do so, each proxy may exercise half of the votes.
3. If you wish to direct a proxy on how to vote on any resolution, you should place a mark (e.g. a cross) in the appropriate box on the proxy form. Your proxy may only exercise your vote in the manner you have directed. You may specify your voting direction by inserting the number or percentage of shares that you wish to vote in the appropriate box.
4. To be effective, the Company must receive the following by not later than 2.30pm (Sydney time) on Monday 24 September 2007:

- your proxy form or online proxy appointment duly completed and signed (follow the online prompts for completing and "signing" your proxy appointment online)
- if the proxy form or online proxy appointment has been signed under a power of attorney, a copy of the power of attorney (if it has not been noted by the Share Registrar)
- if the proxy form or online proxy appointment has been signed by another authority, a copy of the authority under which the appointment was signed or a certified copy of the authority (if it has not been noted by the Share Registrar).

These documents (other than online proxy appointments) may be returned in the reply paid envelopes provided. Alternatively, you may send these documents to the Company's Share Registry, by:

Mail

Alesco Corporation Limited
C/- Link Market Services Registrars Limited
Locked Bag A14, Sydney South NSW 1235
Australia

Delivery

Alesco Corporation Limited
C/- Link Market Services Registrars Limited
Level 12, 680 George Street, Sydney NSW 2000
Fax 61 2 9287 0309

To appoint your proxy online:

www.linkmarketservices.com.au (go to Proxy Voting and follow the prompts).

5. Persons holding shares of the Company which are quoted securities on the Australian Stock Exchange at 7.00pm (Sydney time) on Monday, 24 September 2007 will be treated, for the purposes of the meeting, as shareholders of the Company.

6. VOTING EXCLUSION STATEMENT

The Company will disregard any votes on Resolution 5 or 6 by:

- a person who participated in the issue; and
- an associate of those persons.

The Company will disregard any votes on Resolution 7 by:

- a Director of the Company (except Sean Wareing, Robert Aitken, Barry Jackson, James Hall and Ernest Pope who are ineligible to participate in any employee incentive scheme in relation to the Company); and
- an associate of those persons.

However, the Company need 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 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.

7. QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to shareholders – as a whole – to ask questions about or to make comments on the Company's management or its Remuneration Report at the Meeting. Similarly, a reasonable opportunity will be given to shareholders – as a whole – to ask the Company's external auditor, KPMG, questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may submit a written question to KPMG if the question is relevant to the content of KPMG's audit report or the conduct of its audit of the Company's financial report for the year ended 31 May 2007.

Relevant written questions for the Company or the auditor must be received no later than 5.00pm (Sydney time) on Wednesday 19 September 2007. Where appropriate, a list of those relevant written questions will be made available to shareholders attending the Annual General Meeting. The Company or KPMG will either answer these questions at the Annual General Meeting or table written answers to them at the Annual General Meeting or make them available to shareholders as soon as practicable after the Annual General Meeting.

Please send any written questions for KPMG or the Company:

- to the address on the enclosed reply envelope; or
- by facsimile to +61 (2) 9248 2099; or
- to the Company at our registered office
Level 24, 45 Clarence Street
Sydney NSW 2000; or
- by email to: sydneyhq@alesco.com.au

ITEM A – CHAIRMAN’S ADDRESS AND THE CHIEF EXECUTIVE’S REPORT

The Chairman will address the meeting and the Chief Executive will make a presentation on the performance of the Company during the financial year ended 31 May 2007 as well as other strategic and operational activities of the Company. The Chairman will also respond to questions raised by shareholders at or before the Meeting.

ITEM B – FINANCIAL REPORT

The Company is required by the Corporations Act and its Constitution to table before the meeting the Financial Statements and the Reports of the Directors and the Auditor on the Financial Statements, for the year ended 31 May 2007. Shareholders are not required to vote on these Reports but will be given an opportunity to raise questions on the Reports at the meeting. The Auditor will be available at the meeting to answer any questions in relation to the Auditor’s Report.

ITEM C – REMUNERATION REPORT

The Board submits its Remuneration Report to shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report is set out on pages 33 to 40 of the Directors’ Report in the 2007 Annual Report. The Report:

- explains the Board’s policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- discusses the relationship between the Board’s remuneration policy and the Company’s performance;
- sets out remuneration details for each director and each member of the Company’s senior executive management team; and
- details and explains any performance hurdles applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of and questions relating to the Remuneration Report at the Meeting.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

ITEM D – ELECTION OF DIRECTORS

Mr Hall and Mr Pope, both non-executive directors, retire by rotation and offer themselves for re-election. Mr Thompson, an executive director, was appointed to the Board on 31 January 2007 as Finance Director and in accordance with the Constitution is required to cease office and offer himself for election.

James (Jim) W Hall BCom (Acc), FCPA, MAICD
Non-Executive Director Age 56
Chairman of the Audit and Compliance Committee

Jim joined the Board in July 2005. He is also a non-executive director of Paperlinx Limited, Symbion Health Limited (formerly Mayne Group Limited), Centro Properties Group,

ConnectEast Group and a member of the JPMorgan Advisory Council. Jim was executive director finance at Orica from January 2002 until April 2005. Prior to joining Orica, he was Vice President, Group Accounting and Controller at BHP Billiton Limited. In 32 years with BHP, Jim held a range of senior financial management roles. Jim has strong financial skills and valuable experience in business performance improvement and balance sheet management as well as extensive Australian and international business experience in the industrial and mining sectors.

Prior to submitting himself for re-election, Mr Hall acknowledged to the Company that he would have sufficient time to properly fulfil his duties to the Company.

The Board unanimously recommends that shareholders vote in favour of Mr Hall’s re-election.

Ernest (Ern) JJ Pope BSc
Non-Executive Director Age 60
Chairman of the Safety, Health & Environment Committee
Member of the Audit & Compliance Committee and the Human Resources Committee

Ern joined the Board of Alesco in December 2004. He is also Chairman of Golden Circle Limited and a non-executive director of Amcor Limited and Foodbank NSW Limited. Until May 2005 Ern was a non-executive director of Southcorp Limited.

Ern retired from the Nestlé Group in 2005 after 38 years in the food industry. His most recent role at Nestlé was President and Chief Executive Officer of Nestlé Purina for the Asia-Pacific, Africa and Middle East region. Previous roles include over six years as Managing Director of Nestlé Australia Ltd plus other senior international executive positions based in Switzerland, New Zealand, the U.S.A. and the Philippines. He is a founder and past director of the Australian Food and Grocery Council.

Prior to submitting himself for re-election, Mr Pope acknowledged to the Company that he would have sufficient time to properly fulfil his duties to the Company.

The Board unanimously recommends that shareholders vote in favour of Mr Pope’s re-election.

Neil Alexander Thompson BEc SA Fin
Finance Director Age 49

Neil was appointed Finance Director on 31 January 2007 after joining Alesco as Chief Financial Officer in January 2006. Prior to joining Alesco, Neil was a director and Chief Financial Officer of the Amatek Group, a building products company backed by the private equity firm CVC Capital Partners. During his time with the Amatek Group, Neil was involved in the management of a diverse portfolio of industrial businesses, including the Laminex Group, Stramit and Rocla Pipeline Products. Neil has spent the past 20 years working in various financial and strategic roles for public companies including TNT Limited and Fosters Group Limited.

The Board unanimously recommends that shareholders vote in favour of Mr Thompson’s election.

ITEM E – RESOLUTIONS 5 AND 6: APPROVAL OF SHARE ISSUES

Purpose of resolutions

Resolutions 5 and 6 have been proposed so that shareholders may consider and, if thought fit, formally approve for all purposes, including the purpose of Australian Securities Exchange (ASX) Listing Rule 7.4, the issues of shares by the Company under the:

- (a) Institutional Placement (as defined below); and
- (b) TEM Vendor Placement (as defined below),

together, the **Issues**.

ASX Listing Rule 7.4 provides that an issue of shares made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 where:

- (a) the issue did not breach ASX Listing Rule 7.1; and
- (b) the shareholders subsequently approve the issue.

The Issues have already taken place within the limits prescribed by ASX Listing Rule 7.1. Shareholder approval is accordingly sought in accordance with ASX Listing Rule 7.4.

Capacity to issue further shares – the 15% limit

ASX Listing Rule 7.1 imposes a restriction on the maximum number of shares that can be issued in any 12 month period without shareholder approval. The restriction is currently 15% of the number of equity securities already on issue within any 12-month period.

The effect of shareholder approval of the Issues will be to increase the Company's capacity to issue shares in the future within the 15% limit.

Resolution 5 – Details of the Institutional Placement

On or about 31 July 2007, the Directors issued 7,609,515 fully paid ordinary shares at \$12.80 each under an institutional placement (the **Institutional Placement**). These shares were issued on the same terms and conditions as existing ordinary shares except that the shares were not entitled to participate in the final dividend for the year ended 31 May 2007 paid on or about 3 September 2007. The shares traded as a separate class of shares until the ex-dividend date which was 14 August 2007. A total amount of \$96.3 million (net of proceeds) was raised from the Institutional Placement.

The allottees of shares under the Institutional Placement were both existing and new institutional shareholders, falling within the definitions of "sophisticated investor" and "professional investor" under sections 708(8) and 708(11) of the *Corporations Act 2001* (Cwlth).

The funds raised under the Institutional Placement were used to help fund the acquisition by the Company of Total Eden Holdings Pty Ltd, the company which owns the Total Eden McCracken's business, which was completed on 1 August 2007.

Resolution 6 – Details of the TEM Vendor Placement

On 24 July 2007 the Company entered into the TEM Share Purchase Agreement with the shareholders of Total Eden Holdings Pty Ltd to acquire Total Eden McCracken's water management products and services business. In connection with this acquisition, on or about 1 August 2007 2,020,971 fully paid ordinary shares were issued at an issue price of \$12.80 to certain key executives of the Total Eden McCracken's business who were also vendor shareholders of Total Eden Holdings Pty Limited (**TEM Vendor Placement**). Certain of these shares are subject to escrow arrangements of up to three years.

These shares were allotted in part payment of the shares held in Total Eden Holdings Pty Ltd by those key executives for an amount equal to approximately \$25.9 million.

These shares were issued on the same terms and conditions as existing ordinary shares except that the shares were not entitled to participate in the final dividend for the year-ended 31 May 2007 paid on or about 3 September 2007. The shares traded as a separate class of shares until the ex-dividend which was 14 August 2007.

Recommendations

The Board recommends that shareholders vote in favour of approving the Issues.

Effect of shareholder approval of Resolutions 5 and 6

The proposed resolutions are effectively a retrospective approval or ratification to refresh the Company's capacity to issue further equity securities pursuant to ASX Listing Rule 7.1.

If shareholders approve the resolutions, the Company will then have the flexibility to issue more shares in the next 12 months if an opportunity arises which the Board believes is in the best interests of the Company. The Company is not presently considering any equity issue, other than in connection with normal course issues under its employee and management share plans and under its Dividend Reinvestment Plan and in association with the Total Eden McCracken's acquisition, with a further 1.17 million shares expected to be issued on adjustment of the final purchase price, expected to occur some time in September 2007. For the purpose of ASX Listing Rule 7.1, the Issues would be treated as having been made with prior shareholder approval. The Issues would then cease to use up part of the 15% limit and would enable that proportion of the 15% limit to be used for a future issue of equity securities.

If Resolutions 5 and 6 are not approved

If shareholders do not approve Resolutions 5 and 6, it will not invalidate the Issues. However, the Issues absorbed most of the 15% limit and so will reduce the Company's ability to issue further securities in the 12-month period following the Issues without shareholder approval.

The Company may issue further shares within the limit of the existing capacity without seeking shareholder approval.

ITEM F – RESOLUTION 7 – FINANCE DIRECTOR AND CHIEF FINANCIAL OFFICER PARTICIPATION IN THE ALESCO PERFORMANCE SHARE ACQUISITION PLAN

Effective from 31 January 2007, it was announced that Chief Financial Officer, Mr Neil Alexander Thompson would join the Board of Alesco as Finance Director.

As part of a long-term incentive arrangement, it is intended, subject to shareholder approval, to allocate to Mr Thompson 100,000 fully paid ordinary shares in the Company (**Shares**) in tranches over the next three years under the Alesco Performance Share Acquisition Plan (**Plan**). This Plan was approved by shareholders at the 2006 Annual General Meeting.

The level of participation offered to Mr Thompson under the Plan has been determined having regard to his overall remuneration package including base salary and short-term incentive component following consultation with external remuneration specialists, Godfrey Remuneration Group.

The Company proposes to offer the Shares in the Company to Mr Thompson in the following tranches over the next three years:

- Tranche 1 – 40,000 Shares to be issued on approximately 1 November 2007;
- Tranche 2 – 30,000 Shares to be issued on approximately 1 November 2008; and
- Tranche 3 – 30,000 Shares to be issued on approximately 1 November 2009.

Each tranche of Shares is to be funded by a loan from the Company to Mr Thompson.

Any issues of shares to Mr Thompson in future years must be separately approved by the Company's shareholders.

The Shares that the Company proposes to either acquire on market for, or issue to, Mr Thompson under the Plan will rank equally with those traded on ASX at the time of issue. If approved and the Company issues the Shares, the issue price will be the volume weighted average price of shares in the Company, as traded on ASX, in the one week period up to and including the date of allocation of the shares to Mr Thompson. As the Shares are proposed to be issued fully paid to Mr Thompson, the only "value" accruing to them will derive from the terms of the Loan proposed to be made by the Company for the purchase price (see the paragraph "Benefit under the Plan" on page 9).

Structure of the Plan

In summary, under the Plan, loans (**Loans**) are provided to key senior executives (**Participants**) to fund the acquisition of ordinary fully paid shares in the Company (**Shares**). Ownership in the Shares vests immediately with the Participant and the Loan is (in most circumstances) fully recourse. Awards are earned by Participants in the form of either cash bonuses (used to pay down the outstanding Loan) or Loan waivers and calculated by reference to the Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items) over a three year period

(**EPS Growth**). The Directors believe that EPS Growth is the most appropriate measurement which is directly affected by the senior executive team of the Company and the measure which will have the greatest impact on long-term shareholder wealth creation.

Terms and conditions of the current proposed Plan grant to Mr Thompson

The following summarises the key terms and conditions of the current proposed Plan grant to Mr Thompson if his allocation is approved. The terms and conditions are the same for Mr Ryan and for other senior executives.

Acquisition of Shares

Shares are proposed to be issued under the Plan at a price equal to the volume weighted average price of Shares, as traded on ASX, in the one week period up to and including the date of allocation of the Shares or otherwise acquired on-market.

Restriction on disposal

Mr Thompson may not dispose of the Shares for three years after acquisition of the Shares (**Restriction Period**) and may only dispose of them after three years if the Loan relating to those Shares is repaid. A holding lock will be placed on the Shares from the date of acquisition until Mr Thompson is entitled to dispose of those Shares (**Holding Lock**).

Loans

The Loan to Mr Thompson under the Plan is interest free and full recourse. There are two exceptions to the full recourse feature:

- (a) if certain performance hurdles are met, the Board may grant an Award and waive a proportion of the unpaid amount of a Loan, up to a maximum of 53.5% of the value of the Loan (based on the current top marginal rate of income tax of 46.5% including the Medicare levy of 1.5%);
- (b) if Mr Thompson ceases to be employed by Alesco prior to the Loan being repaid, in certain circumstances, the Board has the discretion to waive the amount (if any) by which the outstanding Loan balance is greater than the market value of the Shares.

The time that the Loan is due to be repaid is 10 years from the drawdown date, or earlier in the event of termination of employment. From three years after drawdown of the Loan, Mr Thompson may repay some or all of the Loan from his own resources.

While the Loan is outstanding, the after-tax amount of any cash distribution paid on Mr Thompson's Shares will go towards the reduction of the Loan and the balance will be paid to him to meet any tax liability. Mr Thompson must also pay the proceeds of any sale of rights which he derives in respect of his Shares and any associated bonus Shares towards the reduction of his Loan.

Loans become immediately due and repayable on the earliest to occur of:

- (a) the maturity date specified at the time of making the Loan;
- (b) Mr Thompson becoming an insolvent under administration;
- (c) Mr Thompson ceasing to be an employee of an entity within the Alesco Group;
- (d) a relevant third party making a takeover bid and acquiring the Shares of Mr Thompson that are subject to a Loan;
- (e) any person acquiring the Shares under compulsory acquisition or a scheme of arrangement in relation to the Company; and
- (f) the disposal of the Shares by Mr Thompson.

The Board may waive the Company's right to repayment of all or part of any unpaid Loan in the following circumstances:

- (a) on the satisfaction of any conditions for such waiver set out in the invitation in respect of the Shares acquired using the Loan;
- (b) in the event of death or total and permanent disablement of Mr Thompson; or
- (c) in such other circumstances as the Board may, in its sole discretion, determine.

Performance hurdles

In relation to the first tranche of Shares, if certain performance levels measured from 1 June 2007 to 31 May 2010 (**Measurement Period**) are met, the Board will recognise such performance by way of an Award related to the amount borrowed to acquire the Shares.

For the second tranche and third tranche of Shares, the performance levels will be measured from 1 June 2008 to 31 May 2011 and 1 June 2009 and 31 May 2012 respectively.

Performance hurdles will be calculated based on the Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items) (**EPS Growth**) over the Measurement Period. The EPS Growth will be determined by the Board and disclosed in the Company's Annual Report for the relevant financial years.

An Award will, at the election of the Company, be processed as either a bonus with the after tax amount being applied to reduce the Loan balance or as a Loan waiver and fringe benefits tax (**FBT**) on the Loan waiver. The maximum amount of any Award would be a bonus equal to 100% of the initial Loan amount or a Loan waiver equal to 53.5% of the initial Loan amount (being the difference between 100% and the current maximum marginal tax rate of 46.5% including the Medicare levy of 1.5%).

The scale used to calculate the Award is as follows:

EPS Growth* over the Measurement Period	% of Maximum Award	Amount of Loan Reduction as % of initial Loan to Acquire Shares**
<5%	0%	0%
5%	33.3%	17.83%
>5% and <7%	Pro-rata	Pro-rata
7%	66.7%	35.67%
>7% and <12%	Pro-rata	Pro-rata
12% or >	100%	53.5%

* The Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items).

** This assumes a highest marginal tax rate of 46.5% (inclusive of Medicare levy).

Example

An example setting out the way the Award system operates is as follows:

Worked example

Value of Shares allocated under the Plan on the Allocation Date	\$100,000
Initial Loan granted under the Plan	\$100,000
Amount owing on the Loan on the date the Restriction Period ends (assuming \$15,000 of the initial Loan has been repaid using cash distributions on the Shares that are paid during the Restriction Period)	\$85,000
EPS Growth over Measurement Period	10.0%
% of Award in relation to the initial Loan to acquire Shares	86.7%
Amount of Loan reduction as % of initial Loan to acquire Shares	46.367%
Dollar value of Loan reduction (46.367% x 100,000)	\$46,367
New Loan balance upon granting of Award on the date the Restriction Period ends (\$85,000 – \$46,367)	\$38,633

If the EPS Growth over the Measurement Period is less than 5% no Award will be granted and the amount owing on the Loan on the date the Restriction Period ends will be \$85,000. At 12% or higher EPS Growth over the Measurement Period the maximum Award will be granted and the new Loan balance on the date the Restriction Period ends would be \$31,500.

Note that the above example does not take into account:

- any movement in the share price between the Allocation Date and the date the Restriction Period ends. Share prices rise and fall and the value of the Shares may be lower than the value of the Shares at the time they were allocated under the Plan; or
- any personal tax implications.

The above example is not a projection or forecast of the performance of the Company or the Shares. The assumptions used in the example are used only for the purpose of illustrating how an Award may affect the outstanding Loan balance.

Benefit under the Plan

The two examples below represent an estimate of the benefit, based on certain assumptions, that would be provided by the Company to Mr Thompson in respect of his participation in the Plan, should Resolution 7 be approved.

The estimated benefit is based on the present value of the future after tax¹ value of the Share and Loan package held by Mr Thompson on the fifth anniversary of the Tranche 1 grant date and the following assumptions:

• Share price at Tranche 1 grant date:	\$14.25
• EPS (before amortisation of intangibles and significant items) for year ended 31 May 2007:	\$0.746
• dividend payout ratio:	85%
• discount rate:	7.5%

¹ Assumes Shares sold and Loan repaid with capital gains tax payable at current highest marginal tax rate.

EPS Growth* over the Measurement Period	Initial aggregate Loan amount (\$'000)	Aggregate Loan amount waived (\$'000)	Net distributions used to reduce Loan (\$'000)	Loan balance (\$'000)	Assumed price earnings multiple	Estimated share price \$	Estimated benefit (\$'000)
12%	1,586	848	322	415	19.1	25.12	1,750
10%	1,398	648	301	448	16.0	19.22	1,258
7%	1,264	451	274	539	14.0	14.64	817
5%	1,148	205	256	687	12.0	11.41	424
<5%	1,063	Nil	216	847	11.0	8.21	28

* The Company's compound annual growth rate in earnings per share (before amortisation of intangibles and significant items).

The estimated benefit of the Plan to Mr Thompson (as described on page 9) includes assumptions about the future share price of the Company and does not represent the cost to the Company of Mr Thompson's participation in the Plan. This can only be determined during the relevant Measurement Period, but which (on the above assumptions) would be lower than the estimated benefit.

The actual value of the benefits received by Mr Thompson under the Plan will differ from any estimated values, and will depend on the volume weighted average price of the Company's shares, as traded on ASX, in the one week period up to and including the issue date, the price of the Company's shares in the future and the Company's earnings per share (before amortisation of intangibles and significant items) performance for the relevant Measurement Period.

The Directors do not believe that the Company will incur any opportunity cost or forego any benefit by issuing the Shares under the Plan, nor will the Company forego any benefit under the terms of the Loan that the Directors do not believe will be adequately compensated if the performance requirements for Awards are satisfied.

Funds raised from the issue of the Shares and repayment of the Loan under the Plan will be applied to the Company's general capital requirements. The dilution effects on the Company's earnings per share (before amortisation of intangibles and significant items) of the issue of the Shares to Mr Thompson will be negligible.

Information about the Shares issued to Mr Thompson under the Plan, noting that approval for the issue of the Shares was obtained under Listing Rule 10.14, will be published in each Annual Report of the Company relating to a period in which the Shares have been issued.

None of the Directors of the Company other than Mr Ryan and Mr Thompson are entitled to participate in the Plan. Any executive directors who become entitled to participate in the Plan in the future will not participate until approval is obtained by shareholders under Listing Rule 10.14.

None of the Directors of the Company other than Mr Ryan and Mr Thompson currently hold any shares under the Plan. Mr Ryan and Mr Thompson also hold the following Alesco shares under the Alesco Management Share Plan. These shares were issued to Mr Thompson before he was appointed Director of Alesco.

Director	Alesco Management Share Plan	The Plan
Mr Ryan	76,000	150,000*
Mr Thompson	10,000	125,931**

* A total allocation of 370,000 Shares to Mr Ryan over a three-year period from 2006 was approved by shareholders at the 2006 AGM. Mr Ryan will be allocated the balance of the allocation (110,000 and 110,000 shares) on or about 1 November 2007 and 1 November 2008 respectively.

** 100,000 of these Shares are subject to shareholder approval.

Current remuneration of Mr Thompson

The table below sets out the actual remuneration of Mr Thompson in the period from 1 June 2006 to 31 May 2007 and his estimated remuneration for the period 1 June 2007 to 31 May 2008. The estimated remuneration is based on information available to the Company at the time of preparing the Notice of Meeting. The actual remuneration may differ, but will be reported in the 2008 Annual Report of the Company.

Remuneration categories	Mr Neil Thompson	
	Actual 1/6/06 to 31/5/07	Estimated 1/6/07 to 31/5/08
Base Remuneration	\$328,938	\$425,000
Short-term incentive	\$207,200	\$332,500*
Non-monetary benefits	–	–
Superannuation benefits	\$41,062	\$50,000
Other long-term benefits	\$45,783	\$118,566
Value of equity compensation	\$28,522	\$28,522
Total	\$651,505	\$954,588

* This assumes Mr Thompson achieves the maximum short-term incentive of 70% of Base Remuneration plus superannuation benefits which is subject to achieving agreed Company and individual performance criteria.

Further details on the remuneration of Mr Thompson in the relevant periods to 31 May 2007 and his holdings of shares in the Company are set out on pages 37 to 40 of the 2007 Annual Report.

Tax consequences for the Company in relation to the Plan

Eligible individuals will be granted an interest-free Loan by the Company to acquire the shares. Accordingly, the Company will not derive any assessable interest income on the Loans.

No Fringe Benefits Tax (FBT) will be due on the grant of the interest-free Loan due to the "otherwise deductible rule" under the FBT Act. The "otherwise deductible rule" will apply on the basis that the Loan was used to acquire shares in the Company.

A portion of the Loan may potentially be waived. The Company will be liable to pay FBT on the waived amount. The amount of FBT the Company will need to pay has been taken into account in determining the terms of the Plan.

The Company will be entitled to an income tax deduction for the waived amount. The deduction will be incurred by the Company at the time that the Company waives the portion of the Loan.

Requirement for approval

Under Listing Rule 10.14 an entity must not issue securities to a related party (such as a director or a company controlled by a director) under an employee incentive scheme without the approval of securityholders. Accordingly, approval of shareholders is sought for the purpose of ASX Listing Rule 10.14 to enable the Company to issue Shares to Mr Thompson under the Plan.

Related party benefits

Under section 208 of the Corporations Act, the Company may only give financial benefit to a related party (such as a Director of the Company) if this is approved by an ordinary resolution of shareholders. Under the proposed Plan, the Company proposes to give financial benefits under the Plan to Mr Thompson in the form of an interest free Loan and an Award which will either be processed as a bonus with the after tax amount being applied to reduce the Loan balance or as a Loan waiver and FBT on the Loan waiver.

The Directors of the Company consider the benefits proposed to be given under the Plan to constitute reasonable remuneration and therefore exempt from the financial benefit provisions of the Corporations Act. However, the Directors of the Company believe it would be prudent for the Company to seek shareholder approval for the making of a Loan and the grant of an Award to Mr Thompson under the Plan.

Retirement benefits

Under section 200B of the Corporations Act a company may only give a person a benefit in connection with their ceasing to hold a board or managerial office in the Company or a related body corporate if it is approved by shareholders or an exemption applies.

Accordingly, approval is also sought for any benefit which Mr Thompson may receive under the Plan upon cessation of employment with the Company. Benefits are dependent on the circumstances under which employment ceases, and may include the granting of a potential Award where employment ceases prior to the end of the Restriction Period, and the capping of the outstanding loan balance at the market value of the Shares at the date of termination, where employment ceases prior to the Loan being repaid.

RECOMMENDATION

The Directors of the Company (excluding Mr Thompson who has a direct interest) believe that participation in the Plan by Mr Thompson, on the terms and conditions described above, is an appropriately designed equity-based incentive for this senior executive, having regard to his responsibilities and commitment and the role of the Plan in the attraction and retention of key executives and driving the improved performance of the Company.

Accordingly, noting the interest of Mr Thompson (as a potential participant), the Board of the Company recommends that you vote in favour of Resolution 7.

Copies of the Plan Rules and the Constitution of the Company are available on the Company website www.alesco.com.au.

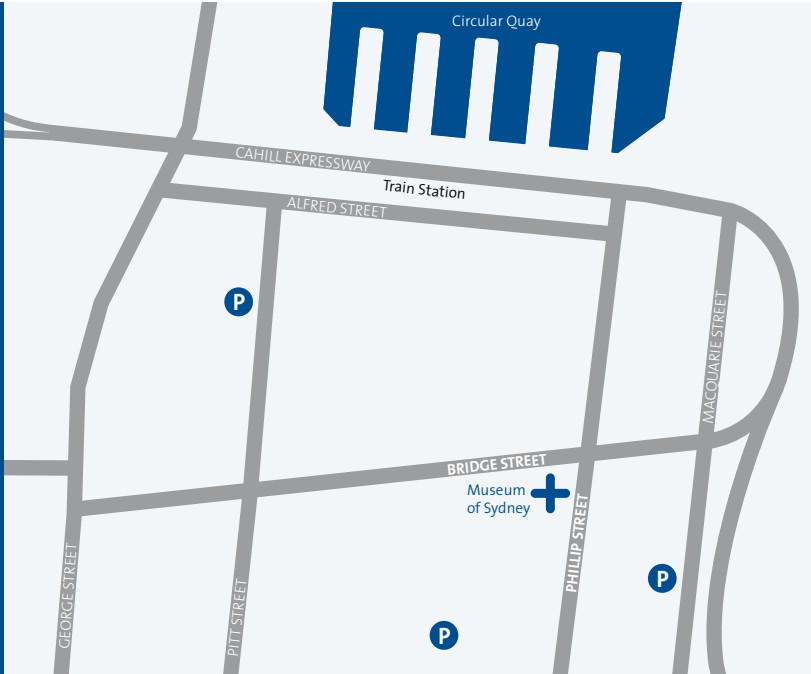
ITEM G – RESOLUTION 8 – AMENDMENT TO THE COMPANY’S CONSTITUTION

Director retirement by rotation (Articles 9.3, 9.5 and 10.10)

The current Constitution requires one third of the Directors to retire each year. As the Board comprises of only seven Directors, two of whom are executive Directors, the Directors are effectively serving a two-year term. The ASX Listing Rules require directors to retire at the third annual general meeting after their appointment or after three years, whichever is longer. The proposed change to Rule 9.3 is to bring the Constitution up-to-date with today’s common corporate practice to allow the directors to serve a three-year term. The proposed amendment removes the additional requirement in the current Constitution for one third of the Directors to retire each year. The changes to articles 9.5 and 10.10 are consequential amendments.

RECOMMENDATION

The Board recommends that shareholders vote in favour of the proposed changes to the Constitution.



LOCATION

AGL Theatre
Museum of Sydney
Corner of Phillip & Bridge Streets
Sydney **Wednesday 26 September 2007**
commencing at **2.30pm** (Sydney time).



APPOINTMENT OF PROXY

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of Alesco Corporation Limited and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting (mark box)** **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 2.30pm on Wednesday, 26 September 2007, at the AGL Theatre, Museum of Sydney, Corner of Phillip & Bridge Streets, Sydney and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

B To direct your proxy how to vote on any resolution please insert in the appropriate box below.

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Issue of shares under institutional placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of James William Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Issue of shares under TEM Share Purchase Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Ernest John James Pope	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Allotment of shares to Finance Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Election of Neil Alexander Thompson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8 Amendment to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

C SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual) <input style="width: 200px; height: 30px;" type="text"/>	Joint Securityholder 2 (Individual) <input style="width: 200px; height: 30px;" type="text"/>	Joint Securityholder 3 (Individual) <input style="width: 200px; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).



How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. 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 shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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 persons as 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 shares 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.

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, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney 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 the corporation 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.

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 by 2:30pm on Monday, 24 September 2007, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to Alesco Corporation Limited's share registry as follows:
Alesco Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: +61 2 9287 0309
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.