



TOX FREE SOLUTIONS LIMITED ANNUAL GENERAL MEETING 14 NOVEMBER 2012

ROBERT MCKINNON, CHAIRMAN'S ADDRESS

OPENING:

Ladies and gentlemen, I take pleasure in welcoming you to this Annual General Meeting of shareholders of Tox Free Solutions Limited. My name is Bob McKinnon, and I am chairman of the Board. I would like to introduce our Managing Director, Steve Gostlow, Directors Richard Allen and Michael Humphris, and our Company Secretary David McArthur.

I would also like to acknowledge our Chief Financial Officer, Michael Constable and other staff who are in attendance.

QUORUM:

I am advised that a quorum of members is present, and therefore declare this meeting open.

NOTICE OF MEETING:

Notice of this meeting has been forwarded to all shareholders, and I move that the notice be taken as read.

May I have a seconder?

Those in favour? Against? Carried.

INTRODUCTION

2012 has seen your company announce another very pleasing result and Steve will provide a more detailed report in a few minutes.

Prior to asking Steve to speak however I would like to acknowledge the effort made by Steve, his executive team and all Toxfree employees during the year.

The result is all the more pleasing because it was achieved at the same time as a number of acquisitions were executed including that of the Dolomatrix assets which as you can imagine involved a significant amount of work. The Dolomatrix acquisition in particular provides an important step in the implementation of our strategy so far as hazardous waste is concerned.

We take the view that strategy is all about implementation and management has once again demonstrated their ability to not only make effective strategic acquisitions but importantly to implement and integrate the acquisitions very effectively indeed.

At the same time management and employees have maintained a high focus on the non-negotiable harm free values of the company. Protection of our people is of utmost importance to the board and we are pleased with the emphasis that is placed on all aspects of health and safety in the company while at the same time being fully aware that every effort is required to further enhance our performance in this area.

We were very pleased during the 2012 financial year to be the recipient of the *National Safety Council of Australia / GIO Workers' Compensation Award for Excellence in OHS&E for 2011*. This the pinnacle award of the annual NSCA National Safety Awards of Excellence.

Toxfree were also awarded the *mytraining.net Best OHS Training Program* category for developing two nationally accredited training programs for operators of High Pressure Water Jetting equipment. This is a significant achievement that we are all very proud of and I thank all of those employees who were directly involved with this achievement.

We continue to review the remuneration of our Executives, Non Executive Directors and Employees to ensure we are market competitive and our remuneration and incentive schemes are designed to ensure we continue to reward, retain and motivate senior executives in a manner aligned with that of Shareholders.

Our short term incentive (STI) scheme is based on the achievement of a number of safety targets, profit targets and performance targets. Our long term incentives are based on achievement of relative Total Shareholder Returns (TSR) and Earning Per Share (EPS) growth over a sustained period of 3 years which ensures alignment with the performance of the Executives with shareholders expectations. We will continue to review both our STI and LTI schemes to ensure this linkage is maintained.

As announced on 29 August Doug Wood has resigned as a director. I would like to acknowledge Doug's contribution as a director of the Company for 4 years, including 2 years as chairman of the board.

We are in the process of considering potential directors who have the attributes required to further enhance the effectiveness of the Board.

I would now like to ask your MD Steve Gostlow to provide shareholders with a summary of the 2012 year just completed and a brief review of the year ahead. That will be followed by the resolutions to be put to this meeting.

STEVE GOSTLOW, MANAGING DIRECTOR'S ADDRESS

Thanks very much Bob, and welcome everyone thanks for attending today.

I am pleased to outline to you today some the Company's achievements in financial year 2012 and to also provide you with our outlook for financial year 2013 as we see it at this stage.

Financial Year 2012

Financial year 2012 has been Toxfree's most successful to date. Our business continues to expand in line with our vision of being Australia's leading waste management and industrial services Company.

Our strategy is threefold:

- 1** | To be the leading provider of hazardous and industrial waste management services nationally,
- 2** | To obtain long term industrial service and waste management contracts with Blue Chip clients throughout Australia, and
- 3** | Provide a full range of waste management and industrial services in regional areas primarily linked to the resource sector.

Our strategy is focused on ensuring we have high earnings visibility and lower earnings risk through the provision of multiple services across a broad number of industry sectors. This is reflected in the current breakdown of our revenue by industry type.

Approximately 28% of our business services the oil and gas sector, 20% Government, 18% mining, 13% infrastructure, 12% commercial and 9% manufacturing. Of this over 90% of our revenue is derived from customers who require waste management and industrial services on a continuing basis from regular production operations like LNG production, iron ore mining, household hazardous waste collection, waste from municipal services or drain cleaning for a local council, as an example.

During financial year 2012 we welcomed an additional 250 employees, increased our net profit after tax (NPAT) by 31%*, commenced operations in three new geographic regions and commenced a number of long term contracts with some of the biggest blue chip companies in Australia. We also doubled our hazardous waste services through the acquisition of Dolomatrix assets (DMX), all without major incident.

This is a credit to all of our employees as they embrace the Company's Harmfree safety culture and a commitment to the provision of safe, reliable and sustainable services to our clients.

As part of our continual improvement process, we are constantly reviewing and improving the safety of our workplace and the safety of our employees on our customer's sites. We continue to promote our harm free safety culture so that its second nature in every activity we undertake.

Our Quality, Environment, Safety and Training system (QUEST) is active across all of our operations and we have now completed triple accreditation throughout 75% of our business with the remainder to be complete by the end of the financial year.

FY12 financials

The summary financials for financial year 2012 were:

- Revenue of \$207.9M up 45% on prior corresponding period (pcp)
- EBITDA \$45.0M up 37% on pcp*
- EBIT \$28.9M up 35% on pcp*
- Net Profit after Tax (NPAT) \$17.2 M up 31% on pcp*
- Earnings per Share (EPS) 16.3 cents up 15% on pcp*

*These figures are normalised to exclude \$1.49M in costs relating to the acquisition of DMX assets which was previously noted to the market.

The Group's debtor days outstanding are at 71 days at the year end with cash in bank of \$18.9M and total debt of \$66.6M. The Statement of Financial Position is in good order with net debt of \$47.7M and net debt to equity of 30%. Cash generated from operations was 86% of EBITDA*.

The Company is also pleased to announce a 33% increase in the dividend paid to our shareholders of 4cps fully franked. This represents ~ 27% of NPAT

Strategic highlights

There were a number of strategic highlights completed during the financial year. One of the most significant was the acquisition of Dolomatrix (DMX) assets in February. DMX have some unique treatment technologies and licensed facilities on the east coast of Australia that complement Toxfree existing hazardous waste business. Together the combined assets of Toxfree and DMX position Toxfree as the leading Hazardous Waste Management Company in Australia.

We are very pleased with the integration and operational performance of DMX since acquisition. Our focus has been to merge the two businesses in Qld, NSW, Vic and WA. I'm pleased to say that this has gone extremely well with the majority of DMX employees having new roles within the combined group. We are now running our hazardous waste business as one within each State.

Our services are shared within each of the regions and we are directing waste to where it is most efficiently treated. This will remain a focus for us and it will take some time before we feel the business is operating to its maximum efficiencies.

Another important part of our strategy is to expand of our services in new geographic regions leveraged to the resource sector.

Within the period we established waste and industrial services in Gladstone, Queensland and shortly thereafter we commenced a waste services contract for Bechtel Australia for the Asia Pacific LNG (APLNG) construction project. The Gladstone business (excluding APLNG) for its first year of trading has performed very well. The APLNG project is still in its early stages of construction and waste volumes are low. We expect this contract to grow over the next 4 years.

We started services in Surat Basin through establishment of services in Roma and have been awarded a Waste and Industrial Services contract with Origin Energy. Again in its first year of operation has gone extremely well.

We are pleased with the performance of MMS Enterprises in Mackay and anticipate growth in the Bowen basin area in the short to medium term.

Expansion of our services in the Pilbara continued with the acquisition of Pilbara Waste in Port Hedland. We also commenced an indigenous joint venture in Port Hedland. The JV was awarded of waste services contract with Fortescue Metals Group earlier this Calendar year.

Our existing services in Karratha performed well. In March 2012, we were granted a 12 month extension of the existing Woodside Energy North West Shelf Venture (NWSV) contract and commenced waste services for Woodside Pluto LNG.

The Toll Energy (Gorgon LNG) waste services contract for Barrow Island is performing well and we have also been granted an extension of that contract.

Our first year in Darwin has also met our expectations. We anticipate growth from the region through the construction of the Inpex Ichthys LNG facility and growth in defence services in the region.

We are also pleased to announce significant progress with the rebranding of all business units across Australia to one brand "Toxfree" to create a unified business and link our diverse range of integrated industrial and waste management services. As a result we will market our business to a broader client base and build brand equity for our stakeholders.

Current trading

Toxfree provides multiple services across a diverse range of market sectors.

Trading across the industry sectors that we service has been mixed. Our services to the oil and gas and mining sectors in Western Australia and Queensland continue to remain buoyant, with the

major contracts performing well and growth evident in Pilbara, Kimberley, Surat and Bowen basins. Importantly, the majority of our services are leveraged to the ongoing production phase of these sectors and we are not relying solely on construction.

In contrast we have seen challenging trading in the retail, manufacturing and infrastructure sectors particularly on the east coast. As a result, our industrial services business on the east coast has been slightly below expectations for this time of the year.

Our government contracts mainly serviced by our hazardous waste services are also performing well.

Overall the company's first quarter trading has been solid and on an EBIT basis is higher than the same period last year. At this point in time we are tracking well against our budgeted financials.

I am also pleased to advise we have retained a number of existing contracts.

We have successfully retendered the contract with the Broome Shire Council for the provision household waste and recycling services to the town of Broome. Our new Materials Recovery Facility is operating well and has been designed to accommodate growth in recycling volumes from the whole Kimberley region.

We have also been provided with our next contract extension for Rio Tinto Iron Ore in the Pilbara.

We are very pleased with the integration of the acquisitions made during the year. Waste Solutions, Pilbara Waste MMS Enterprises have all been integrated into Toxfree's systems. The DMX subsidiaries are in the process of systems integration and are expected to be complete by the third quarter.

Outlook

Our tender book remains buoyant. There are a number of large total waste management contracts that have been tendered within the last 3 months that remain pending.

Acquisitions of complementary businesses remain an important part of our strategy and whilst we remain focused on integration of our most recent acquisitions we will continue to assess acquisitions that complement our strategy

While we expect the trading environment in which we operate to remain challenging we have a positive outlook on our ability to once again increase earnings in financial year 2013.

I will now pass over to you for any questions

Thank you

Steve Gostlow
MANAGING DIRECTOR

PROXIES:

I will read out the proxy votes as we address each individual resolution.

I wish to advise that where the chairman is able to vote on a resolution, and has been appointed as the proxy holder for discretionary votes, I will be casting all such discretionary votes in favor of all resolutions.

FORMAL BUSINESS:

2012 ACCOUNTS:

The 30 June 2012 accounts have been made available to all shareholders.

We have representatives from our auditors, BDO, here to answer any questions in relation to the audit. No written questions have been submitted.

Are there any questions in relation to the 2012 accounts??

NON BINDING ORDINARY RESOLUTION 1

DIRECTORS' REMUNERATION REPORT:

Proxy votes have been cast as follows on this resolution:

For: 62,026,123

Against: 11,466,233

Discretionary: 133,322

Abstain: 1,657,640

I move that, pursuant to and in accordance with section 250R(2) of the Corporations Act, the Directors' Remuneration Report contained within the Directors' Report for the financial year ended 30 June 2012 be adopted.

Are there any questions in relation to this resolution?

Those in favour? Against? Carried.

ORDINARY RESOLUTION 2
RE-ELECTION OF MR MICHAEL HUMPHRIS AS A DIRECTOR:

Proxy votes have been cast as follows on this resolution:

For: 73,858,517

Against: 2,323,640

Discretionary: 1,162,466

Abstain: 106,524

I move that Mr Michael Humphris, who retires by rotation in accordance with rule 13.2 of the Company's constitution, and being eligible, be re-elected as a Director.

Are there any questions in relation to this resolution?

Those in favour? Against? Carried.

ORDINARY RESOLUTION 3
RATIFICATION OF PREVIOUS ISSUE OF SHARES:

Proxy votes have been cast as follows on this resolution:

For: 69,100,910

Against: 2,303,037

Discretionary: 1,190,591

Abstain: 4,852,966

I move that, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the issue and allotment of 13,503,726 Shares issued on terms and conditions outlined in the Explanatory Memorandum.

Are there any questions in relation to this resolution?

Those in favour? Against? Carried.

ORDINARY RESOLUTION 4
ISSUE OF PERFORMANCE RIGHTS AND SHARE
APPRECIATION RIGHTS TO STEPHEN GOSTLOW:

Proxy votes have been cast as follows on this resolution:

For: 61,401,161

Against: 13,609,019

Discretionary: 1,153,739

Abstain: 164,591

I move that, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Directors to grant Performance Rights and Share Appreciation Rights to Mr Stephen Gostlow and to allot and issue Shares on the vesting of the Performance Rights and Share Appreciation Rights in accordance with the terms of the Executive LTI Plan, as detailed in the Explanatory Memorandum.

Are there any questions in relation to this resolution?

Those in favour? Against? Carried

ORDINARY RESOLUTION 5

APPROVAL OF FINANCIAL ASSISTANCE:

Proxy votes have been cast as follows on this resolution:

For: 74,707,860

Against: 459,386

Discretionary: 1,186,701

Abstain: 1,097,200

I move that for the purposes of sections 260B(2) of the Corporations Act and for all other purposes, approval is given for financial assistance to be provided by the Acquired Companies (as defined in the accompanying Explanatory Memorandum) in connection with the Acquisition (as defined in the accompanying Explanatory Memorandum).

Are there any questions in relation to this resolution?

Those in favour? Against? Carried.

CONCLUSION: That now concludes the formal business of this meeting, and I therefore declare the meeting closed. I invite you to join the Board for refreshments.

Robert McKinnon

CHAIRMAN