

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Segue Resources LimitedACN/ARSN 112 609 846**1. Details of substantial holder (1)**Name Segue Resources LimitedACN/ARSN (if applicable) 112 609 846The holder became a substantial holder on 28/10/2005**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary	877,813	877,813	8.35%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Segue Resources Limited	See Annexure A	877,813 Ordinary

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
All seed and mezzanine investors	Seed and Mezzanine investors		877,813 Ordinary

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
		Nil		

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Segue Resources Limited	Unit 9, 36 Ord Street, West Perth

Signature

print name **John Arbuckle** capacity **Company Secretary**

sign here

date **02/11/2005**

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A

For the purpose of section 671B(4) the relevant interest has arisen due to the operation of section 608(9) of the Corporations Act 2001 which provides that a body corporate may have a relevant interest in its own securities.

The relevant interest held by Segue Resources Limited has arisen due to the Company entering into voluntary escrow agreements with all seed and mezzanine investors for an amount of 25% of shares not escrowed by ASX pursuant to the Listing Rules for a period of 12 months. The voluntary escrow proposal was set out in the Segue Resources Limited prospectus dated 25 August 2006.

SEGUE RESOURCES LIMITED

VOLUNTARY ESCROW AGREEMENT



VOLUNTARY ESCROW AGREEMENT

THIS DEED is dated 2005

BETWEEN:

SEGUE RESOURCES LIMITED ACN 112 609 846 of Unit 9, 36 Ord Street, West Perth, West Perth, Western Australia ("**Segue**");

AND

[] of , ("**Holder**").

RECITALS:

- A. The Holder owns the Restricted Securities.
- B. The parties enter into this agreement for the purpose of imposing a restriction on the Holder relating to the Restricted Securities.

AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"**Agreement**" means this agreement or this agreement as may be amended from time to time;

"**ASTC**" means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532)

"**ASTC Settlement Rules**" means the Settlement Rules of ASTC;

"**ASX**" means Australian Stock Exchange Limited (ABN 98 008 624 691);

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Dispose**" means to dispose directly or through another person by any means, including without limitation:

- (a) granting or exercising an option;

- (b) using an asset as collateral;
- (c) decreasing an economic interest; or
- (d) disposing of part of an asset;

"**Escrow Period**" means the period set out in item 1 of the Schedule;

"**Holding Lock**" has the same meaning as that term has in the ASTC Settlement Rules;

"**Issue Date**" means the date on which the Restricted Securities were issued to the Holder being 24 August 2005;

"**Listing Rules**" means the Listing Rules of ASX;

"**Shares**" means ordinary fully paid shares in the capital of Segue;

"**Restricted Securities**" means the securities set out in item 2 of the Schedule and any securities attaching to or arising out of those securities that are restricted securities because of the definition of restricted securities in the Listing Rules; and

"**Share Registry**" means Advanced Share Registry Services.

- 1.2 The singular includes the plural and vice versa.
- 1.3 References to any party shall mean and include a reference to that party, its successors, personal representatives and transferees.
- 1.4 References to recitals, schedules, pages and clauses are references to recitals, schedules, pages and clauses of this Agreement.

2. ESCROW RESTRICTIONS

- 2.1 During the Escrow Period, the Holder will not do any of the following.
 - (a) Dispose of, or agree or offer to Dispose of, the Restricted Securities.
 - (b) Create, or agree or offer to create, any security interest in the Restricted Securities.
 - (c) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Restricted Securities.

- 2.2 The Holder agrees that while the escrow restrictions under clause 2.1 remain in place, Segue may:
- (a) apply or ask ASTC to apply a Holding Lock be placed on the Restricted Securities; and
 - (b) refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities.
- 2.3 Notwithstanding clauses 2.1 and 2.2, the Holder may transfer the Restricted Securities to a third party subject to the third party first entering into a deed, in a form first approved by Segue in writing, agreeing to be bound by the terms of this Agreement such that the third party is bound by the restrictions in this Agreement for the balance of the Escrow Period.

3. WARRANTIES

- 3.1 The Holder warrants and represents that:
- (a) it has the full right, power and authority to enter into this Agreement free of all encumbrances; and
 - (b) it is the sole legal and beneficial owner of the Restricted Securities and no other person holds any right or interest in the Restricted Securities.

4. GENERAL

- 4.1 Segue will pay all stamp duty chargeable on this Agreement.
- 4.2 Segue will lodge this Agreement with the Share Registry.
- 4.3 This Agreement is governed by the laws of Western Australia and the parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia.
- 4.4 This Agreement may consist of a number of counterparts and the counterparts taken together to constitute one and the same instrument.
- 4.5 A facsimile copy of this Agreement executed by a party shall be treated for all purposes as a valid execution by that party of this Agreement.

SCHEDULE

- Item 1:** Escrow Period: 100% of the Restricted Securities for a period of 12 months commencing on the Issue Date
- Item 2:** Particulars of Restricted Securities: []

EXECUTED as a Agreement

SIGNED for and on behalf of)	_____	_____
SEGUE RESOURCES LTD)	Director	Secretary/Director
by authority of its Directors in)		
accordance with section 127 of)	_____	_____
the Corporations Act)	Print name	Print name

SIGNED by)
GREG LEE)
in the presence of:)

Witness:

Name:

Address:

Occupation:

SIGNED for and on behalf of)	_____	_____
[])	Director	Secretary/Director
by authority of its Directors)		
in accordance with section 127)	_____	_____
of the Corporations Act)	Print name	Print name