



2 February 2010

**AKRON ROADS PTY LTD ACN 004 789 895
(ADMINISTRATORS APPOINTED)
("the Company")**

Circular to Creditors

We advise that Ross Andrew Blakeley, Michael Joseph Patrick Ryan and Quentin James Olde of Taylor Woodings were appointed Joint and Several Administrators of the Company on 1 February 2010 by the Directors of the Company pursuant to section 436A of the *Corporations Act 2001*. We have entered into possession and now have control of the assets of the Company.

1. First Meeting of Creditors

When a company enters into Voluntary Administration, the Administrators are required to convene a first meeting of creditors within eight (8) business days after the commencement of the voluntary administration. In this regard, please find enclosed the following documents:

- (i) *Corporations Act 2001* Form 529A, "Notice of First Meeting of Creditors of Company under Administration";
- (ii) *Corporations Act 2001* Form 532, "Appointment of Proxy";
- (iii) *Corporations Act 2001* Form 535 "Formal Proof of Debt for Voting Purposes".
- (iv) ASIC leaflet: "Voluntary administration: a guide for creditors"; and
- (v) Where applicable, ASIC leaflet: "Voluntary administration: a guide for employees".

Proof of debt

Please note that Regulation 5.6.23 of the *Corporations Act 2001* provides that a creditor is not entitled to vote at a meeting unless his claim has been admitted by the Administrators or has lodged with the Administrators particulars of his debt or claim.

Particulars of the debt or claim should be provided by completing and returning the enclosed proof of debt form to us in advance of the meeting, preferably no later than 5.00 pm on 10 February 2010.

For the purposes of this meeting, employees do not need to complete a proof of debt form.

Voting by Proxy

If you intend to appoint another person to act on your behalf at the meeting you are required to complete and return the enclosed proxy form to us in advance of the meeting, again preferably no later than 5.00 pm on 10 February 2010.



If you are a **corporate creditor** and you wish to be represented at the meeting then please ensure the proof of debt and proxy forms are completed by a **duly authorised representative**.

A company may execute a document without a common seal if the document is signed by 2 directors of the company, a director and secretary of the company, or if a sole director company, by the director if the director is also the company secretary.

2. Lease and Hire Purchase Creditors

Responsibility for liabilities under hire purchase or lease agreements will not commence until 8 February 2010, pursuant to Section 443B of the Corporations Act 2001. Further, pursuant to Section 440C of the Corporations Act 2001, **the lessor or owner of the property in the control of the Company is not able to take possession of the property without leave of the court or my written consent**. The urgent advice of lease and hire creditors, detailing the property subject to a relevant agreement would be appreciated.

3. Consignment Stock and Retention of Title Claims

If any creditor has supplied consignment stock or is claiming retention of title over goods supplied to the Company they are required to notify us in writing immediately.

All proceedings against the Company or its property by creditors are stayed unless our consent or leave of the Court is obtained. Creditors asserting ownership of any property, such as goods supplied under a Retention of Title clause, are prohibited from recovering those goods under Section 440C of the Act without the Administrators' written consent or leave of the Court.

4. Financial Position and Future Direction

We are currently assessing the Company's financial position to determine the best way forward which includes seeking expressions of interest in the Company. We will advise further in this regard at the first meeting of creditors.

We request that all creditors and suppliers close their accounts with the Company in respect of goods supplied and/or services rendered prior to the appointment of Administrators. No liability will be accepted by the Administrators for any credit incurred after their appointment unless it has been duly authorised by the Administrators.

At this stage, all works have been suspended by the Company whilst the viability of the Company's financial position and projects is completed. Once we have completed our assessment and formulated a strategy, the future for the Company and the position of all creditors and stakeholders, can be better determined.

In our capacity as Administrators, we shall conduct investigations into the affairs of the Company and identify potential matters and recoveries in any potential liquidation. We will also assess any proposal for a Deed of Company Arrangement ("**DOCA**"), should one be formulated.

Our findings and recommendations will be detailed in a Report to Creditors pursuant to Section 439A(4)(a) of the Act, to be provided prior to the required second meeting of creditors at which creditors will decide on the future of the Company.

5. Administrators' Background

Ross Andrew Blakeley, Michael Joseph Patrick Ryan and Quentin James Olde are Registered Liquidators, Official Liquidators and Partners of Taylor Woodings. Taylor Woodings Chartered Accountants specialises in business workouts and reconstruction. Should you require further information regarding the Administrators' please visit our website, www.taylorwoodings.com.au. If you do not have internet access and require further information, please contact this office.

6. Declaration of Independence, Relevant Relationships and Indemnities

We advise that we have had no dealings with the Company or its directors, or any related party which would preclude us from accepting the appointment.

Please refer to the attached Declaration of Independence, Relevant Relationships and Indemnities for further details.

7. Administrators' Remuneration

We advise that Taylor Woodings charge professional fees based on time spent by the Administrators and their staff at rates reflecting their level of experience. The firm's hourly rates are set out in our *Initial Advice to Creditors* accompanying this notice. Our total fees will be subject to the work to be performed by the Administrators and their staff in respect of the conduct of the matter.

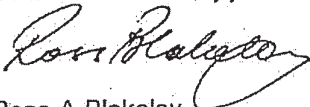
Administrators' fees are subject to the approval of creditors.

8. Creditor Information/Queries

If creditors have any information or specific queries they believe may be relevant to the Administration of the Company or assist in the Administrators' investigations into the affairs of the Company, please submit that information or those queries to the Administrators in writing.

Should you have any queries in relation to the matters raised above, please telephone the Akron Creditor Enquiry Line on (03) 9604 0680.

Yours faithfully
Akron Roads Pty Ltd
(Administrators Appointed)



Ross A Blakeley
Administrator

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