

30 October 2014

Australian Stock Exchange

**Takoradi Limited (Subject to a Deed of Company Arrangement) (the "Company")**  
**A.C.N. 006 708 676**

Pursuant to a resolution passed on 30 September 2014 at a meeting of the creditors of Takoradi Limited (Subject to a Deed of Company Arrangement) A.C.N. 006 708 676, the Company executed a Deed of Company Arrangement ("DOCA") with Notesan Pty Limited ("Proponent") and Antony Resnick and Andrew Cummins in their capacities as Joint and Several Administrators of the Company ("Administrators") on 15 October 2014. The DOCA incorporates a Creditors Trust and that Creditors Trust is expected to be executed on or around 14 November 2014, subject to the effectuation of the DOCA.

Key points of the DOCA incorporating a Creditors Trust are as follows:

- Control of the Company's assets and trading affairs revert to the Directors of the Company on execution of the DOCA.
- Antony Resnick and Andrew Cummins are appointed Joint and Several Deed Administrators ("Deed Administrators") on 15 October 2014.
- During the DOCA period, Creditors must not make or proceed with any application for an Order to wind up the Company without the leave of Court or exercise any right of set off to which the Creditor would not have been entitled had the Company been wound up.
- Notesan, as Secured Creditor has executed a Letter of Comfort confirming that it does not intend to enforce the Security or enforce the underlying loan agreement at any time during the 12 months following 15 October 2014, if to do so would render the Company insolvent.
- Deed Fund shall comprise:
  - (a) \$250,000 representing all proceeds of utilisation by the Company of the New Notesan Loan Facility; and
  - (b) The Defensive Cross claims (none have been identified to date).

Ferrier (Chairman) | Silvia | Krejci | Resnick | Cummins | Nicodemou | Green (Consultant) | Hodgson (Consultant)

BRI Ferrier (NSW) Pty Ltd Chartered Accountants ABN 97 128 947 848

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- Once the Deed Fund is established and all funds received into same:
  - (a) The DOCA will be effectuated;
  - (b) The Creditors Trust Deed will be executed and the Creditors Trust will be formed;
  - (c) Antony Resnick and Andrew Cummins will be appointed Trustees of the Creditors' Trust; and
  - (d) The Deed Fund will be transferred into the Creditors Trust Fund immediately following the formation of the Creditors Trust.
- The Trustees will hold in the Creditors' Trust Fund:
  - (a) All amounts paid to them by the Administrators pursuant to the DOCA;
  - (b) The Proceeds of the Trust Fund;
  - (c) Their rights under the Assignment Deed in relation to Defensive cross claims; and
  - (d) The Covenant of the Company described below:
    - a. For any sale of Eligible Assets completed by the Company, between the time the Creditors Trust is formed and the date that is three years after the Creditors Trust was formed, the Company Covenants with the Trustees to pay to the Trustees amount(s) that is/are equal to seventy-five (75%) of any and all net proceeds of the sale of any Eligible Assets, such amount(s) to be payable within 10 business days following receipt of the net proceeds by the Company ("the Asset Sale Proceeds").
    - b. The Company's obligations to pay the Asset Sale Proceeds are limited to payment of amount(s) that in aggregate, result in payments to Beneficiaries under this Deed being fifty cents in the dollar of the Admitted Amounts.
    - c. No amount is due and payable by the Company from the Asset Sale Proceeds unless and until the Company had repaid in full any and all amounts owing to Notesan Pty Limited.

The Deed Fund is estimated to be \$100,000 to \$1.5M, subject to the available Asset Sale Proceeds and the adjudication of participating claims.

- The Company must provide to the Trustees at the Trustees' cost, reasonable access to the Company Records then in its possession during normal business hours upon receipt of a valid request for such access.
- The Trust Fund will be distributed in the following order of priority:

- (a) First, to the extent that any remain unpaid by the Company, in payment of the Administration Liabilities and Administration Remuneration.
- (b) Second, to the extent that any remain unpaid by the Company, in payment of the Deed Administration Liabilities and Deed Administration Remuneration.
- (c) Third, payment in full of the Trustees' Expenses (as defined in the Creditors' Trust Deed).
- (d) Fourth, payment in full of the Trustees' Remuneration (as defined in the Creditors' Trust Deed).
- (e) Fifth, to the extent that any remain unpaid by the Company, in payment of any Employee Entitlements.
- (f) Sixth, in payment of all other Creditors' Admitted Claims on a pro rata and pari passu basis.
- (g) Seventh, after payment in full of all Admitted Claims under paragraph (f) above, to the Company.

The aggregate amounts payable under clauses (a) to (d) must not exceed \$150,000, comprising the following maximum totals:

- o \$100,000 being for fees and internal disbursements incurred in relation to the voluntary administration, deed administration and trusteeship;
- o \$20,000 being for trading liabilities incurred during the administration;
- o \$20,000 being for professional fees payable to Pitcher Partners; and
- o \$10,000 being for legal fees payable by the Administrators.

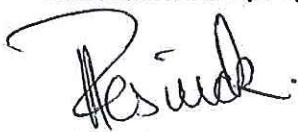
The aggregate amounts payable under clauses (e) and (f) must be at least \$100,000.

A copy of the executed DOCA is publicly available from the Australian Securities and Investments Commission.

Should you have any queries please contact BRI Ferrier on (02) 8263 2300.

Yours Faithfully,

**Takoradi Limited (Subject to a Deed of Company Arrangement)**



**Antony Resnick**

Joint and Several Deed Administrator