

17 September 2009

**TO CREDITORS / SHAREHOLDERS**

Dear Sir/Madam

**Zylotech Limited (Administrators Appointed) ACN 008 720 223**

I refer to my previous correspondence in relation to the Administration of Zylotech and in particular my circular to creditors and my notice to shareholders both dated 24 August 2009.

As previously advised, the 2<sup>nd</sup> meeting of creditors of Zylotech was to be held on 24 September 2009. The Administrators have received 26 expressions of interest for the purchase of the business or recapitalisation of Zylotech.

In order to more fully explore the interest expressed in Zylotech, the Administrators sought and received the Committee of Creditors' approval to apply to the Court to extend the convening period of the Administration until 8 October 2009.

On 16 September 2009, the Administrators applied to the Supreme Court of New South Wales pursuant to Section 439A(6) of the Corporations Act 2001 and were granted an extension of the convening period of the Administration until 8 October 2009.

The Court also ordered that liberty be given to any person affected by the order to apply on not less than 48 hours' notice to the Administrators in writing to vary or discharge the order.

As a consequence of the Court's order, the 2<sup>nd</sup> meeting of creditors of Zylotech can now be held at any time between 30 September 2009 and 15 October 2009.

I apologise for the delay; however, I believe that it is in the interests of creditors as a whole that the Administrators take an additional few weeks to explore fully all of the interest that has been expressed in Zylotech in order to present those options to creditors for their consideration.

Please contact me or Matthew Hocking of my office on (02) 9020 4046 should have any queries in relation to this matter.

Yours faithfully

  
**A F Needham**  
Administrator