

20 May 2010

Companies Announcement Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

### **TRADING HALT - CLARIFICATION**

The company advises that it was served with an *Ex Parte* Order of the Supreme Court dated 17 May 2010 and served on the company on 18 May 2010. It also received copies of the single Plaintiff's (McInerney Holdings Pty Ltd) application and supporting documentation.

The Plaintiff has applied for relief in respect of conduct which it alleges contravened Section 232 of the *Corporations Act* and seeks, *inter alia*, the re-purchase of 714M options issued in 2009 by the company to sophisticated investors.

The issue of those options was approved by shareholders at an Extraordinary Meeting of Shareholders on 3 June 2009.

The company requested a trading halt on 18 May 2010 as a result of an article published in The West Australian newspaper on that date. It was not made aware of the proceedings prior to them taking place.

The Supreme Court ordered that only four of the shareholders who paid for, and received, the options "*be restrained from disposing of any of the options issued to them by*" the company "*on 24 April 2009 and 20 July 2009 or any shares in*" Padbury "*issued on exercise of these options up to 6:00pm Wednesday 19 May 2010.*"

At a further hearing of the Court on 19 May 2010, at which the company was represented, three of the four shareholders undertook not to convert their options until further order of the Court. At the hearing, by the consent of all parties, the Court made orders entering the matter onto the Commercial and Managed Cases List so that the matter can be heard and resolved as expeditiously as possible.

The claim will be vigorously defended by the company.

Yours faithfully

Neville Bassett  
Company Secretary