

An insolvency practice specialising in effecting recoveries for creditors from insolvencies by identification and management of legal claims.



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4 February 2011

**BY EMAIL:**            **patrick.oconnor@asx.com.au**

Mr Patrick O'Connor  
Senior Adviser, Listings (Brisbane)  
ASX Markets Supervision  
PO Box 7055  
Riverside Centre  
BRISBANE QLD 4000

Dear Mr O'Connor,

**AVAISTRA SLEEP CENTRES LTD (IN LIQUIDATION)**  
**Australian Company Number: 094 446 803**

I refer to your letter dated 1 February 2011, concerning the failure of Avastra Sleep Centres Ltd (In Liquidation) ("Avastra") to provide the Australian Stock Exchange ("ASX") with a trading policy compliant with the ASX's listing rule 12.12.

As you are no doubt aware, on 4 August 2009, John Sheahan and I were appointed as joint and several administrators of Avastra. We were appointed as joint and several liquidators by resolution of the company's creditors on 4 September 2009.

Upon the appointment of administrators all of the company's employment contracts with staff were terminated. Accordingly the company has no 'key management personnel'.

Pursuant to section 493A of the *Corporations Act 2001*, there can be no trading of the company's shares except in circumstances where the liquidator gives written and unconditional consent to the transfer and if he is satisfied that the transfer is in the best interests of the company's creditors as a whole.

In light of the fact that Avastra is not trading, and there can be no trading in the company's shares, it would appear to be otiose to have any share trading policy.

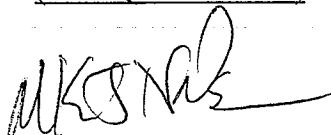
Once the liquidators' investigations, and any actions arising therefrom, are finalised, it is possible that the company may return to solvency and seek to have its suspension lifted. In that case, the company will of course comply with its listing requirements before seeking to be re-listed.

I trust this letter sufficiently addresses the ASX's requirements in this regard.

Finally, I note your advice in that letter that two Companies Updates, dated 13 August 2010 and 9 December 2010, were sent to Avastra concerning its obligation to file a trading policy. On reviewing the company's records, it appears that I have not received these Companies Updates. Can you please confirm to which address they were sent.

Please contact my associate, Michael Nelson, or me if you have any queries in relation to this matter.

Yours faithfully,  
AVASTRA SLEEP CENTRES LTD  
(IN LIQUIDATION)



*per* IAN LOCK  
Joint Liquidator



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1 February 2011

Mr Michael Nelson  
Sheahan Lock Partners  
Level 2, 234 George Street  
Sydney NSW 2000

By email: [mnelson@slp.net.au](mailto:mnelson@slp.net.au)

Dear Mr Nelson

### **Avastra Sleep Centres Limited (the "Company") – Trading Policy Disclosure**

We refer to the following.

1. Listing rule 12.9, effective from 1 January 2011, which states as follows:  
*An entity must have a trading policy that complies with the requirements of ASX listing rule 12.12. An entity must give its trading policy to the company announcements office for release to the market.*
2. Listing rule 12.12, effective from 1 January 2011, which states as follows:  
*At a minimum, an entity's trading policy must include the following information:*
  - 12.12.1 *The entity's closed periods.*
  - 12.12.2 *The restrictions on trading that apply to the entity's key management personnel.*
  - 12.12.3 *Any trading which is not subject to the entity's trading policy.*
  - 12.12.4 *Any exceptional circumstances in which the entity's key management personnel may be permitted to trade during a prohibited period with prior written clearance.*
  - 12.12.5 *The procedures for obtaining prior written clearance for trading under rule 12.12.4.*
3. *Guidance Note 27 – "Trading Policies"*, which was published to assist listed entities to comply with their obligations under listing rules 12.9, 12.10 and 12.12.
4. The Companies Update dated 13 August 2010, notifying listed entities of their obligation to comply with the requirements in listing rules 12.9 and 12.12, effective from 1 January 2011.
5. The Companies Update dated 9 December 2010, reminding listed entities of their obligation to comply with the requirements in listing rules 12.9 and 12.12, effective from 1 January 2011.

ASX Limited ("ASX") attaches particular importance to encouraging a consistently high standard of listed entities' disclosure in respect of trading policies.

Our records indicate that, despite the reminders mentioned above, the Company has not yet lodged with ASX a trading policy in compliance with listing rules 12.9 and 12.12.



ASX notes that the Company is currently suspended. ASX reminds the Company of its contract with ASX to comply with the listing rules. This obligation is not affected by the suspension of the Company's securities from trading (see listing rule 18.6).

In the circumstances ASX requires the Company to answer the following questions:

1. Please explain why the Company has not lodged a trading policy with ASX.
2. Please advise when the Company expects to lodge a trading policy with ASX in compliance with listing rules 12.9 and 12.12.

Your response should be sent to me by e-mail at [patrick.oconnor@asx.com.au](mailto:patrick.oconnor@asx.com.au) or by facsimile on facsimile number (07) 3832 4114. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. **before 8.30 a.m. A.E.T.**) on **Friday, 4 February 2011**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked.

ASX notes that the suspension in quotation of the securities of the Company will continue until the listed entity releases to the market a trading policy that is compliant with the listing rules. This is in addition to any other requirements that the Company must meet for reinstatement to quotation.

Please note that ASX Compliance has discretion not to reinstate a listed entity should it fail to comply with the listing rules, the spirit of the listing rules or be unable to disclose information to the market as requested by ASX or required by listing rule 3.1.

If you have any queries about this letter, please contact me immediately.

Yours sincerely,

A handwritten signature in black ink that reads 'Pat O'L'.

Patrick O'Connor

Senior Adviser, Listings (Brisbane)