

SV PARTNERS

Insolvency Accountants and Business Solutions

Paul Sweeney
Terry van der Velde
David Stimpson
Terry Rose
Jason Cronan

SV Partners
ABN 63 103 951 819

FACSIMILE

TO: Company Announcement Office
ORGANISATION: ASX
FACSIMILE NUMBER: 1300 135 638
FROM: Adam Kersey
SUBJECT: CEC Group Limited (Administrators Appointed)
DATE: 20 May 2011
NUMBER OF PAGES: 14 (Including cover)

ASX CODE: CEG

Dear Sir / Madam

We refer to our appointment as Joint and Several Administrators of the above company on 11 May 2011.

We request you release the **attached** announcement (comprising 13 pages) to the market via the above company's ASX portal.

Please provide confirmation by email to adam.kersey@svp.com.au.

Should you require any further information, please contact Adam Kersey on 07 3310 2012.

Yours sincerely



TERRY GRANT VAN DER VELDE
DAVID MICHAEL STIMPSON
JOINT AND SEVERAL ADMINISTRATORS

20 May 2011
Adam Kersey / 15

SVPARTNERS

a member of the SVP Group of Companies

svpartners.com.au

SV Partners Pty Ltd
ABN 63 103 951 819

BRISBANE

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138 Mary Street
Brisbane QLD 4000

GPO Box 5300
Brisbane QLD 4001

T +61 7 3310 2000

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E brisbane@svp.com.au

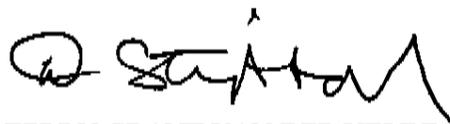
**CEC GROUP LIMITED (RECEIVERS & MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)
A.C.N. 010 025 831**

We refer to our appointment as Joint and Several Administrators of the above company on 11 May 2011.

A meeting of the company's creditors is scheduled for 23 May 2011 at 2pm. Please find **attached** a copy of the notice of meeting sent to all known creditors of the company.

Please note this is a meeting of creditors and not shareholders. Shareholders should not attend this meeting.

Yours faithfully



TERRY GRANT VAN DER VELDE
DAVID MICHAEL STIMPSON
JOINT & SEVERAL ADMINISTRATORS

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CIRCULAR TO CREDITORS

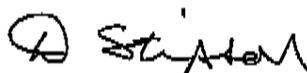
**CEC GROUP LIMITED (RECEIVERS & MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)
A.C.N. 010 025 831**

We advise that we were appointed joint and several voluntary administrators of the company on 11 May 2011 pursuant to Section 436A of the Corporations Act 2001. The company's records available to us indicate that you may be a creditor of the company.

We enclose for your attention:

1. **Detailed Circular to Creditors** – Including notice on the trading status of the company
2. A copy of our Notice of Appointment as joint and several administrators
3. **Notice of the First Meeting of Creditors (Form 529)**
4. **Proxy Form (Form 532)** - This form must be lodged with our office before a creditor is entitled to vote at the meeting of creditors.
5. **Proof of Debt (Form 535)** - This form is required to be lodged with our office prior to the meeting of creditors to entitle you to vote. If you have already lodged a proof of debt with the administrators, you are not required to lodge another one.
6. **Statement Concerning SV Partners and our declaration of Relevant Relationships and Indemnities.**
7. **SV Partners – Schedule of Hourly Rates**
8. **Information Memorandum** - Produced by the Australian Securities and Investments Commission (ASIC) and the Insolvency Practitioners' Association of Australia (IPA). Also available on our website at www.svpartners.com.au

Yours faithfully



**TERRY GRANT VAN DER VELDE
DAVID MICHAEL STIMPSON
JOINT & SEVERAL ADMINISTRATORS
Enc.**

RECEIVE REPORTS BY EMAIL

If you wish to receive all future reports and correspondence from our office regarding this administration via email, please email your contact details and the name of the administration.

Providing services throughout Australia svpartners.com.au

BRISBANE CENTRAL COAST NSW DUBBO GOLD COAST MACKAY NEWCASTLE SUNSHINE COAST SYDNEY TOOWOOMBA

Liability limited by a scheme approved under Professional Standards Legislation.

1.

CEC Group Limited (Receivers & Managers Appointed) (Administrators Appointed)
A.C.N. 010 025 831
Circular to Creditors pursuant to Section 436E of Corporations Act 2001

DETAILED CIRCULAR TO CREDITORS

**CEC GROUP LIMITED (RECEIVERS & MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)
A.C.N. 010 025 831 (the "Company")**

Voluntary Administration – General Purpose Statement

The object of an administration is to provide for the business, property and affairs of the company to be administered in such a way that maximises the chances of the company, whole or in part, to continue to exist. Should it not be possible for the company to continue, the object of the administration is to return a better result to creditors than otherwise would be the case.

Cessation of Trading

We advise that the company is not trading. Therefore, no further credit should be provided without our authorisation.

Please note that we expressly refrain from adopting any contracts of the company in existence at the date of our appointment unless we formally notify you otherwise. All contracts are currently the subject of review and advice as to the position of the same will be forthcoming in the near future. In the meantime, no implication of the adoption of any contract should be drawn if the payments are made for any current use of the goods and services.

Pre Appointment Claims

Upon the appointment of an administrator an *automatic moratorium on creditors'* (other than a secured creditor with a charge over all or substantially all of the company's assets) *rights to take action against the company to recover their debts is created*. This period lasts until the conclusion of the administration or any further duration that creditors resolve to accept.

As administrators, we are not in a position to discharge debts incurred by the company prior to the date of our appointment. These debts rank as unsecured claims against the company. Payment of these amounts is dependent on the outcome of the administration. In order to assist in determining the financial position of the company, please forward details of the amount owing to you by the company as at the date of our appointment at your earliest convenience.

Unless otherwise individually advised, any orders placed with you by the company prior to our appointment, which have not yet been completed, should not be completed.

All existing contracts with the company are being reviewed. Any continued performance of these contracts pending our determination as to their continuance or otherwise should not be taken as an adoption of such contracts by us unless you are notified by us accordingly and in writing.

Property Used but not Owned by the Company

Section 440C of the Act provides that during the administration the owner or lessor of property that is used, occupied or in the possession of the company *cannot take possession of the property or otherwise recover it without the permission of the administrators or the leave of the court*. Under section 443B the administrators do not become liable for payment under agreements with the owner/lessor until 5 business days after the commencement of the administration.

2.

CEC Group Limited (Receivers & Managers Appointed) (Administrators Appointed)
 A.C.N. 010 025 831
 Circular to Creditors pursuant to Section 436E of Corporations Act 2001

Section 442C of the Act states that an *administrator can, in the ordinary course of business, deal with property of the company* that is subject to a charge and property that is used, occupied or in the possession of the company, but of which someone else is the owner. *This includes goods subject to retention of title.*

If you fall into the above category and we have not already discussed the matter with you please contact our office immediately.

First Meeting of Creditors

The first meeting of creditors will be held at The Sebel Cairns Hotel, 17 Abbott Street, CAIRNS QLD 4870, on Monday, 23 May 2011 at 2:00 PM.

The meeting will consider the election of a committee of creditors and whether an alternative administrator should be appointed. The meeting will also allow you to discuss the affairs of the company and the results of the administrators' investigations to date.

The *committee of creditors* consults with the administrators about matters relating to the administration and receives and considers reports by the administrators. Generally, the committee is a small number of the creditors, say up to five.

The meeting may also consider whether the administrators should be at liberty to apply for an extension of the 20 business-days convening period for the second meeting, for a period of up to 45 business days, if circumstances arise which warrant such an application.

Voting at the Meeting

To be eligible to vote at the meeting, you will need to:

- (i) persons attending the meeting on behalf of a company or other creditors are also required to bring a **completed proxy**. A pro-forma is attached; and
- (ii) **complete and return the enclosed formal proof of debt.**

If the debt is owed to a company, the proxy should:

1. be signed by a director/s under seal or
2. be signed by a person with the ostensible authority to commit the company, eg. a director or
3. have attached to it a copy of the director's resolution appointing the proxy.

Alternatively the company can appoint an attorney to attend on its behalf.

Second Meeting of Creditors

A second meeting of creditors will be held on or before 16 June 2011 to consider a second report by the administrators and any proposal for the future of the company. An application may be made by us to the court to defer the date of the meeting.

At least 5 business days before the second meeting of creditors we will issue a detailed report about the company's business, property, affairs and financial circumstances and a statement setting out our opinion on whether it is in the creditors' best interest for:

- (i) the company to execute a Deed of Company Arrangement, or

3.

CEC Group Limited (Receivers & Managers Appointed) (Administrators Appointed)
A.C.N. 010 025 831
Circular to Creditors pursuant to Section 436E of Corporations Act 2001

- (ii) the administration to end, or
- (iii) the company to be wound up.

At the second meeting you will vote on the option that you feel is in the best interest of creditors. Creditors can also elect to adjourn the meeting for up to forty-five (45) business days before making a decision on the options put to them.

Administrators' Independence

Attached to this report is a Statement Concerning SV Partners and a Declaration of Relevant Relationships as well as a Declaration of Indemnities.

Administrators' Remuneration

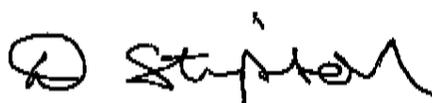
We advise the voluntary administrators' remuneration will be calculated on the basis of time spent on the administration by the administrators, our directors and staff at the SV Partners hourly rates, as fixed from time to time. A summary of our current hourly rates is enclosed for your information.

It is difficult to estimate with accuracy the quantum of the voluntary administrators' remuneration. However, as a guide, based on our current knowledge of the administration we estimate the remuneration for the voluntary administration to be in the vicinity of \$20,000 to \$30,000, plus GST and outlays.

Further Information

Should you require any further information or feel there is a particular area of the company's activities that should be investigated please contact either the writer or Sta Razika of this office on 07 3310 2027.

Yours faithfully



TERRY GRANT VAN DER VELDE
DAVID MICHAEL STIMPSON
JOINT & SEVERAL ADMINISTRATORS
Enc.

Form 529A

Corporations Act 2001
Subregulation 5.6.12(6)**NOTICE OF FIRST MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION****CEC GROUP LIMITED (RECEIVERS & MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)
A.C.N. 010 025 831**

On 11 May 2011 the company under Section 436A appointed Terry Grant van der Velde and David Michael Stimpson of SV Partners, Insolvency Accountants and Business Solutions, SV House, 138 Mary Street, BRISBANE QLD 4000 as joint and several administrators of the company.

Notice is now given that a meeting of creditors of the company will be held at The Sebel Cairns Hotel, 17 Abbott Street, CAIRNS QLD 4870, on 23 May 2011 at 2:00 PM.

The purpose of this meeting is to determine:

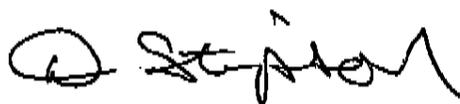
- a. whether to appoint a committee of creditors; and
- b. if so, who are to be the committee's members.

At the meeting, creditors may also, by resolution:

- a. remove the administrators from office; and
- b. appoint someone else as administrator of the company.

Creditors wishing to vote at the meeting who will not be attending in person or are a company must complete and return a Proxy form by no later than 4:00pm on the last business day prior to the meeting, by post to GPO Box 5300, BRISBANE QLD 4001, or by facsimile to +61 (07) 3229 7285. A form of Proxy is attached.

Dated this 13th day of May 2011



TERRY GRANT VAN DER VELDE
DAVID MICHAEL STIMPSON
JOINT & SEVERAL ADMINISTRATORS
C/- SV PARTNERS PTY LTD
INSOLVENCY ACCOUNTANTS AND BUSINESS SOLUTIONS
www.svpartners.com.au

Regulation 5.6.29
Corporations Act 2001

APPOINTMENT OF PROXY

**CEC GROUP LIMITED
A.C.N. 010 025 831**

I/We.....
(Creditor Name)

of.....
(Creditor Address)

a creditor of CEC Group Limited

appoint.....
(Name, address & job title of individual to attend and vote at meeting)

or in his or her absence.....

as *my/*our *general/*special proxy to vote at the meeting of creditors to be held on the 23 May 2011, or at any adjournment of that meeting.

For a special proxy tick either For, Against or Abstain for each resolution detailed below.

Resolution	For	Against	Abstain
1. - "To confirm the appointment of Terry Grant van der Velde and David Michael Stimpson as administrators of the company"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. - "To appoint a committee of creditors"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*strike out if inapplicable.

Signature: Dated:

Print Name: Occupation/Title:

Address:.....

Telephone:..... Facsimile:.....

Email:

Form 535
Subregulation 5.6.49(2)
Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrators of **CEC Group Limited (Receivers & Managers Appointed)**
(Administrators Appointed)
ACN 010 025 831

1. This is to state that the company was on 11 May 2011, and still is, justly and truly indebted to:

Creditor Name	
Creditor Postal Address	
Telephone	
Facsimile:	
Email:	
ABN <small>(N/A, if not required)</small>	
FOR <small>Amount owing (Dollars & Cents)</small>	\$

Particulars of the debt are:

Date	Consideration <small>(state how the debt arose and attach supporting documentation)</small>	Amount \$ c

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).*

Date	Drawer	Acceptor	Amount \$ c	Due Date

- *3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- *3. I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

* Do not complete 3 above if this proof is made by the creditor personally.

Signature:	Dated:
Print Name:	Occupation/Title:

RECEIVE REPORTS BY EMAIL	Yes	No
Do you wish to receive all future reports and correspondence from our office regarding this administration via email?	<input type="checkbox"/>	<input type="checkbox"/>

SVPARTNERS

Insolvency Accountants and Business Solutions

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

STATEMENT CONCERNING SV PARTNERS

The Joint & Several Administrators of CEC Group Limited (Receivers & Managers Appointed) ACN. 010 025 831 (the "company") are directors of SV Partners ("SVP").

SVP is an independent specialist insolvency and forensic accounting practice with offices in New South Wales and Queensland. SVP does not provide any other accounting services, taxation or auditing services. An overview of our practice is presented at www.svpartners.com.au.

A. INDEPENDENCE

We have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint & Several Administrators of the company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

i. Circumstances of Appointment

We had meetings with the directors and the company advisers on 28 February 2011 and 10 May 2011 for the purposes of discussing:

- The financial position of the company;
- Options available to the company;
- Procedures involved with each of the various options.

No remuneration has been received, or will be received in respect of that advice.

The advice provided would not be subject to review during the course of the administration and will have no impact on compliance with our statutory and fiduciary duties and, for those reasons, the advice given does not, in our opinion, give rise to a conflict of interest or duty.

ii. Relevant Relationships

We, or a member of our firm, have or have had within the preceding 24 months, a relationship with:

Name	Nature of Relationship	Reasons why not an Impediment or Conflict
CEC Constructions Pty Ltd CEC Quarries Pty Ltd CEC Mt Isa Pty Ltd CEC Bitumen Services Pty Ltd MAC Homes Pty Ltd Machinery & Truck Maintenance Pty Ltd	Joint and Several Administrators	The affairs of the companies in the CEC Group are so intertwined that in our opinion, it is in creditors' interests for common administrators to act.

iii. **Prior Professional Services to the Insolvent**

Neither we nor our firm have undertaken any professional services to the company in the previous 24 months.

iv. **No other Relevant Relationships to Disclose**

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the company, an associate of the company, a former insolvency practitioner appointed to the company or any person or entity that has a charge on the whole or substantially whole of the company's property that should be disclosed.

C. **INDEMNITIES AND UP-FRONT PAYMENTS**

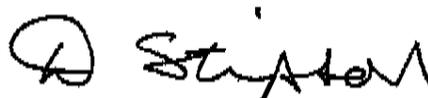
We have been provided with the following upfront payments for remuneration for the conduct of this administration:

Name	Relationship with Company	Nature of Payment
Roy Lavis	Director	\$60,000 collectively for the following companies: <ul style="list-style-type: none"> ▪ CEC Constructions Pty Ltd ▪ CEC Quarries Pty Ltd ▪ CEC Mt Isa Pty Ltd ▪ CEC Bitumen Services Pty Ltd ▪ MAC Homes Pty Ltd ▪ Machinery & Truck Maintenance Pty Ltd ▪ CEC Group Limited

This does not include statutory indemnities. We have not received any other indemnities or up-front payments that should be disclosed.

Dated: 13th day of May 2011


TERRY GRANT VAN DER VELDE


DAVID MICHAEL STIMPSON

NOTE

1. If circumstances change, or new information is identified, we are required under the Corporations Act and the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioners are no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioners nevertheless remain independent.

SV PARTNERS

BUSINESS RECOVERY AND INSOLVENCY SCHEDULE OF HOURLY RATES & GUIDE TO STAFF EXPERIENCE CORPORATE EFFECTIVE 20 JULY 2010

Staff Classification	Old Rate \$	NSW Rate \$	Guide to Staff Experience
Director / Appointee	\$480	\$530	Registered or Official Liquidator / Trustee / Director of SV Partners. Extensive experience in all aspects of corporate and personal insolvency administrations. Oversees all staff and is responsible for the overall conduct of the file.
Manager 1	\$380	\$420	Typically a qualified chartered accountant. 7+ years insolvency experience. Highly developed technical and commercial skills. Controls all aspects of the allocated insolvency appointment. Manages, trains and reviews other staff.
Manager 2	\$310	\$320	Typically a qualified chartered accountant. 6-7 years insolvency experience. Controls all allocated insolvency tasks. Possesses technical and commercial skills. Manages, trains and reviews other staff.
Consultant	\$310	\$300	Specialist industry knowledge. Capable of controlling all aspects of an insolvency appointment in their field of expertise.
Supervisor	\$265	\$295	Typically a qualified chartered accountant. 4-6 years insolvency experience. Plans and controls medium to larger appointments and assists with training and supervision of junior staff. Reports to manager.
Senior Accountant	\$235	\$260	Typically a university graduate, studying to become a qualified chartered accountant. 2-4 years insolvency experience. Required to control and/or assist on the fieldwork on insolvency appointments. Reports to supervisor / manager.
Accountant 1	\$185	\$205	Typically an accountant. 6 months to 2 years insolvency experience. Required to assist on fieldwork for insolvency appointments (and in many instances control specific areas of an administration). Reports to more senior staff.
Accountant 2	\$165	\$175	Typically a graduate accountant. 0 – 6 months or more insolvency experience. Required to assist on fieldwork for insolvency appointments (and in many instances control specific areas of an administration). Reports to more senior staff.

Administrative Staff	\$135	\$135	Non-professional staff that provide assistance on files. Responsibilities may include monitoring and handling routine aspects of files, banking, payment of accounts, cheque drawing, preparation of accounts and documents for lodgement with authorities, Solution 6 data entry and bank reconciliation work.
Support Staff	\$95	\$95	Appropriate skills to perform secretarial, data entry, filing, administrative and receptionist functions.

Notes:

1. The above figures are exclusive of GST.
2. The Guide to Staff Experience is only intended to be a guide as to the qualifications and experience of our staff members. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute intervals.
4. Rates are subject to increase from time to time.
5. Work carried out by Qld and NSW staff will be charged at their applicable rates irrespective of where the administration is geographically based.
6. The above rates are those chargeable by SV Partners in respect of our own employees. If it becomes necessary to engage the services of an interstate insolvency firm to carry out work on our behalf, we reserve the right to recover the rates charged by that practice, which may vary from the rates set out above.

The rates set out above are SV Partners ordinary charge for time and assume that there is a real prospect of the time costs incurred (at those rates) being paid and within a reasonable time span (within 2 to 3 months). Where that assumption does not hold true, that is, there is either;

- i. a risk to the collectability of the time costs being incurred; and/or*
- ii. there is an expectation that the time costs will need to be carried for a period in excess of a reasonable time span (greater than 3 months);*

then SV Partners reserve the right to seek recovery of their time at a rate in excess of the ordinary rates (set out above) to reflect that additional risk or time delay in recovery.

Disbursements**Charges (\$)**

Photocopying	1-150 copies, \$0.65 per copy 151-250 copies, \$0.40 per copy 251-99,999 copies, \$0.30 per copy 100,000 plus copies, \$0.20 per copy
Telephone Calls	36 cents (Local), Itemised (Long Distance)
Local Facsimiles	1-4 pages, \$1.50 per page 5-99,999 pages, \$0.75 per page
STD Facsimiles	1-4 pages, \$2.00 per page 5-99,999, \$0.75 per page
Storage	\$49 / Box
Searches, Couriers, and Mail	At Cost
Advertising	At Cost

**ASIC**

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.