



## CIRCULAR TO SHAREHOLDERS

**CP1 LIMITED  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
("THE COMPANY")  
ACN 099 945 516**

### **1. APPOINTMENT OF ADMINISTRATORS**

Messrs Peter McCluskey and William Colwell of Ferrier Hodgson were appointed Voluntary Administrators ("Administrators") of the Company on 3 August 2009. At a meeting of creditors held on 7 September 2009, the creditors of the Company resolved to execute a Deed of Company Arrangement ("DOCA"). The terms of the proposed DOCA were published in a release on the ASX website on 8 September 2009.

It should be noted that the Receivers and Managers, Daniel Bryant, Grant Sparks and Ian Carson of PPB were subsequently appointed over the Company on 4 August 2009 and are in control of the Company's assets and operations. They will be solely responsible for, and will determine all issues relating to the Company's ongoing operations and the manner in which their assets are dealt with.

We understand that it is the intention of the Receivers and Managers to continue trading during this period.

Updates for shareholders will be provided from time to time by the Administrators on the Ferrier Hodgson website at [www.ferrierhodgson.com.au](http://www.ferrierhodgson.com.au). A copy of the ASIC Information Sheet: "Insolvency – a guide for shareholders" can be downloaded from [www.asic.gov.au](http://www.asic.gov.au).

### **2. IMPORTANT INFORMATION FOR SHAREHOLDERS**

#### **2.1 Suspension of Trading**

As shareholders are aware, trading of shares in the listed Company had already been suspended on the Australian Stock Exchange ("ASX") as at the date of our appointment. A trading halt will be maintained until the outcome of the Administration is known. Whether the listed entity is ultimately re-listed on the ASX will depend on any offer to restructure the Company.

Information about the Company and the status of our Administration can be found on our website [www.ferrierhodgson.com.au](http://www.ferrierhodgson.com.au) and the ASX website on [www.asx.com.au](http://www.asx.com.au).



## 2.2 Transfer of Shares

Pursuant to Section 437F of the Corporations Act 2001, a transfer of shares in the Company, or an alteration in the status of the members of the Company that is made during the administration of a company, is void except so far as the Court orders.

## 2.3 Capital Gains Tax

A recent amendment to the Income Tax Assessment Act 1997 allows an Administrator, in certain circumstances, to declare shares or financial instruments worthless, with the effect of creating a capital loss on the shareholding.

Pursuant to Schedule 8 – CGT Event G3 to the Taxation Laws Amendments (2004 Measures Number 6) Act 2005, an Administrator can only make this declaration if there is no likelihood that shareholders in the company, or shareholders of the relevant class of shares, will receive any further distribution for their shares.

Whilst potential still exists for the recapitalisation of the company, I am unable to make this declaration for shareholders at this point in time.

I will not write to shareholders until the earlier of circumstances arising that enables me to make the aforementioned declaration or just prior to the end of the financial year to apprise you of developments since the Administrators' appointment.

## 3. FURTHER INFORMATION

Should you require any further information on the Administration, enquiries may be sent to [kate.fairhurst@fh.com.au](mailto:kate.fairhurst@fh.com.au).

Updates will be placed on the Ferrier Hodgson website [www.ferrierhodgson.com.au](http://www.ferrierhodgson.com.au) from time to time and ASX website [www.asx.com.au](http://www.asx.com.au).

DATED this 24<sup>th</sup> day of September 2009

A handwritten signature in black ink, appearing to read 'Peter McCluskey', with a horizontal line extending from the end of the signature.

PETER McCLUSKEY  
ADMINISTRATOR