
Deed Administrators' Report

Pursuant to Section 445F of the Corporations Act 2001



WESTERN KINGFISH LIMITED
ACN 122 711 880
(Subject to Deed of Company Arrangement)

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7 May 2010





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GLOSSARY OF TERMS

Abbreviation	Description
Act	The Corporations Act 2001
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value

LISTING OF ANNEXURES

Annexure 1	Deed Administrators' / Trustees' Remuneration
	Liquidators' Remuneration
	The Firm's Schedule of Hourly Rates & General Guide to Staff Experience
Annexure 2	Trident Capital Pty Ltd DOCA Proposal



EXECUTIVE SUMMARY

This report should be read in conjunction with the Administrators' and Deed Administrators' previous reports to creditors dated 6 January 2009, 13 March 2009, 22 June 2009 and 15 January 2010.

Andrew Saker, Martin Jones and Garry Trevor were appointed as Joint and Several Administrators of Western Kingfish Limited ("WKL") on 2 December 2008, pursuant to Section 436A of the Corporations Act ("the Act") and were subsequently appointed Joint and Several Deed Administrators on 14 April 2009.

At a meeting of creditors of WKL held on 29 June 2009, creditors passed a resolution that the company execute a varied Deed of Company Arrangement ("DOCA"). The DOCA was executed by WKL on 17 July 2009.

As you would be aware, under the Company's Reconstruction Deed, as varied on several occasions, the proponent of the DOCA, Trident Capital Pty Ltd ("Trident") was required to complete a capital raising of a minimum subscription of \$2 million by 18 December 2009. In this regard, Trident was unsuccessful and accordingly the Reconstruction Deed terminated on 18 December 2009. The Company's DOCA remained on foot, however in its previous form was unable to be completed.

At a meeting of creditors of WKL held on 25 January 2010, creditors passed a resolution to vary the existing DOCA and enter into a holding DOCA as outlined in the Deed Administrators' report to creditors dated 15 January 2010 to allow time for the Deed Administrators to seek new proposals for the possible recapitalisation and restructure of WKL. The proposed holding DOCA was executed on 12 February 2010.

Immediately following the variations to WKL's DOCA being approved by creditors on 25 January 2010, we commenced a new marketing campaign for the possible recapitalisation and restructure of WKL. We received twenty nine (29) expressions of interest and seven (7) offers to recapitalise WKL. All offers except a new offer from Trident and a revised offer from Quantum Capital Partners ("Quantum") required that the ASX provide a waiver of Chapter 1 and 2 Listing Rules as a condition precedent to their proposals. Following discussions with the ASX, the ASX advised that such a waiver would not be provided with respect to any of these proposals given WKL's current position. Accordingly, all recapitalisation proposals except for Trident's and Quantum's offers were incapable of being completed and accordingly these offers were withdrawn by the various parties whom submitted proposals following the ASX's advice.

We have analysed both the Trident and Quantum offers in terms of both the level of returns to creditors and risks to completion and are of the view that it will be in creditors' best interests to accept the offer put forward by Trident. Please refer to section five (5) of this report for further specific details of the offer.

We acknowledge that Trident's original recapitalisation attempt for WKL failed and as such it may be perceived that there is a significant risk to completion of this proposal.



However, the revised proposal is significantly different from Trident's original proposal as Trident bears the risk of WKL not being able to relist on the ASX. In this regard, a contribution of \$150,000 to WKL's creditors is to be paid by Trident without the precondition of WKL being relisted on the ASX.

The Deed Administrators recommend that creditors accept the proposal put forward by Trident and vary the existing DOCA for the following key reasons:

1. If the DOCA proposal put forward by Trident is not accepted by creditors, WKL will likely proceed into liquidation and it is unlikely any value will be realised for WKL's corporate shell;
2. The estimated dividend to unsecured creditors of WKL under the Trident proposal is 29.83 cents in the dollar, which is greater than the Quantum proposal and a liquidation scenario of 19.9 cents in the dollar;
3. Trident will pay a total of \$150,000 for the benefit of WKL's creditors within 30 days of acceptance of the proposal. This includes a non-refundable deposit of \$25,000 payable within 7 days of acceptance by WKL's creditors. In our view, it is unlikely that such a value would be obtained in a liquidation scenario and the non-refundable deposit gives us some confidence in Trident's ability to complete the transaction; and
4. Other than the Quantum proposal, no other recapitalisation and restructure proposals are proposed and the major creditor Summormor Pty Ltd is in favour of the Trident proposal. In this regard, given that the company is likely to need to enter into a new lease arrangement with Summormor Pty Ltd in an attempt to relist under Trident's plans (as WKL retains an aquaculture license subject to this lease agreement) there is scope for Summormor Pty Ltd's contingent unsecured claim against WKL to be mitigated and hence reduce the creditor pool and increase the dividend to unsecured creditors.

We also note that based upon our preliminary investigations there do not appear to be any recoveries of substance available to the company which may be pursued by a Liquidator.

A meeting of creditors of WKL has been convened for Monday, 17 May 2010 at 10.00 am WST at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St George's Terrace, Perth, Western Australia. At this meeting, the following options are available to creditors regarding WKL's future:

- That the company vary the existing holding DOCA in terms materially consistent with Trident's proposal; or
- That the DOCA be terminated and control of the company revert to its directors; or
- That the DOCA be terminated and the company be wound up.



1. INTRODUCTION

1.1 Fourth Meeting of Creditors

The fourth meeting of creditors of WKL was held on Monday, 25 January 2010 at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St George's Terrace, Perth, Western Australia at 10:00 am WST.

At the fourth meeting, creditors resolved to vary the existing DOCA to allow the Deed Administrators time to seek new recapitalisation and restructure proposals for WKL. The varied DOCA was executed on 12 February 2010.

1.2 Purpose of Report

It is proposed that WKL varies its existing DOCA which may ultimately allow for the potential future recapitalisation of WKL and relisting on the ASX. In this regard, two DOCA proposals have been put forward.

Section 445A of the Act provides that a DOCA may be varied or terminated by a resolution passed at a meeting of the company's creditors convened under section 445F of the Act. This report sets out the Deed Administrators' opinion about each of the following matters:

- *Whether it would be in the creditors' interests for the company to accept Trident's proposal and vary WKL's existing DOCA;*
- *Whether it would be in the creditors' interests for the company to be wound up;*
- *Whether it would be in the creditors' interests for the DOCA to be terminated and control of the company revert to its directors; and*
- *The Deed Administrators' reasons for those opinions.*

1.3 Statement of Independence

We considered the question of our independence prior to accepting our appointment as Administrators and subsequently Deed Administrators of WKL. To the best of our knowledge, the following relationships existed prior to our appointment:

1. Garry Trevor and Andrew Saker first provided verbal solvency advice to the directors of WKL on 13 November 2008; and
2. Andrew Saker discussed the financial position of WKL with the directors on 1 December 2008.

We also confirm that we have not been provided with any indemnity, guarantee or contribution from the Directors or their associated businesses or a creditor for any of our fees and expenses. We do note however, that Trident (and its client being The



Traffic Group) previously forwarded amounts of \$10,000.00 and \$20,000.00 including GST to WKL as a contribution towards our professional fees and legal costs of amending the previous DOCA and allowing several extensions of the DOCA in an attempt to complete the DOCA, which ultimately failed.

Martin Jones, Andrew Saker and Garry Trevor are partners of Ferrier Hodgson. Ferrier Hodgson is Australia's and the Asia-Pacific's largest independent corporate restructuring practice with 40 partners and over 300 staff throughout Australia and Asia. Ferrier Hodgson does not provide accounting, audit, legal or taxation services.

Andrew Saker is a Chartered Accountant, Registered Liquidator and member of the Insolvency Practitioners Association of Australia with over 20 years experience in corporate insolvency.

Martin Jones is a Chartered Accountant, Registered Liquidator and member of the Insolvency Practitioners Association of Australia with over 25 years experience in corporate insolvency.

Garry Trevor is a Chartered Accountant, Registered Liquidator and member of the Insolvency Practitioners Association of Australia with over 30 years experience in corporate insolvency.

Further information regarding Ferrier Hodgson and the Deed Administrators can be obtained from the firm's website at www.ferrierhodgson.com.



2. STATEMENT OF POSITION

2.1 Summary

The following table summarises the Deed Administrators' updated estimated statement of position under a liquidation scenario in comparison to the Trident DOCA scenario:

Statement of Position	Para Ref	ERV Liquidation Scenario (\$)	ERV Trident DOCA Scenario (\$)
Floating Charge Assets			
Cash at Bank	2.1.1	375,415	375,415
Proceeds from DOCA Proponent		-	150,000
Total Assets Available		375,415	525,415
Less: Priority Creditors			
Deed Administrators' Fees Outstanding		(24,793)	(24,793)
Provision for Deed Administrators' / Trustees' Future Fees		(10,000)	(45,000)
Provision for Liquidators' Future Fees		(40,000)	-
Provision for Future Legal Fees		(10,000)	(20,000)
Total Assets Available for Unsecured Creditors		290,622	435,622
Unsecured Creditors	2.1.2		
Trade Creditors		(370,000)	(370,000)
Directors' Non-Priority Entitlements		(344,434)	(344,434)
Contingent Claims – Summormor (Property Lease)		(745,896)	(745,896)
Total Unsecured Creditor Claims		(1,460,330)	(1,460,330)
Estimated Surplus / (Deficiency)		(1,169,708)	(1,024,708)
Estimated Return to Unsecured Creditors (Cents in Dollar)		19.90 cents in \$	29.83 cents in \$

Please refer to the Administrators' and Deed Administrators' Reports to Creditors dated 6 January 2009, 13 March 2009, 22 June 2009 and 15 January 2010 for details regarding the figures depicted in the Statement of Position above.

We note that the existence and value of creditor claims above are not admitted but are subject to the receipt and formal adjudication of final proofs of debt from those creditors. The value of claims represented in the above table may also change if further creditor claims are received by the Deed Administrators, Trustees or Liquidators as the case may be, on or after the date of this report. We also note that a distribution was made to priority creditors (employees) to satisfy their claims in full.

Additionally, we make the following comments:

2.1.1 Cash at Bank

The cash at bank balance of \$375,415 represents cash available following asset sales, refunds received less ongoing administration costs.

2.1.2 Unsecured Creditors



This amount represents likely unsecured creditor claims based on WKL's records and proofs of debt received to date. The final amount will be subject to the formal adjudication of creditors' claims by the Deed Administrators, Trustees or Liquidators as the case may be.

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3. RECEIPTS AND PAYMENTS

3.1 Summary of Receipts and Payments

A summary of the receipts and payments of the administration for the period 2 December 2008 to 30 April 2010 is tabled below:

Summary of Receipts and Payments	Amount (\$)
RECEIPTS	
Cash at Bank	543,015.25
Research and Development Tax Refund	614,115.04
Non Refundable Deposits	30,000.00
Other Refunds	9,905.38
Bank Interest	2,361.37
Plant and Equipment	976,831.38
Business Activity Statement Refunds	38,307.01
Workers' Compensation Refunds	13,894.01
Sale of Fish Feed	462.80
Total Receipts	2,228,892.24
PAYMENTS	
Auctioneer's Costs	(236,399.66)
Consumables	(2,955.90)
Employee's Expense Claims	(3,235.91)
Priority Dividend	(133,713.83)
Freight Inwards	(3,723.84)
Freight Outwards	(685.03)
Fuel & Oil	(6,108.87)
Hire & Leasing	(91,673.02)
Insurance	(37,899.65)
Legal Fees	(229,059.97)
Motor Vehicle Expenses	(2,116.38)
Printing & Stationery	(728.00)
Rent & Rates	(54,909.22)
Repairs & Maintenance	(183,519.80)
Stamp Duty	(2,222.20)
Subcontractors	(63,506.38)
Sundry Expenses	(16,416.42)
Superannuation	(21,968.35)
Telephone & Fax	(3,347.58)
Utilities	(8,311.41)
Wages & Salaries	(283,664.45)
Advertising	(38,374.60)
Appointee's Fees	(347,532.43)
Appointee's Disbursements	(22,802.95)
Bank Charges	(1,001.70)
PAYG Control	(40,779.76)
GST Control: GST Paid (Received)	(16,820.30)
Total Payments	(1,853,477.61)
Net Cash at Bank at 30 April 2010	\$375,414.63



4. STATUTORY INVESTIGATIONS

Please refer to the Administrators' Report to Creditors dated 6 January 2009 for details regarding the Administrators' statutory investigations and potential recoveries available in a liquidation scenario.

For ease of reference, we summarise below the likely date of insolvency of WKL:

Indicators	Earliest Estimated Date
Ageing of Trade Payables	30 November 2008
Working Capital	N/A
Profit and Loss Statements	30 June 2007
Statutory Payments	N/A

Based on the above analysis, it is our preliminary view that WKL was not insolvent at the time of our appointment, however given the unavailability of additional capital, the ongoing trading costs, no current revenue stream and costs already incurred due for payment on or before 31 December 2008 it is likely that the company would have become insolvent shortly thereafter in January 2009.

A Liquidator would need to conduct further investigations, and possibly conduct public examinations of relevant parties, to ultimately determine this position.

Our preliminary investigations did not identify any voidable transactions (unfair preferences or uncommercial transactions) that may be recoverable by a Liquidator. Again, a Liquidator would need to conduct further investigations, and possibly conduct public examinations of relevant parties, to ultimately determine this position.

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5. PROPOSED DOCA

5.1 Proposals Received

Immediately following the variations to WKL's DOCA being approved by creditors on 25 January 2010, we commenced a new marketing campaign for the possible recapitalisation and restructure of WKL. We corresponded with all previous interested parties of WKL who were interested in recapitalising and restructuring WKL. Also an advert was placed in the West Australian in January 2010 inviting expressions of interest to be lodged in relation to the same.

We received twenty nine (29) expressions of interest and seven (7) offers to recapitalise WKL. All offers except a new offer from Trident and a revised offer from Quantum required that the ASX provide a waiver of Chapter 1 and 2 Listing Rules as a condition precedent to the proposals. Following discussions with the ASX, the ASX advised that such a waiver would not be provided with respect to any of these proposals given WKL's current position. Accordingly, all offers except for Trident's and Quantum's revised offer were unable to be completed and thus these offers were withdrawn.

The detailed final offer from Trident is attached to this report as **Annexure 2**.

The Trident DOCA proposal submitted is summarised and discussed below:

5.2 Summary of Trident's Proposed DOCA

We table below Trident's proposed DOCA to be put forward, I note that the below summary of the Trident DOCA varies slightly from the actual attached proposal (Annexure 2) as further discussions have taken place between the Deed Administrators and Trident since the offer was received;

Key Elements	Proposed Variations to DOCA
Deed Administrators	<ul style="list-style-type: none"> The current Deed Administrators continue as Deed Administrators for the purposes of the DOCA.
Purpose of the Deed Proposal	<ul style="list-style-type: none"> To potentially allow WKL's corporate shell to be relisted. The DOCA will extend for 30 days from the date of accepting the proposed DOCA, or to a later date if agreed by both Trident and the Deed Administrators.
Conditions of Offer	<ul style="list-style-type: none"> The Deed Administrators to receive a total of \$150,000 from Trident within 30 days of acceptance of the proposed DOCA which includes a non-refundable deposit of \$25,000 within 7 days of acceptance. The Summermor lease to be dealt with prior to the completion of the DOCA, this is anticipated to be completed within the 30 days as mentioned above. A Creditors' Trust to be established for the purpose of holding and distributing funds to WKL's creditors. The Deed Administrators' fees and costs to be paid from funds currently held by the company. New directors to be appointed to WKL at Trident's or the



Key Elements	Proposed Variations to DOCA
	Deed Administrators' discretion at the time of completion of the DOCA or earlier.
Estimated Total Assets Available to Unsecured Creditors from Bid Price, Surplus Assets, and Deed Administrators' Net Working Capital	<ul style="list-style-type: none"> \$435,622 (Including the above \$150,000 from Trident)
Proposed Completion Date:	<ul style="list-style-type: none"> 30 days after a resolution has been passed accepting the proposed DOCA. A Creditors' Trust to be formed following completion of the DOCA.
Likely Dividend to Creditors	<ul style="list-style-type: none"> Unsecured Creditors: 29.83 cents in the dollar anticipated to be paid during July 2010.

5.3 Summary of Quantum's Proposed DOCA

The material distinction between the two proposals is that the Quantum proposal has a lower estimated return to unsecured creditors as well as complications with the Summormor sub-lease as outlined further below.

5.4 Estimated Return Under the Proposed DOCA

The estimated return to WKL's creditors under Trident's DOCA proposal is tabled below:

Statement of Position	ERV Trident DOCA Scenario (\$)
Floating Charge Assets	
Cash at Bank	375,415
Proceeds from DOCA Proponent	150,000
Total Assets Available	525,415
Less: Priority Creditors	
Deed Administrators' Fees Outstanding	(24,793)
Provision for Deed Administrators' / Trustees' Future Fees	(45,000)
Provision for Future Legal Fees	(20,000)
Total Assets Available for Unsecured Creditors	435,622
Unsecured Creditors	
Trade Creditors	(370,000)
Directors' Non-Priority Entitlements	(344,434)
Contingent Claims – Summormor (Property Lease)	(745,896)
Total Unsecured Creditor Claims	(1,460,330)
Estimated Surplus / (Deficiency)	(1,024,708)
Estimated Return to Unsecured Creditors (Cents in Dollar)	29.83 cents in \$

Under the Trident proposal funds totalling \$150,000 will be made available to a Creditors' Trust within 30 days of acceptance of the proposal from WKL's creditors. This includes a non-refundable deposit of \$25,000 within 7 days acceptance. I note the Quantum proposal was similar to the Trident proposal but with an inferior cash



component to be paid to the Creditors' Trust if accepted, and in this regard I have not included the particulars of the offer as the Trident offer is estimated to give a larger return to unsecured creditors.

We note that under both DOCA proposals, both Trident and Quantum do not incorporate the relisting of WKL on the ASX as a condition precedent to completion. However, the Quantum proposal has additional conditions to completion compared to the Trident proposal (i.e. shareholder approvals and termination of sub lease).

Further, we note that although Quantum advise in their proposal that Summermor Pty Ltd is in support of their proposal, subsequent discussions have been held and Summermor Pty Ltd has confirmed with us that it is not in support of Quantum's proposal. Thus given Quantum's condition to completion (i.e. termination of the sublease) and plans to negotiate a first right to enter into a new sub lease for the premises after completion of the DOCA with Summermor Pty Ltd it appears that Quantum's proposal is incapable of being completed.

In view of the above, the Deed Administrators recommend that creditors accept the proposal put forward by Trident and vary the existing DOCA for the following key reasons:

1. If the DOCA proposal put forward by Trident is not accepted by creditors, WKL will likely proceed into liquidation and it is unlikely any value will be realised for WKL's corporate shell;
2. The estimated dividend to unsecured creditors of WKL under the Trident proposal is 29.83 cents in the dollar, which is greater than the Quantum proposal and a liquidation scenario of 19.9 cents in the dollar;
3. Trident will pay a total of \$150,000 for the benefit of WKL's creditors within 30 days of acceptance of the proposal. This includes a non-refundable deposit of \$25,000 payable within 7 days of acceptance by WKL's creditors. In our view, it is unlikely that such a value would be obtained in a liquidation scenario and the non-refundable deposit gives us some confidence in Trident's ability to complete the transaction; and
4. Other than the Quantum proposal, no other recapitalisation and restructure proposals are proposed and the major creditor Summermor Pty Ltd is in favour of the Trident proposal. In this regard, given that the company is likely to need to enter into a new lease arrangement with Summermor Pty Ltd in an attempt to relist under Trident's plans (as WKL retains an aquaculture license subject to this lease agreement) there is scope for Summermor Pty Ltd's contingent unsecured claim against WKL to be mitigated and hence reduce the creditor pool and increase the dividend to unsecured creditors.



6. ASIC'S GUIDE TO DOCA'S INVOLVING CREDITORS' TRUSTS

As previously advised, the ASIC has issued a guide for Registered Liquidators recommending the provision of certain information to creditors when they are considering approving a DOCA which also includes a Creditors' Trust being implemented.

Consistent with Trident's DOCA proposal, Trident will require that WKL enter into a Creditors' Trust.

6.1 What is a Creditors' Trust?

A Creditors' Trust in a DOCA is a mechanism used to accelerate a company's exit from external administration. Typically under the terms of the DOCA and one or more interconnected deeds, a Trust entity is created and the company's obligations to some or all of its creditors bound by the DOCA are compromised and transferred to the Trust. Those creditors become beneficiaries of the Trust.

Usually, the DOCA is "effectuated" (and terminates) after the creditors' claims against the company have been removed in this way. In most cases, the DOCA terminates immediately upon creation of the Trust, which usually occurs when or shortly after the DOCA is executed.

When the DOCA terminates, the company ceases to be externally administered, the directors (in this case new directors) regain full control of the company and the company is no longer required to use the notification "Subject to Deed of Company Arrangement" on its public documents as otherwise would be required by Section 450E(2) of the Act.

6.2 Reasons for a Creditors' Trust

The main reason for the inclusion of a Creditors' Trust with the DOCA is to allow WKL to become relisted on the ASX. A company cannot requote on the ASX if it is subject to a DOCA.

The Creditors' Trust provides a structure whereby creditors' claims can be dealt with by the Trustees of the Creditors' Trust and the DOCA can end, thereby allowing the company to be requoted on the ASX.

Without WKL being requoted on the ASX, the interest of parties wanting to restructure the company would be limited.

For the ASX to lift WKL's suspension, the company must be able to comply with a number of conditions including continuity of its business. This is likely to be satisfied with WKL maintaining its aquaculture licence.



Key Events and Terms

We summarise below the conditions precedent to completion of Trident's DOCA:

- Approval by creditors at the meeting of creditors convened for Monday, 17 May 2010 to give effect to Trident's DOCA;
- Full payment of \$150,000 to the Deed Administrators for the benefit of creditors of WKL within 30 days of acceptance of the proposal from creditors, or to a later date if agreed by both Trident and the Deed Administrators; and
- Execution of the Creditors' Trust Deed and transfer of company's assets to the Trustees in accordance with the DOCA (June 2010).

In the event that any of the conditions precedent to completion of the DOCA of WKL become unlikely to be achieved (in the Deed Administrators' opinion), the Deed Administrators will as soon as practicable issue a report to creditors explaining the relevant circumstances and convene a meeting to consider a resolution to vary or terminate the DOCA.

Anticipated Return

It is estimated that under Trident's DOCA proposal a return of 29.83 cents in the dollar would be distributed to unsecured creditors of WKL.

Preservation of WKL's corporate shell and the possible relisting on the ASX will preserve some benefit for existing shareholders. If the DOCA proposal did not involve a Creditors' Trust, WKL would not be able to potentially take steps to attempt to relist on the ASX as proposed under the DOCA and thus it likely that Trident (or any other party for that matter) would be reluctant to put forward a DOCA as proposed on similar terms.

Trustees' Particulars

It is proposed that the current Deed Administrators will assume the role of Trustees of the Creditors' Trust should it be approved. By appointing the current Deed Administrators as Trustees of the Trust, there is a cost saving compared with appointing a different Trustee. The Administrators have detailed knowledge of the background to the restructure which a different Trustee would have to acquire at a substantial cost to the Trust.

Under a DOCA, creditors may apply to the Court for orders in relation to the Deed Administrators' performance of their duties under the Act. A beneficiary under a Creditors' Trust could also apply to the Court under the Trustees Act 1962 (WA) in relation to the Trustees' performance of their duties.

Remuneration and Indemnities



It is proposed that the Trustees would be remunerated on a time incurred basis calculated at rates set down by Ferrier Hodgson from time to time. The current rates as at July 2009 (excluding GST) are as follows:

	Rate per hour (\$)
Partner	540
Director	460
Manager 1	390
Manager 2	325
Supervisor	285
Senior 1	255
Senior 2	230
Intermediate 1	185
Intermediate 2	155
Junior / Clerk	130
Senior Secretary	150

The estimated fees likely to be incurred under the DOCA and a Creditors' Trust are estimated at \$25,000.00 excluding GST.

It should be noted that this amount is an estimate only and should the actual costs be lower, then it is likely that this will ultimately result in more funds being made available for distribution to creditors and potentially shareholders of the company.

As part of the proposed DOCA and Creditors' Trust, the Deed Administrators and Trustees would have an indemnity secured by a lien over the assets of the company and the Trust fund respectively.

Powers

The Trustees of the new Trust become solely responsible to the former creditors (now beneficiaries) for:

- Ensuring that the company and / or other third parties perform their obligations to the Trustees;
- Determining how much each of the former creditors is entitled to receive from the Trust; and
- In due course, making any distribution to those former creditors.

In addition to the above, the Trustees are likely to have the following powers:

- To administer the Trust Fund;
- To ensure that the company fulfils its obligations under the DOCA and to take such legal proceedings or other steps as the Trustees think fit to enforce those obligations;



- To fulfil the Trustees' obligations in terms of the DOCA;
- To admit claims to proof in accordance with the provisions of the DOCA and the Trust Deed;
- To make interim or other dividend payments to creditors or distributions of the Trust Fund;
- To appoint agents to do any business or attend to any matter or affairs of the Trust that the Trustees are unable to do or that it is unreasonable to expect the Trustees to do in person;
- To appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;
- To compromise any claim on such terms as the Trustees consider fit;
- Having taken an assignment of all causes of action, to prosecute such of those actions as the Trustees consider fit; and
- To do anything else that is necessary or convenient for administering the Trust.

These powers are provided for the benefit of creditors in determining whether to accept the proposed DOCA. However these powers may be varied prior to finalisation of the Trust Deed.

Claims

Creditors will no longer be creditors under the DOCA but will instead become beneficiaries of the Creditors' Trust. For the purpose of determining the admissibility and ranking of creditors'/beneficiaries' claims in the Trust, regulations 5.6.39 to 5.6.72 and Sub-divisions A to E of Division 6 of Part 5.6 of the Act and Regulations shall apply to the Trust and the Trustees as if the references to a Liquidator were references to the Trustees, references to winding up were references to the Trust and with such other modifications as are necessary to give effect to the Trust. To ensure that those provisions apply to the Creditors' Trust, they will be incorporated into the Creditors' Trust to apply as contractual provisions.

For the purposes of any distribution to priority creditors detailed above, any reference to a Liquidator or liquidation under Section 52 of the Superannuation Guarantee (Administration) Act 1992 (Cth), shall read Deed Administrators or Deed Administration respectively for the purposes of the DOCA and Creditors' Trust respectively for the purpose of the Trust Deed.

Creditors, including secured creditors to the extent of the unsecured portion of their debts, will not be permitted to take recovery action against the company for pre-administration debts during the period of the DOCA.



Compliance Opinion

In our opinion, and based upon our discussions with and knowledge of Trident, we believe that they are capable of complying with the terms of the DOCA and their obligations to the Trustee if the DOCA variations are accepted by creditors.

Solvency Statement

At the time the DOCA will be wholly effectuated, WKL will be solvent. This will occur as a result of the effect on the DOCA on claims against the company, i.e. pre-administration claims being transferred to the Creditors' Trust and as such WKL will have no liabilities other than those incurred by WKL moving forward.

Tax (company/trust)

Creditors should note that there may be income tax and stamp duty implications for the company and the Trust associated with the abovementioned proposal.

The Trust may be required to register for GST purposes and apply for a new Tax File Number. In addition, the Trustees may also be responsible for lodging income tax returns for the Trust with the Australian Taxation Office.

It should be noted that any carry forward income or capital losses in WKL will not be available for offset against any assessable income made by the Trust.

Tax (creditor/beneficiary)

Our preliminary view is that by assigning creditors' claims to the Trust any dividend paid to creditors would be treated the same as if creditors had received the dividend from the company under Administration. That is, we do not foresee any tax disadvantages to creditors with the proposed DOCA and Creditors' Trust.

The proposed DOCAs and Creditors' Trust also enables the Trustees to make distributions to the beneficiaries of the Trust (as opposed to the repayment of creditors' claims outlined above). Under this scenario however, the Trustees may be required to withhold tax from distributions to non-resident beneficiaries at the applicable tax rates.

Creditors are encouraged to seek their own independent legal advice in relation to the possible taxation consequences of receiving a distribution from the proposed Creditors' Trust.

Other

A copy of the DOCA, if approved, will be lodged with ASIC as required and will be available for inspection upon request.



7. CREDITORS' OPTIONS, DIVIDEND ESTIMATES AND COST ESTIMATES

We herewith set out our opinion on whether it is in the creditors' interests that:

- The company be wound up; or
- The company should terminate the existing DOCA and control of the company revert to its directors; or
- The company vary the existing DOCA in terms materially consistent with Trident's proposal.

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect, and the likely costs, under each option.

7.1 Winding up of Company

We note that by winding up WKL it is unlikely that any value will be realised for WKL's corporate shell.

Accordingly, given that the DOCA proposal from Trident proposes that funds totalling \$150,000.00 will be paid for the benefit of WKL's creditors, a greater return to creditors of WKL than in a liquidation scenario will likely be achieved, as set out in section two (2) of this report. Given the above, we are of the opinion that the company should not be wound up.

7.2 DOCA to be Terminated and Control Revert to Directors

As WKL is clearly insolvent, we do not recommend that control of the company revert to its directors as there is no formal orderly process for WKL to realise its assets to distribute to creditors. This option is not in creditors' interests.

7.3 Proposed DOCA from Trident

The Deed Administrators recommend that creditors accept the proposal put forward by Trident and vary the existing DOCA for the following key reasons:

1. If the DOCA proposal put forward by Trident is not accepted by creditors, WKL will likely proceed into liquidation and it is unlikely any value will be realised for WKL's corporate shell;
2. The estimated dividend to unsecured creditors of WKL under the Trident proposal is 29.83 cents in the dollar, which is greater than the Quantum proposal and a liquidation scenario of 19.9 cents in the dollar;



3. Trident will pay a total of \$150,000 for the benefit of WKL's creditors within 30 days of acceptance of the proposal. This includes a non-refundable deposit of \$25,000 payable within 7 days of acceptance by WKL's creditors. In our view, it is unlikely that such a value would be obtained in a liquidation scenario and the non-refundable deposit gives us some confidence in Trident's ability to complete the transaction; and
4. Other than the Quantum proposal, no other recapitalisation and restructure proposals are proposed and the major creditor Summermor Pty Ltd is in favour of the Trident proposal. In this regard, given that the company is likely to need to enter into a new lease arrangement with Summermor Pty Ltd in an attempt to relist under Trident's plans (as WKL retains an aquaculture license subject to this lease agreement) there is scope for Summermor Pty Ltd's contingent unsecured claim against WKL to be mitigated and hence reduce the creditor pool and increase the dividend to unsecured creditors.

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8. DEED ADMINISTRATORS' OPINION

From our calculations in section 2 of this report, we estimate that the return to unsecured creditors of WKL under Trident's proposed DOCA will be 29.83 cents in the dollar, which is likely to be greater than in a liquidation scenario (estimated dividend of 19.90 cents in the dollar) and greater than Quantum's proposed DOCA.

Accordingly, it is our opinion that it is in creditors' best interests to resolve to accept the proposed DOCA from Trident.

In forming our recommendation to creditors throughout this report, we have considered the following:

- The level of return available to creditors;
- The degree of certainty of completion of the DOCA and assessment of risks; and
- The timing of payment of a dividend to creditors.

We set out below a comparison of the effect on stakeholders of WKL under the restructured WKL:

Stakeholder	Effect of Possible Restructuring Under Trident DOCA	Liquidation
Unsecured Creditors	<ul style="list-style-type: none">• Dividend estimated at 29.83 cents in the dollar.• Distribution likely to be during July 2010.	<ul style="list-style-type: none">• Dividend estimated at 19.90 cents in the dollar.• Distribution readily available to be made.
Shareholders	<ul style="list-style-type: none">• Subject to share dilution pending Trident's future success to recapitalise WKL, but equity interest is possibly preserved to some extent.	<ul style="list-style-type: none">• Unlikely to be any return.

Having regard to the above, it is our recommendation to creditors that the proposed DOCA from Trident be approved by creditors of the company.



9. REMUNERATION AND DISBURSEMENTS

At the meeting of creditors convened for Monday, 17 May 2010, we intend seeking approval of the following remuneration.

Deed Administrators' Remuneration

"That a provision for the Deed Administrators' future remuneration for the period 21 April 2010 to 16 May 2010 in the amount of \$10,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors."

Prospective Deed Administrators' Remuneration

In the event creditors vote to vary the existing holding DOCA;

"That a provision for the Deed Administrators' future remuneration for the period 17 May 2010 to the date of execution of the proposed DOCA in the amount of \$10,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors and that the Deed Administrators be authorised to draw these fees immediately."

"That a provision for the Deed Administrators' / Trustees' future remuneration for the period of the proposed DOCA / Creditors Trust in the amount of \$25,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors and that the Deed Administrators be authorised to draw their fees monthly in arrears."

Prospective Liquidators' Remuneration

In the event creditors vote to wind up the company;

"That a provision for the Liquidators' future remuneration in the amount of \$40,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors / committee of inspection and that the Liquidators be authorised to draw their fees monthly in arrears."

The amount is an estimate only as it is not possible, at this stage, to state a precise amount. A further actual fee summary will be presented to creditors at a later date. A summary of the future anticipated tasks under the liquidation is set out in Annexure 1.

The Deed Administrators, (or, where appointed, Liquidators) seek approval of their remuneration on a time basis in accordance with Ferrier Hodgson's schedule of hourly rates as set out in Annexure 1.

To date, the Administrators / Deed Administrators have drawn fees in the amount of \$347,532.43 (excl GST) and disbursements in the amount of \$22,802.95 (excl GST).



Details of the basis on which disbursements are charged are contained in Annexure 1.

10. FURTHER QUERIES

We will advise creditors in writing, if practicable, of any additional matter that comes to our attention after the dispatch of this report that, in our view, is material to creditors' deliberations.

In the meantime, should creditors have any queries, please do not hesitate to contact either Andrew Smith or Jamie Gunnis at this office.

DATED this 7th day of May 2010.

A handwritten signature in black ink, appearing to read 'A Saker', written in a cursive style.

ANDREW SAKER
Joint and Several Deed Administrator of
Western Kingfish Limited

Annexure 1

Deed Administrators' / Trustees' Remuneration

Liquidators' Remuneration

The Firm's Schedule of Hourly Rates

CORPORATIONS ACT 2001

Section 449E

Western Kingfish Limited
ACN 122 711 880
(Subject to Deed of Company Arrangement)

REMUNERATION REPORT

The Deed Administrators' Remuneration Report, prepared pursuant to Section 449E of the Corporations Act 2001, takes the following format:

Part A

- A1 Schedule of hourly rates and general guide to staff experience
- A2 Tasks undertaken by the Deed Administrators and remuneration claimed for the period 1 January 2010 to 24 January 2010
- A3 Tasks undertaken by the Deed Administrators and remuneration claimed for the period 25 January 2010 to 12 February 2010
- A4 Tasks undertaken by the Deed Administrators and remuneration claimed for the period 13 February 2010 to 20 April 2010
- A5 Deed Administrators' anticipated tasks and remuneration estimate for period 21 April 2010 to 16 May 2010.
- A6 Deed Administrators' anticipated tasks and remuneration estimate for period 17 May 2010 to the date of execution of the proposed DOCA.
- A7 Deed Administrators' anticipated tasks and remuneration estimate for period from the date of signing the proposed DOCA to the conclusion of the proposed DOCA / Creditors' Trust.
- A8 Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and remuneration estimate from 17 May 2010 to the conclusion of the liquidation.
- A9 Remuneration approved and drawn to date
- A10 Resolutions regarding remuneration to be put to creditors at the meeting convened for 17 May 2010

Part B

- B1 Deed Administrators' disbursements
- B2 Summary of Receipts and Payments
- B3 Other creditor information on remuneration
- B4 Initial advice to creditors

The Remuneration Report must be read in conjunction with the report to creditors dated **7 May 2010**.

PART A

A1 SCHEDULE OF HOURLY RATES & GENERAL GUIDE TO STAFF EXPERIENCE

Title	Rate (\$)	Experience
Partner/Principal/ Appointee	540	The Partner/Appointee is a registered liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Director	460	Generally, minimum of 12 years experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and IPAA with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	390	Generally, more than 7 years experience with at least 2 years as a Manager. University degree; member of the ICAA and IPAA; very strong knowledge of relevant insolvency legislation and issues.
Manager	325	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and IPAA; sound knowledge of relevant insolvency legislation and issues.
Supervisor	285	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior 1	255	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA, program. Good knowledge of basic insolvency legislation and issues.
Senior 2	230	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, commenced ICAA's CA program.
Intermediate 1	185	0 to 2 years experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing more complex administrative tasks.
Intermediate 2	155	0 to 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing more detailed administrative tasks.
Professional Staff Junior	130	0 to 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Senior Secretary	150	Appropriate skills including machine usage.
Computer Operator	130	Appropriate skills including machine usage.
Clerk	130	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Typist	80	Appropriate skills including machine usage.
Office Assistant	80	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day fieldwork under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time.

A2. Tasks undertaken by the Deed Administrators and remuneration claimed for the period 1 January 2010 to 24 January 2010

The Deed Administrators' actual fees, based on the tasks detailed below and covering the above period were \$12,171.40 (excl. GST)

Task Area	General Description	Includes
Assets 11.60 Hours \$2,907.00	Possible Recapitalisation of WKL	<ul style="list-style-type: none"> ▪ Initiated sale process ▪ Prepared advertisement for the potential recapitalisation ▪ Liaised with interested parties ▪ Internal meetings to discuss / review offers received ▪ Liaised with ASX and interested parties on several relisting issues
	Other Assets	<ul style="list-style-type: none"> ▪ Liaised with interested parties in relation to WKL's aquaculture licence
Creditors 18.10 Hours \$4,119.50	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Received and followed up creditor enquiries via telephone ▪ Reviewed and prepared correspondence to creditors and their representatives via facsimile, email and post
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Prepared meeting notices, proxies and advertisements ▪ Forwarded notice of meeting to all known creditors ▪ Prepared and maintained register of proxies ▪ Prepared meeting file, including agenda, chairman's script, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Prepared updated circulars to creditors ▪ General reporting to creditors ▪ Prepared s445F Deed Administrators' report ▪ Prepared Remuneration Report
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipted and filed POD's when not related to a dividend
Trade On 1.00 Hours \$354.00	Trade On Management	<ul style="list-style-type: none"> ▪ Prepared and authorised receipt vouchers ▪ Prepared and authorised payment vouchers
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entered receipts and payments into accounting system
Administration 22.23 Hours \$4,790.90	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence ▪ Correspondence with the ASX in relation to releases to the market
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updated checklists ▪ Filed documents ▪ Carried out file reviews ▪ Updated Ferrier Hodgson website
	Bank account administration	<ul style="list-style-type: none"> ▪ Prepared bank account reconciliations
	ASIC Forms	<ul style="list-style-type: none"> ▪ Corresponded with ASIC regarding statutory forms ▪ Effectuated company name changes
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Prepared BAS ▪ Correspondence with ATO
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration



A2 (cont) Tasks undertaken by the Deed Administrators and remuneration calculation for the period 1 January 2010 to 24 January 2010

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	540.00	170	918.00	-	-	0.30	162.00	0.40	216.00	1.00	540.00
Darren Weaver	Partner	540.00	0.10	54.00	0.10	54.00	-	-	-	-	-	-
Andrew Smith	Senior Manager	390.00	4.80	1,872.00	1.30	507.00	-	-	-	-	3.50	1,365.00
Jamie Gunnis	Senior 2	230.00	27.60	6,348.00	10.20	2,346.00	14.80	3,404.00	0.60	138.00	2.00	460.00
Derek Keir	Senior 2	230.00	0.60	138.00	-	-	0.50	115.00	-	-	0.10	23.00
Geoff Webb	Senior 2	230.00	0.20	46.00	-	-	0.20	46.00	-	-	-	-
Clinton Roberts	Intermediate 1	185.00	120	222.00	-	-	1.20	222.00	-	-	-	-
Sam Wilson	Intermediate 2	155.00	0.80	124.00	-	-	0.80	124.00	-	-	-	-
Adrian Di Menna	Intermediate 2	155.00	14.50	2,247.50	-	-	0.30	46.50	-	-	14.20	2,201.00
Melissa Kroon	Secretary	150.00	0.80	120.00	-	-	-	-	-	-	0.80	120.00
Kate Martin	Clerk	130.00	0.50	65.00	-	-	-	-	-	-	0.50	65.00
Melissa Ross	Clerk	130.00	0.03	3.90	-	-	-	-	-	-	0.03	3.90
Radisich Dorothy	Clerk	130.00	0.10	13.00	-	-	-	-	-	-	0.10	13.00
Total			52.93	12,171.40	11.60	2,907.00	18.10	4,119.50	1.00	354.00	22.23	4,790.90



A3. Tasks undertaken by the Deed Administrators and remuneration claimed for the period 25 January 2010 to 12 February 2010

The Deed Administrators' actual fees, based on the tasks detailed below and covering the above period were \$13,842.00 (excl. GST)

Task Area	General Description	Includes
Assets 8.30 Hours \$2,123.50	Possible Recapitalisation of WKL	<ul style="list-style-type: none"> ▪ Liaised with interested parties ▪ Internal meetings to discuss / review offers received ▪ Continue marketing campaign ▪ Ongoing discussions with lease and licence holder ▪ Discussions with the ASX in relation to relisting ▪ Maintaining interested parties schedule ▪ Send and receive confidentiality agreements
Creditors 10.40 Hours \$3,166.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Attendance at creditors' meeting ▪ Receive and follow up creditor enquiries via telephone ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Prepare circular to creditors ▪ General reporting to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipt and file POD's when not related to a dividend
Employees 0.20 Hours \$46.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone
Trade On 2.10 Hours \$607.00	Trade On Management	<ul style="list-style-type: none"> ▪ Prepare and authorised receipt vouchers ▪ Prepare and authorised payment vouchers
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Enter receipts and payments into accounting system
Administration 28.80 Hours \$7,899.50	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence ▪ Discussions with legal advisors in relation to the holding DOCA ▪ Reviewing and amending draft holding DOCA ▪ Execution of holding DOCA
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Update checklists ▪ Filing of documents ▪ File reviews ▪ Recover books and records from Trident Capital, receipt and file for storage
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Correspond with bank regarding specific transfers
	ASIC Forms	<ul style="list-style-type: none"> ▪ Correspond with ASIC regarding statutory forms ▪ Preparing and lodging minutes of creditors meeting
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ BAS and taxation reporting
	Planning / Review	<ul style="list-style-type: none"> ▪ Internal discussions regarding status of administration



A3 (cont) Tasks undertaken by the Deed Administrators and remuneration claimed for the period 25 January 2010 to 12 February 2010

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Employees		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	540.00	1.10	594.00	-	-	-	-	-	-	0.40	216.00	0.70	378.00
Martin Jones	Partner	540.00	1.20	648.00	0.20	108.00	1.00	540.00	-	-	-	-	-	-
Andrew Smith	Senior Manager	390.00	12.40	4,836.00	1.00	390.00	2.90	1,131.00	-	-	-	-	8.50	3,315.00
Jamie Gunnis	Senior 2	230.00	31.10	7,153.00	7.00	1,610.00	6.50	1,495.00	0.20	46.00	1.70	391.00	15.70	3,611.00
Georgina Luck	Intermediate 1	185.00	0.60	111.00	-	-	-	-	-	-	-	-	0.60	111.00
Adrian Di Menna	Intermediate 2	155.00	1.60	248.00	0.10	15.50	-	-	-	-	-	-	1.50	232.50
Melissa Kroon	Secretary	150.00	0.90	135.00	-	-	-	-	-	-	-	-	0.90	135.00
Kate Martin	Clerk	130.00	0.40	52.00	-	-	-	-	-	-	-	-	0.40	52.00
Melissa Ross	Clerk	130.00	0.40	52.00	-	-	-	-	-	-	-	-	0.40	52.00
Radisich Dorothy	Clerk	130.00	0.10	13.00	-	-	-	-	-	-	-	-	0.10	13.00
Total			49.80	13,842.00	8.30	2,123.50	10.40	3,166.00	0.20	46.00	2.10	607.00	28.80	7,899.50



A4. Tasks undertaken by the Deed Administrators and remuneration claimed for the period 13 February 2010 to 20 April 2010

The Deed Administrators' actual fees, based on the tasks detailed below and covering the above period were \$18,434.00 (excl. GST)

Task Area	General Description	Includes
Assets 9.20 Hours \$2,292.00	Possible Recapitalisation of WKL	<ul style="list-style-type: none"> ▪ Liaised with interested parties ▪ Internal meetings to discuss / review offers received ▪ Continue marketing campaign ▪ Ongoing discussions with lessor and licence holder
Creditors 23.20 Hours \$7,720.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing s445F Deed Administrators' Report to creditors ▪ Preparing Remuneration Report to creditors ▪ General reporting to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's ▪ Maintaining POD register ▪ Adjudicating POD's
Trade On 1.50 Hours \$438.00	Trade On Management	<ul style="list-style-type: none"> ▪ Preparing and authorising receipt vouchers ▪ Preparing and authorising payment vouchers
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipts and payments into accounting system
Administration 53.20 Hours \$16,343.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence ▪ Correspondence with interested parties
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updating checklists ▪ Filing of documents ▪ File reviews / Strategy list
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 524 and 911 etc ▪ Corresponding with ASIC regarding statutory forms ▪ Lodging a copy of the executed holding DOCA
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ BAS and taxation reporting ▪ Correspondence with the ATO in relation to BAS refunds
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage



A4 (cont) Tasks undertaken by the Deed Administrators and remuneration claimed for the period 13 February 2010 to 20 April 2010

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	540.00	2.30	1242.00	-	-	-	-	0.30	162.00	2.00	1080.00
Andrew Smith	Senior Manager	390.00	28.40	11076.00	1.10	429.00	2.50	975.00	-	-	24.80	9,672.00
Kieran Chu	Supervisor	285.00	0.20	57.00	-	-	0.20	57.00	-	-	-	-
Jamie Gunnis	Senior 2	230.00	48.00	11,040.00	8.10	1,863.00	19.90	4,577.00	1.20	276.00	18.80	4,324.00
Derek Keir	Senior 2	230.00	0.10	23.00	-	-	-	-	-	-	0.10	23.00
Geoff Webb	Senior 2	230.00	1.20	276.00	-	-	-	-	-	-	1.20	276.00
Adrian Di Menna	Intermediate 1	185.00	2.40	444.00	-	-	0.60	111.00	-	-	1.80	333.00
Melissa Kroon	Secretary	150.00	2.50	375.00	-	-	-	-	-	-	2.50	375.00
Kate Martin	Clerk	130.00	0.50	65.00	-	-	-	-	-	-	0.50	65.00
Radisich Dorothy	Clerk	130.00	1.50	195.00	-	-	-	-	-	-	1.50	195.00
Total			87.10	24,793.00	9.20	2,292.00	23.20	5,720.00	1.50	438.00	53.20	16,343.00



A5. Deed Administrators' anticipated tasks and remuneration estimate for the period 21 April 2010 to 16 May 2010

Based on the following anticipated tasks of the Deed Administrators, we estimate fees for the above period to be \$10,000.00 (excluding GST)

Task Area	General Description	Includes
Assets 14.44 Hours \$4,547.00	Possible Recapitalisation of WKL	<ul style="list-style-type: none"> ▪ Liaising with interested parties ▪ Internal meetings to discuss / review offers received ▪ Ongoing discussions with lease and licence holder
Creditors 10.00 Hours \$3,090.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via email and post
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ General reporting to creditors ▪ Preparing s445F Deed Administrators' Report ▪ Preparing Remuneration Report
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Prepared meeting notices, proxies and advertisements ▪ Forwarded notice of meeting to all known creditors ▪ Prepared and maintained register of proxies ▪ Prepared meeting file, including agenda, chairman's script, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.
Employees 1.80 Hours \$542.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone ▪ Review and prepare correspondence to employees and their representatives via facsimile, email and post
Trade On 2.00 Hours \$540.00	Trade On Management	<ul style="list-style-type: none"> ▪ Preparing and authorising receipt vouchers ▪ Preparing and authorising payment vouchers
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system
Administration 4.90 Hours \$1,281.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updating checklists ▪ Filing of documents ▪ File reviews
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including Form 524 ▪ Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ BAS and taxation reporting
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage



A5 (cont) Deed Administrators' anticipated tasks and remuneration estimate for the period 21 April 2010 to 16 May 2010

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Employees		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	540.00	2.70	1,458.00	1.30	702.00	1.00	540.00	-	-	-	-	0.40	216.00
Andrew Smith	Senior Manager	390.00	10.44	4,072.00	5.14	2,005.00	3.00	1,170.00	0.80	312.00	0.50	195.00	1.00	390.00
Jamie Gunnis	Senior 2	230.00	18.50	4,255.00	8.00	1,840.00	6.00	1,380.00	1.00	230.00	1.50	345.00	2.00	460.00
Melissa Kroon	Secretary	150.00	1.00	150.00	-	-	-	-	-	-	-	-	1.00	150.00
Kate Martin	Clerk	130.00	0.50	65.00	-	-	-	-	-	-	-	-	0.50	65.00
Total			33.14	10,000.00	14.44	4,547.00	10.00	3,090.00	1.80	542.00	2.00	540.00	4.90	1,281.00



A6. Deed Administrators' anticipated tasks and remuneration estimate for the period 17 May 2010 to the date of execution of the proposed DOCA

Based on the following anticipated tasks of the Deed Administrators, we estimate fees for the above period to be \$10,000.00 (excluding GST)

Task Area	General Description	Includes
Assets 20.60 Hours \$6,404.00	Sale of WKL	<ul style="list-style-type: none"> ▪ Liaising with DOCA proponent ▪ Ongoing discussions with lease and licence holder ▪ Reviewing draft DOCA and making amendments ▪ Correspondence with legal representatives in relation to the draft DOCA
Creditors 2.99 Hours \$848.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ Attendance at creditors' meeting
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing circular to creditors following resolution of meeting ▪ General reporting to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's ▪ Maintaining POD register ▪ Adjudicating POD's
Employees 3.00 Hours \$850.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone ▪ Review and prepare correspondence to employees and their representatives via facsimile, email and post
Trade On 1.00 Hours \$310.00	Trade On Management	<ul style="list-style-type: none"> ▪ Preparing and authorising receipt vouchers ▪ Preparing and authorising payment vouchers
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system
Administration 6.27 Hours \$1,588.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence ▪ Finalising and executing DOCA
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updating checklists ▪ Filing of documents ▪ File reviews
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 524 and 911 etc ▪ Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ BAS and taxation reporting
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage



A6 (cont) Deed Administrators' anticipated tasks and remuneration estimate for the period 17 May 2010 to the date of execution of the proposed DOCA

Employee	Position	Charge Rate \$	Total		Creditors		Assets		Employees		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	540.00	3.50	1,890.00	-	-	3.00	1,620.00	-	-	-	-	0.50	270.00
Andrew Smith	Senior Manager	390.00	8.10	3,159.00	1.00	390.00	4.60	1,794.00	1.00	390.00	0.50	195.00	1.00	390.00
Jamie Gunnis	Senior 2	230.00	20.27	4,661.00	1.99	458.00	13.00	2,990.00	2.00	460.00	0.50	115.00	2.77	638.00
Melissa Kroon	Secretary	150.00	1.50	225.00	-	-	-	-	-	-	-	-	1.50	225.00
Kate Martin	Clerk	130.00	0.50	65.00	-	-	-	-	-	-	-	-	0.50	65.00
Total			33.87	10,000.00	2.99	848.00	20.60	6,404.00	3.00	850.00	1.00	310.00	6.27	1,588.00



A7. Deed Administrators' / Trustees' anticipated tasks and remuneration estimate for period from the date of signing the proposed DOCA to the conclusion of the proposed DOCA / Creditors' Trust.

Based on the following anticipated tasks of the Deed Administrators / Trustees, we estimate fees for the above period to be \$25,000.00 (excluding GST)

Task Area	General Description	Includes
Assets 27.00 Hours \$8,580.00	Sale of WKL	<ul style="list-style-type: none"> ▪ Liaising with DOCA proponent ▪ External meetings with DOCA proponent ▪ Ongoing discussions with lease and licence holder ▪ Monitoring conditions of the DOCA
Creditors 5.21 Hours \$1,518.72	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing circular to creditors following execution of the DOCA ▪ General reporting to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's ▪ Maintaining POD register ▪ Adjudicating POD's
Employees 1.50 Hours \$425.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone ▪ Review and prepare correspondence to employees and their representatives via facsimile, email and post
Trade On 3.50 Hours \$1,120.00	Trade On Management	<ul style="list-style-type: none"> ▪ Preparing and authorising receipt vouchers ▪ Preparing and authorising payment vouchers
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system
Administration 14.98 Hours \$4,606.28	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updating checklists ▪ Filing of documents ▪ File reviews
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 524 and 911 etc ▪ Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ BAS and taxation reporting
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage
	Processing proofs of debt	<ul style="list-style-type: none"> ▪ Preparation of correspondence to potential creditors inviting lodgement of POD ▪ Receipt of PODs ▪ Maintain POD register



Dividend 25.00 Hours \$8,750.00		<ul style="list-style-type: none"> ▪ Adjudicating PODs ▪ Request further information from claimants regarding POD ▪ Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> ▪ Preparation of correspondence to creditors advising of intention to declare dividend ▪ Advertisement of intention to declare dividend ▪ Obtain clearance from ATO to allow distribution of company's assets ▪ Preparation of dividend calculation ▪ Preparation of correspondence to creditors announcing declaration of dividend ▪ Advertise announcement of dividend ▪ Preparation of distribution ▪ Preparation of dividend file ▪ Preparation of payment vouchers to pay dividend ▪ Preparation of correspondence to creditors enclosing payment of dividend



A7 (cont) Deed Administrators' / Trustees' anticipated tasks and remuneration estimate for period from the date of signing the proposed DOCA to the conclusion of the proposed DOCA / Creditors Trust.

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Employees		Trade On		Administration		Dividend	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	540.00	9.00	4,860.00	3.00	1,620.00	-	-	-	-	0.50	270.00	1.50	810.00	4.00	2,160.00
Andrew Smith	Senior Manager	390.00	28.98	11,301.28	9.00	3,510.00	2.00	780.00	0.50	195.00	1.00	390.00	5.48	2,136.28	11.00	4,290.00
Jamie Gunnis	Senior 2	230.00	37.21	8,558.72	15.00	3,450.00	3.21	738.72	1.00	230.00	2.00	460.00	6.00	1,380.00	10.00	2,300.00
Melissa Kroon	Secretary	150.00	1.00	150.00	-	-	-	-	-	-	-	-	1.00	150.00	-	-
Kate Martin	Clerk	130.00	1.00	130.00	-	-	-	-	-	-	-	-	1.00	130.00	-	-
Total			77.19	25,000.00	27.00	8,580.00	5.21	1,518.72	1.50	425.00	3.50	1,120.00	14.98	4,606.28	25.00	8,750.00



A8. Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and remuneration estimate from 17 May 2010 to the conclusion of the liquidation.

Based on the following anticipated tasks of the Liquidation, we estimate the Liquidators' fees to be \$40,000.00 (excluding GST).

Task Area	General Description	Includes
Creditors 24.00 Hours \$7,345.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ Attendance at creditors' meeting
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing circular to creditors following resolution of liquidation ▪ General reporting to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's ▪ Maintaining POD register ▪ Adjudicating POD's
Dividend 36.00 Hours \$11,000.00	Processing proofs of debt	<ul style="list-style-type: none"> ▪ Preparation of correspondence to potential creditors inviting lodgement of POD ▪ Receipt of PODs ▪ Maintain POD register ▪ Adjudicating PODs ▪ Request further information from claimants regarding POD ▪ Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> ▪ Preparation of correspondence to creditors advising of intention to declare dividend ▪ Advertisement of intention to declare dividend ▪ Obtain clearance from ATO to allow distribution of company's assets ▪ Preparation of dividend calculation ▪ Preparation of correspondence to creditors announcing declaration of dividend ▪ Advertise announcement of dividend ▪ Preparation of distribution ▪ Preparation of dividend file ▪ Preparation of payment vouchers to pay dividend ▪ Preparation of correspondence to creditors enclosing payment of dividend
Employees 3.60 Hours \$943.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone ▪ Review and prepare correspondence to employees via email and post



Task Area	General Description	Includes
Investigation 28.35 Hours \$7,369.00	Conducting investigation	<ul style="list-style-type: none"> ▪ Investigation regarding insolvent trading and other voidable transactions ▪ Further review of financial statements and trading history ▪ Further preparation of investigation file
	ASIC reporting	<ul style="list-style-type: none"> ▪ Preparation, review and lodgement of Section 533 report ▪ Preparation, review and lodgement of supplementary reports with ASIC if required
Trade On 5.75 Hours \$1,826.50	Trade On Management	<ul style="list-style-type: none"> ▪ Preparing and authorising receipt vouchers ▪ Preparing and authorising payment vouchers
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system
Administration 43.21 Hours \$11,516.50	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updating checklists ▪ Filing of documents ▪ File reviews
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers
	ASIC Forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 524 and 911 etc ▪ Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ BAS and taxation reporting
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage ▪ Reviewing records from storage



A8 (cont) Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and remuneration estimate from 17 May 2010 to the conclusion of the liquidation.

Employee	Position	Charge Rate \$	Total		Creditors		Dividends		Employees		Investigations		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	540.00	14.45	7,803.00	3.00	1,620.00	5.00	2,700.00	-	-	2.35	1,269.00	1.00	540.00	3.10	1,674.00
Andrew Smith	Senior Manager	390.00	32.61	12,717.50	7.00	2,730.00	9.00	3,510.00	1.00	390.00	3.00	1,170.00	1.50	585.00	11.11	4,332.50
Jamie Gunnis	Senior 2	230.00	55.85	12,844.50	9.00	2,070.00	16.00	3,680.00	1.60	368.00	15.00	3,450.00	2.25	516.50	12.00	2,760.00
Adrian Di Menna	Intermediate 1	185.00	29.00	5,365.00	5.00	925.00	6.00	1,110.00	1.00	185.00	8.00	1,480.00	1.00	185.00	8.00	1,480.00
Melissa Kroon	Secretary	150.00	5.00	750.00	-	-	-	-	-	-	-	-	-	-	5.00	750.00
Kate Martin	Clerk	130.00	2.00	260.00	-	-	-	-	-	-	-	-	-	-	2.00	260.00
Radisich Dorothy	Clerk	130.00	2.00	260.00	-	-	-	-	-	-	-	-	-	-	2.00	260.00
Total			140.90	40,000.00	24.00	7,345.00	36.00	11,000.00	3.60	943.00	28.35	7,369.00	5.75	1,826.50	43.21	11,516.50



If costs exceed the estimates made above, we will advise creditors accordingly and seek further approval from creditors.

A9 Remuneration approved and drawn to date

Period	Amount Approved (\$)	Amount Drawn (\$)
2 December 2008 to 31 December 2008	\$60,280.67 (Excl GST)	\$60,280.67 (Excl GST)
1 January 2009 to 15 January 2009	\$26,906.67 (Excl GST)	\$26,906.67 (Excl GST)
16 January 2009 to 6 March 2009	\$43,954.75 (Excl GST)	\$43,954.75 (Excl GST)
7 March 2009 to 13 April 2009	\$47,185.42 (Excl GST)	\$47,185.42 (Excl GST)
14 April 2009 to 30 September 2009	\$95,000.00 (Excl GST)	\$95,000.00 (Excl GST)
1 October 2009 to 31 December 2009	\$42,378.08 (Excl GST)	\$42,378.08 (Excl GST)
1 January 2010 to 24 January 2010	\$15,000.00 (Excl GST)	\$12,156.34 (Excl GST)
25 January 2010 to 12 February 2010	\$15,000.00 (Excl GST)	\$13,842.00 (Excl GST)
13 February 2010 to 20 April 2010	\$25,000.00 (Excl GST)	\$5,828.50 (Excl GST)
Total	\$370,708.59 (Excl GST)	\$347,537.43 (Excl GST)

A10 Resolutions regarding remuneration to be put to creditors at the meeting convened for 17 May 2010.

At the meeting of creditors convened for 17 May 2010, creditors will be asked to consider the following resolutions in relation to remuneration:

Deed Administrators' Remuneration

"That a provision for the Deed Administrators' future remuneration for the period 21 April 2010 to 16 May 2010 in the amount of \$10,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors."

Prospective Deed Administrators' Remuneration

In the event creditors vote to vary the existing holding DOCA;

"That a provision for the Deed Administrators' future remuneration for the period 17 May 2010 to the date of execution of the proposed DOCA in the amount of \$10,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors and that the Deed Administrators be authorised to draw these fees immediately."

"That a provision for the Deed Administrators' / Trustees' future remuneration for the period of the proposed DOCA / Creditors' Trust in the amount of \$25,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors and that the Deed Administrators be authorised to draw their fees monthly in arrears."

Prospective Liquidators' Remuneration

In the event creditors vote to wind up the company;

"That a provision for the Liquidators' future remuneration in the amount of \$40,000.00 excluding GST be approved subject to upward or downward adjustment by resolution of creditors / committee of inspection and that the Liquidators be authorised to draw their fees monthly in arrears."



PART B

B1 Deed Administrators' Disbursements

Disbursements are divided into three types **D1**, **D2** and **D3**.

- D1** Disbursements are all externally provided professional services and are recovered at cost. An example of a D1 disbursement is legal fees.
- D2** Disbursements are externally provided non professional costs such as travel, accommodation and search fees. D2 disbursements are recovered at cost.
- D3** Disbursements are internally provided non professional costs such as photocopying and document storage. D3 disbursements are charged at cost except for photocopying and printing which are charged at a rate which is intended to recoup both variable and fixed costs. The relevant rates are set out below:

Disbursements	Charges (Excluding GST)
Postage	At cost
Telephone	At cost
Document Production	35 cents per copy
Facsimile	At cost
Advertising	At cost
Storage – Per Box	At cost
Storage – Per File	At cost
Couriers	At cost

Creditor approval for the payment of disbursements is not required, however the Administrators must account to creditors. Creditors have the right to question the incurring of disbursements and can challenge disbursements in court.



Please find below a schedule of Disbursements drawn to date:

Disbursement	Total \$
Advertising	2,689.42
Courier	556.04
Facsimile	96.00
Meals	1,050.73
Photocopying	9,225.63
Postage	1,532.38
Printing	6,076.70
Searches	77.60
Stationery	10.17
Storage	34.91
Telephone	346.05
Travelling	1,107.32
Sub-Total	22,802.95
Add GST	2,280.30
Total Including GST	\$ 25,083.25

B2 Summary of Receipts and Payments for the period 2 December 2008 to 30 April 2010

Refer to Section 3.1 of the Deed Administrators' Report 7 May 2010 for the summary of Receipts and Payments.

B3 Other creditor information on remuneration

The partners of Ferrier Hodgson Perth are members of the Insolvency Practitioners Association of Australia and follow the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at www.ipaa.com.au

An information sheet concerning approval of remuneration in external administrations can also be obtained from the IPA website.

B4 Initial Advice to Creditors

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency Practitioner. They are:

1. Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

2. Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.



3. Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

4. Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on the time based / hourly rates method.

This method was selected as it is the most practical method, and provides the most transparency to creditors given the nature of this administration.

Dated this 7th day of May 2010

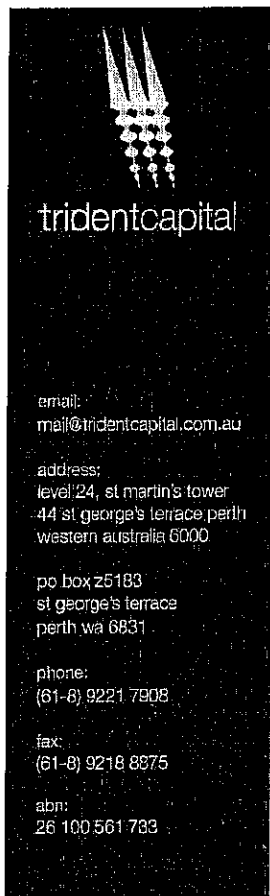
A handwritten signature in black ink, appearing to read 'A Saker', written in a cursive style.

ANDREW SAKER
Joint and Several Deed Administrator of
Western Kingfish Limited

Annexure 2

Trident Capital Pty Ltd

Proposal



15 April 2010

Commercial In Confidence

The Administrator
Western Kingfish Limited
Ferrier Hodgson
Level 26, BankWest Tower
PERTH WA 6000

Attn: Andrew Saker, Martin Jones and Garry Trevor (Joint and Several Administrators)

By Email: jgunnis@perthfh.com.au

Dear Sirs,

**Western Kingfish Limited ("WKL" or the "Company")
(Administrators Appointed)
Recapitalisation Proposal**

Further to our recent discussions, and your advices that for WKL to relist will require it to re-comply with Chapters 1 and 2 of the Listing Rules, Trident Capital Pty Ltd will now confirm its recent offer to acquire the shell of WKL with the view to recapitalising and relisting the Company by complying with Chapters 1 and 2.

The nature of our offer is such that we do not believe we need to establish a new Deed of Company Arrangement or Reconstruction Deed, though will be guided by your needs in this respect.

We understand the capital structure of WKL has already been amended such that the 63,810,000 shares that were on issue have been reduced on a 1 for 60 basis, and that there are now 1,063,500 shares on issue. We do not need to amend this structure further.

Trident will pay:

- a \$25,000 non-refundable deposit within 7 days of creditor approval of Trident's proposal to the Creditor's Trust;
- a further \$125,000 within 30 days of creditor approval to the Creditor's Trust, with such payment satisfying all outstanding creditor and administrator claims to the Company.

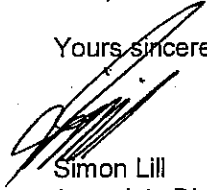
The DOCA will effectuate and the Administrator will retire at this point.

Trident will achieve the above payments through the capital raising of 10 million shares at 5 cents per share to raise \$500,000, with the balance of this raising allowing the company to do all preparatory work to achieve relisting on the ASX.

Trident will also receive a fee of 1,000,000 shares at this point.

We trust the above proposal is satisfactory to you in your roles as Administrators,
and provides enough detail for you to proceed to creditors for approval.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon Lill', written over a horizontal line.

Simon Lill
Associate Director