

22 June 2011

TO CREDITORS

Dear Sir / Madam

**Clivpee Ltd (formerly Clive Peeters Ltd)
(Receivers and Managers Appointed) (In Liquidation)
and associated entities (“the Group”)
ACN 058 868 018**

I refer to our previous correspondence in relation to the Group, and write to provide an update.

The receivership of the Group is continuing and has, to date, involved the sale of the Clive Peeters business and brand name to Harvey Norman. Since the sale in 2010, the receivers have continued their work in relation to the resolution of retention of title issues with the Group’s major suppliers.

The outcome of those negotiations, which in some cases involves legal proceedings, will determine whether there will be any surplus funds for us, as liquidators, to distribute to unsecured creditors.

We are keeping in regular contact with the receivers, and it appears that the resolution of the remaining issues with suppliers may take another two to three months, particularly in light of impending legal proceedings.

Once it becomes clear whether there will be any surplus funds for unsecured creditors, we will inform creditors accordingly and commence a formal distribution process. Likewise, we will also inform creditors if it becomes clear that there will be no surplus funds available for distribution.

In the meantime we appreciate your ongoing patience in relation to the receivership and liquidation of the Group.

Yours faithfully
Clivpee Ltd



George Georges
Liquidator

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