

2 December 2011

To Investors

Dear Sir/Madam

**Sonray Capital Markets Pty Ltd (In Liquidation) (“Sonray”)
ACN 104 482 993**

I refer to my previous update dated 18 November 2011 and the Explanatory Statement circulated to Investors on 2 November 2011 in relation to the Settlement the Liquidators have reached with Saxo Bank A/S and HLB Mann Judd.

The Settlement has been positively received by Investors and I would like to take the opportunity to provide you with an update in respect of the various conditions that must be reached to ensure that the Settlement goes ahead:

1. All but two Investors in Schedule 1 of the Settlement Deed have now provided me with their releases. I am in discussions with these two Investors and have sought and obtained an extension of time from Saxo Bank A/S and HLB Mann Judd until 23 December 2011 for me to reach agreement with them. I am confident that agreement will be reached.
2. 130 of the 228 accounts listed at Schedule 2 of the Settlement Deed have executed and returned the Release. I will shortly write to those Investors with accounts listed at Schedule 2 that have yet to provide their Release.
3. The Releases that have been returned so far make up 70% of the indicative value of claims as at 22 June 2010. A minimum of at least 80% must be reached to ensure the Settlement will be effected and the Liquidators continue to encourage all Investors to execute the Release to ensure that this condition is met.

We thank the parties that have executed and returned their Release so far.

For those investors that have not yet returned the Release form, and notwithstanding that the cut off date for return has not been reached (23 December 2011), we would be obliged if you could return the Release as quickly as possible in order for us to collate them in sufficient time.

MELBOURNE

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ADELAIDE

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Zolfo Cooper

UNITED STATES

UNITED KINGDOM

CARIBBEAN

and

KLC Kennic Lui & Co

HONG KONG

CHINA

CORPORATE ADVISORY

FORENSICS

CORPORATE RECOVERY

MANAGEMENT CONSULTING



To Investors
2 December 2011

In order to effectively execute the Release, you will need to complete the following pages of the Deed of Release (enclosed and as per the document attached at Annexure 2 to the Explanatory Statement):

- The cover page (insert the date and your account name),
- The first page (fill in the investor details – account name, ACN (if applicable), address), and
- Execute the signing page (page 11) where it says “Signed, Sealed and Delivered by [Investor] in the presence of”

The Release document should be returned in its **entirety** to our office either by email, fax or post. If you are signing on behalf of a company, please ensure the company’s seal is affixed if required and the appropriate directors/secretaries execute the Release.

Before executing the Release you should read the Explanatory Statement and it is recommended that you seek professional financial and legal advice before making your decision.

Should you have any queries, please contact Mr Christopher Rando of this office on (03) 9600 4922 or email us at sonray@fh.com.au.

Yours faithfully
Sonray Capital Markets Pty Ltd

A handwritten signature in blue ink, appearing to read 'George Georges', written over a faint blue circular stamp.

George Georges
Liquidator

Encl.

Deed of Release

Dated 2011

[] (“Investor”)

Sonray Capital Markets Pty Ltd (In Liquidation) (“**Sonray**”)

George Georges and John Lindholm as liquidators of Sonray
 (“**Liquidators**”)

Saxo Bank A/S (“**Saxo Bank**”)

HLB Mann Judd (Vic) Partnership (“**HLB Mann Judd**”)

Mallesons Stephen Jaques

Level 50
Bourke Place
600 Bourke Street
Melbourne Vic 3000
Australia
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F +61 3 9643 5999
DX 101 Melbourne
www.mallesons.com

Deed of Release

Details

Parties	Investor, Sonray, Liquidators, Saxo Bank and HLB Mann Judd	
Investor	Name	
	ACN (if applicable)	
	Address	
Sonray	Name	Sonray Capital Markets Pty Ltd (In Liquidation)
	ACN (if applicable)	104 482 993
	Address	c/- Norton Rose Level 15 RACV Tower 485 Bourke Street Melbourne VIC 3000
Liquidators	Name	George Georges and John Lindholm as liquidators of Sonray
	ACN (if applicable)	
	Address	c/- Ferrier Hodgson Level 29 600 Bourke Street Melbourne Vic 3000
Saxo Bank	Name	Saxo Bank A/S
	ARBN	109 605 610
	Address	c/- Mallesons Stephen Jaques Level 50 600 Bourke St Melbourne VIC 3000
HLB Mann Judd	Name	HLB Mann Judd (Vic) Partnership
	ABN	20 696 861 713
	Address	c/-DLA Piper Level 21

- Recitals**
- A** Sonray went into voluntary administration on 22 June 2010 and was subsequently placed in liquidation on 27 October 2010. Sonray had a contractual relationship with each of the other parties to this Deed. The Investor was a client of Sonray, Saxo Bank provided services to Sonray (including the trading platform known as Sonray Trader) and HLB Mann Judd was the auditor of Sonray.
- B** The investigations by the administrators, of Sonray after their appointment on 22 June 2010, revealed that the director and chief executive officer of Sonray had been misusing client funds and that there were deficiencies in client accounts. A number of Sonray clients have made claims against, among others, Saxo Bank and HLB Mann Judd in respect of losses suffered by those clients as a consequence of the deficiencies in client accounts. Proceedings were commenced by some clients of Sonray against Saxo Bank and Sonray.
- C** In an attempt to seek a global settlement for Sonray investors without the need to resort to costly litigation, Saxo Bank, HLB Mann Judd, Sonray, the Liquidators and others agreed to a Mediation.
- D** As a result of the Mediation, the Parties, amongst others, have agreed to the resolution of all matters on the terms set out in the Settlement Deed. The Settlement Deed will only come into effect upon certain conditions being met, including that no less than 80% of all investors, by value, execute this Deed.
- E** Subject to the Settlement Deed coming into effect, and on a no admission of liability basis, the Investor agrees to provide releases and indemnities to Sonray, Saxo Bank and HLB Mann Judd in respect of all Claims regarding the collapse of Sonray, on the terms set out in this Deed.

Date of Deed See Signing page

Deed of Release

General terms

1 Definitions and Interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears:

Act means the *Corporations Act 2001*.

Associates means:

- (a) HLB Mann Judd (Vic) Pty Ltd ACN 083 156 469;
- (b) MW & Co Pty Ltd ACN 006 586 152;
- (c) HLB Mann Judd Consulting (Vic) Pty Ltd ACN 006 982 574;
- (d) HLB Mann Judd Corporate Finance Pty Ltd ACN 097 176 139;
- (e) Eagleburn Pty Ltd ACN 066 095 636;
- (f) Pemrick Nominees Pty Ltd ACN 004 860 208;
- (g) Sarsi No.3 Pty Ltd ACN 081 577 479;
- (h) LMS&P Nominees Pty Ltd ACN 004 550 163;
- (i) MW Overseas Nominees Pty Ltd ACN 079 319 190;
- (j) any partnership trading under the name HLB Mann Judd; or
- (k) any partners, former partners, employees, servants, agents, directors, officers, former directors and former officers of HLB Mann Judd and or the partnerships or entities referred to in sub-paragraphs (a)–(j).

Claim includes (as the context permits) any claim, right of title, possession or redelivery, notice, demand, action, proceeding (including the Proceedings), litigation, investigation, judgment, award, damage, right of action, cause of action, loss (including economic loss), cost, or expense however arising, whether present, unascertained, immediate, future or contingent, whether based on contract, tort, statute, trust or other proprietary right and whether involving a third party or a party to this Deed or otherwise.

Deed means this deed of release.

Liabilities includes all liabilities, losses, damages, costs (including legal costs on a full indemnity basis), interest, fees, penalties, fines, assessments, forfeitures and expenses of whatever description (whether actual, contingent or prospective).

Mediation means the mediation commencing on 6-7 June 2011 in accordance with the Mediation Agreement dated on or about February 2011 as amended and

executed by Sonray, the Liquidators, Saxo Bank, HLB Mann Judd, Russell Johnson and Scott Murray.

Operative Date means the date on which the releases set out in the Settlement Deed become fully operative, in accordance with the Settlement Deed.

Proceedings means the following court proceedings:

- (a) Efax Pty Ltd ACN 001 886 120 v Sonray, George Georges and John Lindholm, and Saxo Bank (Case Number 2010/00225376 in the Supreme Court of New South Wales);
- (b) Eagle Securities Limited v Saxo Bank and Sonray (No VID1114 of 2010 in the Federal Court of Australia Victoria District Registry); and
- (c) Taverners J Pty Ltd v Saxo Bank (Supreme Court of Victoria, List C, Number 05862 of 2010).

Regulations means the *Corporations Regulations* 2001.

Related Entities includes a Related Body Corporate and the current and former officers, employees and agents of a corporation.

Related Body Corporate has the meaning given by section 50 of the *Corporations Act* 2001 (Cth).

Settlement Deed means the Settlement Deed between Sonray, the Liquidators, Saxo Bank, and HLB Mann Judd, dated on or about 28 October 2011.

Termination Date means 23 December 2011.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes the other genders;
- (c) the headings are used for convenience only and do not affect the interpretation of this Deed;
- (d) the word “person” includes a natural person and any body or entity whether incorporated or not;
- (e) the words “in writing” or “written” include any communication sent by letter, facsimile transmission or email or any other form of communication capable of being read by the recipient; and
- (f) a reference to the Liquidators includes any further or other person or persons appointed from time to time as liquidator of Sonray.

2 Release

2.1 Releases by Investor

Subject to clause 3, and effective from the Operative Date, the Investor hereby irrevocably releases and forever discharges Saxo Bank and HLB Mann Judd

(including Associates) from any and all Claims and Liabilities related to, or arising out of, any and all dealings whatsoever between the Investor and Sonray and/or any of its Related Entities.

2.2 Covenant not to sue

Subject to clauses 3.2 and 3.3, as and from the date of this Deed, the Investor:

- (a) shall not commence, maintain or participate in any proceeding, or make any Claim, which is, or will become, the subject of release under clause 2.1; and
- (b) shall not commence, maintain or participate in any proceeding, or make any Claim, against any third party, where the claimed Liability giving rise to the Claim relates to or arises out of any dealings between the Investor and Sonray and/or any of its Related Entities.

2.3 Deed Poll

To the extent that the covenants or releases in clauses 2.1 and 2.2 of this Deed operate in favour of an entity which is not a party to this Deed, this Deed acts as a Deed Poll in favour of, and enforceable by, that party.

3 Limits to the releases

3.1 Operative Date

The releases in clause 2.1 will only come into effect on and from the Operative Date.

3.2 Lapse of Time

The releases and covenants in clause 2 shall lapse and have no force and effect whatsoever if the Operative Date does not arise on or before the Termination Date.

3.3 Provable claims

Nothing in clause 2 of this Deed in any way restricts or otherwise affects any rights of the Investor:

- (a) pursuant to Regulation 7.8.03 of the Regulations, in respect of monies held, or to be held, in any bank account established by Sonray for the purposes of Section 981B of the Act; or
- (b) to otherwise assert a proprietary claim to any money or property in the hands of Sonray or the Liquidators.

4 Finalisation of Proceedings

4.1 Adjourning the Proceedings

If the Investor is a party to any of the Proceedings, as soon as reasonably practicable after this Deed is executed, the Investor will take all reasonable and appropriate steps to have the Proceeding adjourned, pending the Operative Date, so as to minimise cost.

4.2 Dismissing the Proceedings

If the Investor is a party to any of the Proceedings, as soon as reasonably practicable after the Operative Date, the Investor will take all reasonable and appropriate steps to finalise the Proceeding on the basis that the Proceeding is dismissed with no orders as to costs.

4.3 Continuation of Proceedings

If the Operative Date does not arise on or before the Termination Date, then the Investor will no longer be bound by clauses 4.1 and 4.2 after the Termination Date.

5 Costs

Each party must pay its own legal costs of and incidental to the negotiation, preparation and completion of this Deed.

6 Miscellaneous

6.1 Governing law and jurisdiction

- (a) This Deed is governed by and must be construed in accordance with the laws in force in Victoria.
- (b) The parties submit to the exclusive jurisdiction of the courts of Victoria and the Commonwealth of Australia in respect of all matters arising out of or relating to this Deed, its performance or subject matter.

6.2 Warranty

The Investor warrants that they have not assigned any Claims or Liabilities which are subject to release under Clause 2, and/or the Proceedings, to any other person.

6.3 Entire agreement

- (a) This Deed, in conjunction with the Settlement Deed, contains the entire understanding between the parties concerning the subject matter of the Deed and supersedes all prior agreements and understandings between the parties in connection with it.
- (b) Each party acknowledges that, except as expressly stated in this Deed, the party has not relied on any representation, warranty or undertaking of any kind made by or on behalf of any other party in relation to the subject matter of this Deed.

6.4 Counterparts

This Deed may be executed in counterparts and the counterparts, taken together, shall constitute one instrument.

6.5 When Deed is executed

This Deed is executed upon the later of:

- (a) if counterparts of the Deed are not used, once all parties have signed the Deed; or
- (b) if counterparts of the Deed are used, once the counterpart executed by the Investor has been delivered to the Liquidators.

6.6 Time of the essence

Time is of the essence in respect of all obligations under this Deed.

EXECUTED as a Deed.

Deed of Release

Signing page

DATED: **2011**

EXECUTED by **SAXO BANK A/S** in)
accordance with section 127(1) of the)
Corporations Act 2001 (Cwlth) by)
authority of its director:)
)

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director

.....
Name of director (block letters)

SIGNED, SEALED AND)
DELIVERED by **SONRAY**)
CAPITAL MARKETS PTY LTD (in)
liquidation) by its joint and several)
liquidator in accordance with)
sections 477(2)(d) and 506(1)(b) of the)
Corporations Act 2001 (Cwlth) of:)
)
)
)

.....)
Signature of witness)
)

.....)
Name of witness (block letters))

.....
Signature of Liquidator

Signed sealed and delivered by
Geoffrey Webster (a partner of HLB
Mann Judd (Vic) Partnership) in the
presence of:

.....
Signature of witness

.....
Geoffrey Webster

.....
Name of witness (BLOCK LETTERS)

.....
Address of witness

Signed sealed and delivered by
Clyde White (a partner of HLB Mann
Judd (Vic) Partnership) in the presence of:

.....
Signature of witness

.....
Clyde White

.....
Name of witness (BLOCK LETTERS)

.....
Address of witness

Signed sealed and delivered by
David Nairn (a partner of HLB Mann
Judd (Vic) Partnership) in the presence of:

.....
Signature of witness

.....
David Nairn

.....
Name of witness (BLOCK LETTERS)

.....
Address of witness

Signed sealed and delivered by
Philip Newman (a partner of HLB Mann
Judd (Vic) Partnership) in the presence of:

.....
Signature of witness

.....
Philip Newman

.....
Name of witness (BLOCK LETTERS)

.....
Address of witness

Signed sealed and delivered by
Mark Peters (a partner of HLB Mann
Judd (Vic) Partnership) in the presence of:

Signature of witness

Mark Peters

Name of witness (BLOCK LETTERS)

Address of witness

Signed sealed and delivered by
Stephen Michell (a partner of HLB Mann
Judd (Vic) Partnership) in the presence of:

Signature of witness

Stephen Michell

Name of witness (BLOCK LETTERS)

Address of witness

Signed sealed and delivered by
David Quin (a partner of HLB Mann
Judd (Vic) Partnership) in the presence of:

Signature of witness

David Quin

Name of witness (BLOCK LETTERS)

Address of witness

Signed sealed and delivered by **Jude Lau**
(a partner of HLB Mann Judd (Vic)
Partnership) in the presence of:

.....
Signature of witness

.....
Jude Lau

.....
Name of witness (BLOCK LETTERS)

.....
Address of witness

SIGNED, SEALED AND)
DELIVERED by **[INVESTOR]** in the)
presence of:)

.....)
Signature of witness)

.....)
Name of witness (block letters))

.....)
Signature of **[INVESTOR]**

SIGNED, SEALED AND)
DELIVERED by **GEORGE**)
GEORGES as Liquidator in the)
presence of:)

.....)
Signature of witness)

.....)
Name of witness (block letters))

.....)
Signature of **George Georges**

SIGNED, SEALED AND)
DELIVERED by **JOHN**)
LINDHOLM as Liquidator in the)
presence of:)

.....)
Signature of witness)

.....)
Name of witness (block letters))

.....)
Signature of **JOHN LINDHOLM**

