

28 May 2012

Employee as addressed

Dear Sir/Madam

Company (Administrators appointed) ("the Company")

Ian M Carson, David L McEvoy and Craig D Crosbie of PPB Advisory were appointed Joint and Several Voluntary Administrators of the Company by the Director/(s) on 28 May 2012.

The Company has insufficient funds to meet its payroll and operational costs on an on-going basis. The Company has no option but to cease all operations immediately as of 28 May 2012 as it is not in a position to pay your wage / salary.

Accordingly, the Company has no option but to stand down the majority of its employees effective immediately and until further notice. If you are paid monthly and were paid on 15 May 2012 then your employment with the Company will continue until 31 May 2012 at which time you will be stood down.

What this means to you:

- You have been stood down without pay until further notice effective immediately (unless you have been paid up to 31 May 2012).
- Employees who have not been paid are not expected to attend work whilst the Administrators assess the financial position of the Company.
- We are working with the Company's Payroll and HR departments to confirm the amounts owing to you, pursuant to your instrument of employment.
- Unpaid employee entitlements rank for preferential treatment under Section 556(1) of the *Corporations Act 2001* (signifying that employees are paid in priority before most other creditors) if sufficient assets are realised.
- Should the Company be placed into liquidation, employees may also be eligible for the government scheme GEERS - General Employee Entitlements & Redundancy Scheme which will cover many outstanding employee entitlements should the Company be unable to pay.
- For employees that are also members of a union, please note the Administrators intend to work closely with union representatives and will be providing regular updates to the unions.


The Administrators will be assessing the financial position of the Company and individual project contracts to determine the viability of each contract, including any possibilities for resuming operations.

Following the initial assessment of the business the Administrators will write to all employees again to confirm the status of your employment.

To assist creditors, employees, and Company shareholders in being able to better understand the process, ASIC has released a package of insolvency information sheets. These have the endorsement of the Insolvency Practitioners Association of Australia. This can be found at <http://www.asic.gov.au/insolvencyinfosheets>.

For all general information and updates please visit our website at www.ppbadvisory.com and follow the 'Hastie Group' links or phone: 1300 868 464, which is a dedicated call centre set up to assist with employees' queries.

Yours faithfully
For and on behalf of the Company

A handwritten signature in black ink, appearing to be a stylized 'I' followed by a cursive flourish.

Ian M Carson, David L McEvoy and Craig D Crosbie
Joint and Several Voluntary Administrators