

Our Ref: 2164234

7 June 2016

To the creditor as addressed

Dear Sir/Madam

Midland Hwy Pty Ltd (Midland)
ACN 153 096 069
Bilkurra Investments Pty Ltd (Bilkurra)
ACN 097 182 182
(Both In Liquidation) (the Companies)

Re: Lots 1 and 2, Cnr Midland Highway, Sherwood Road and Wakeman Road, Bagshot, Victoria 3551 (the Land)

We provide the following update regarding the sale of the Land owned by Bilkurra.

As previously advised, Midland sold option deeds and off-the-plan land sale contracts for parcels of the Land owned by Bilkurra.

The Bilkurra mortgagee has entered into possession of the Land and is running a sale campaign. Bilkurra is not party to the process because the mortgagee has taken possession. The mortgagee has taken possession subsequent to serving notices of default on Bilkurra.

What does this mean for Midland creditors?

Midland holds a caveat over the Land. However, ordinarily a registered mortgage will rank in priority to a caveat. Any return to Midland pursuant to its caveat, is subject to the sale consideration being sufficient to satisfy prior ranking securities against the Land. At this point we are unable to determine if there will be any surplus funds available for Midland creditors.

What does this mean for Bilkurra creditors?

As stated above, sale proceeds will be applied against mortgages and caveats registered against the Land. At this point we are unable to determine if there will be any surplus funds available for Bilkurra creditors.

We will ask the mortgagee to explain its sale process to determine its adequacy.

Should creditors have any questions, please refer to the frequently asked questions on our website in the first instance. This can be found at:

<https://www.ppbadvisory.com/creditor-information>

We will provide a further update on our webpage once we have more details on the progress of the sale.

If you have not yet previously done so, please forward your email address to Kim Milne at kmilne@ppbadvisory.com.

Yours faithfully

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Nicholas Martin and Craig Crosbie
Official Liquidators

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| Midland date of appointment: | 3 December 2015 |
| Bilkurra date of appointment | 15 April 2016 |
| Contact name: | Kim Milne |
| Telephone number: | +03 9269 4120 |
| Email: | kmilne@ppbadvisory.com |