



writer / sameh bekhit
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email / sameh.bekhit@summerscorporate.com.au
our ref / 1700 062

direct / 9420 8282
your ref /

CIRCULAR TO CREDITORS

Dear Sir / Madam

**CALNAN-OLDFIELD PTY LTD (ADMINISTRATOR APPOINTED)
A.C.N. 120 195 833 ("THE COMPANY")
TRADING AS "FRUIT PROPERTY APPECROSS"**

I refer to the above matter and my appointment as Administrator of the Company pursuant to Part 5.3A of the *Corporations Act 2001* ("the Act") on 18 June 2010. I advise as follows:

Activity Prior to Creditors' Meeting

On 12 August 2010, Mr Calnan and his advisors discussed with me a potential offer that would, if acceptable to the Deed of Company Arrangement ("DOCA") proposer, potentially result in a greater pool of funds available to creditors under the DOCA. I brought this to the attention of the proposer on the evening of 12 August 2010 following my meeting with Mr Calnan and his advisors.

Following my report dated 8 August 2010, I held some brief discussions with the proposer's solicitor in regards to the recommended variations to the DOCA proposal. It was the proposer's intention to complete the DOCA as soon as possible and, in that regard, was not supportive of my recommended variation (the first recommended variation in section 8 of my report) whereby debtors of the Company become debtors available to creditors under the DOCA.

Reconvened Second Creditors' Meeting

In light of the proposal from Mr Calnan received on 12 August 2010, I recommended to creditors present and represented by proxy at the meeting held on 13 August 2010 that the meeting be adjourned to enable the potential variation to the proposal to be discussed with the relevant parties. Creditors did not resolve to adjourn the meeting.

The meeting was advised that in the event the recommended variation in respect of debtors proceeded, there was a chance that the proposer would not execute the DOCA. The creditors affected by this position were the "lessor" and "tax" creditor groups, of which only one was present (or represented) at the meeting. I informed the meeting of the impact of the proposer's position on this matter and that, whilst not necessarily varying the best and worst case scenario outlined in the report to creditors, it was likely that the best case scenario had a lower chance of being achieved given the nature and context of the debts involved.

Creditors resolved to accept the DOCA proposal together with the recommended variations as proposed by me in my report to creditors dated 8 August 2010 with the exception of my first recommended variation to the proposal (this means that debtors not collected prior to the second payment from the proposer will be returned to the Company for collection in the ordinary course of business and not be available to the DOCA).

Future Activity

The Administrator has fifteen (15) business days to have the DOCA prepared into a formal deed and executed by relevant parties. I am awaiting the proposer's solicitor to finalise drafting of the document for my review.

In the interim, I remain Administrator of the Company and all previous restrictions in regards to the operation of the Company remain in place until the DOCA is executed.

Once the DOCA is executed, control of the Company will be handed to the new directors, being Mr Grant Gepp and Jacqui Oldfield (as stated in the DOCA proposal) subject to their consenting to these roles.

Following control returning to the new directors, my management of the affairs of the Company will cease. My role will then involve collecting the contributions as required under the DOCA (the latest of which is due within 90 days of the DOCA being executed) and, following receipt of all monies, I will commence distributions to creditors. Creditors will be advised accordingly from time to time as the process that they must follow to receive payment pursuant to the DOCA.

I will liaise further with creditors as matters proceed and confirm the execution of the DOCA in due course.

Should you have any queries, please contact Sameh Bekhit of this office.

For and on Behalf of
The Company



C Huxtable
Administrator