

DATED this day of 2008.

DEED OF COMPANY ARRANGEMENT

**INTERNATIONAL BUILDING INDUSTRIES LTD (ADMINISTRATORS
APPOINTED) ACN 116 936 862**

**NON SKID AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 321 767**

**S.E.P. (DIST) PTY LTD (ADMINISTRATORS APPOINTED)
ACN 119 424 814**

**I.B.S. (DIST) PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 770 822**

**STERLING ENGINEERED PRODUCTS PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 113 809 206**

**I.B.I.L. (ADMIN) PTY LTD (ADMINISTRATORS APPOINTED)
ACN 118 339 825**

**S.E.P. LOGISTICS PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 767 683**

AND

ENTREPID PTY LTD ACN 113 095 471

AND

**GAVIN CHARLES MORTON AND JOHN MAXWELL MORGAN AS
ADMINISTRATORS**

Mullins Lawyers
Level 22 Central Plaza One
345 Queen Street
BRISBANE QLD 4000

Tel: 07 3224 0222
Fax: 07 3224 0333
Our Ref: PAL:94242
Email: plutvey@mullinslaw.com.au

TABLE OF CONTENTS

1.	INTERPRETATION	1
1.1	Definitions	1
1.2	Rules for interpreting this document	4
1.3	Business Days	5
1.4	Multiple Parties	5
2	CONDITIONS PRECEDENT	5
2.1	Conditions	
2.2	Waiver of conditions	5
2.3	Obligation to satisfy conditions	6
2.4	Result of non-satisfaction of conditions	6
3.	COMMENCEMENT AND TERM	6
4.	TRUST DEED	6
5.	CONTRIBUTION AGREEMENT	6
6.	DEED ADMINISTRATORS	6
6.1	Consent to Appointment	6
6.2	Appointment	6
6.3	Role of Deed Administrators	6
6.4	Agent of the Companies	6
6.5	Limitation of the Deed Administrators' Liability	6
6.6	Powers of Deed Administrators	7
6.7	Joint and Several Deed Administrators	8
7	EXCLUSION OF PRESCRIBED PROVISIONS	8
8	SCOPE OF ARRANGEMENT AND MORATORIUM	8
8.1	Arrangements binds all Creditors	8
8.2	Restrictions on Creditors	8
8.3	Owner's, Lessors and Secured Creditor rights not otherwise affected	9
9	DEED ADMINISTRATORS' REMUNERATION AND INDEMNITY	9
9.1	Remuneration and Costs	9
9.2	Scope of indemnity	9
9.3	Continuing indemnity	9
9.4	Indemnity not to be affected or prejudiced	10
9.5	Deed Administrators' Lien	10
9.6	Drawing	10
9.7	Deed Administrators' release	10
10	THE BOARD	10

11	MEETINGS OF CREDITORS	10
11.1	Convening of meetings by Deed Administrators	10
11.2	Convening meetings at request of Admitted Creditors of others	10
11.3	Manner of convening meetings	11
11.4	Corporations Regulations	11
12	REPORT TO CREDITORS	11
13	TERMINATION	11
13.1	Termination of the Arrangement by Court Order or Resolution	11
13.2	Compulsory convening of meeting to consider resolution for variation or termination of Arrangement	11
13.3	Discretionary convening of meeting to consider resolution for variation or termination of Arrangement	11
13.4	Termination of the Arrangement for non-performance	11
13.5	Termination of the Arrangement by performance	11
13.6	Report for meeting	12
13.7	Consequences of Termination	12
13.8	Further Consequences of Termination of the Arrangement for non-performance	12
13.9	Trading Debts incurred whilst Companies is under this Deed	13
14.	RELEASE OF CLAIMS	
14.1	All Claims against Companies Extinguished	13
14.2	Execution of all Necessary Documents	13
14.3	Bar to Claims	13
14.4	Conversion of Claims	13
15.	NOTICES	
15.1	How to give a notice	13
15.2	When a notice is given	13
15.3	Address for notices	14
16.	AMENDMENTS AND ASSIGNMENT	
16.1	Amendment	14
16.2	Assignment	14
17.	GENERAL	14
17.1	Governing Law	14
17.2	Inconsistency with the Corporations Act	15
17.3	Waiver	15
17.4	Attorneys	15
17.5	Severability	15
17.6	Counterparts	15

17.7	Entire Agreement	15
17.8	Giving effect to this document	15
SCHEDULE 1		16
SCHEDULE 2		16

DEED made this day of 2008.

BETWEEN: **INTERNATIONAL BUILDING INDUSTRIES LTD (ADMINISTRATORS APPOINTED) ACN 116 936 862, NON SKID AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 321 767, S.E.P. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 119 424 814, I.B.S. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 770 822, STERLING ENGINEERED PRODUCTS PTY LTD (ADMINISTRATORS APPOINTED) ACN 113 809 206, I.B.I.L. (ADMIN) PTY LTD (ADMINISTRATORS APPOINTED) ACN 118 339 825, S.E.P. LOGISTICS PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 767 683**
("the Companies")

AND: **ENTREPID PTY LTD ACN 113 095 471**
("Entrepid")

AND: **GAVIN CHARLES MORTON AND JOHN MAXWELL MORGAN AS ADMINISTRATORS OF THE COMPANIES**
("Administrators")

BACKGROUND

- A. On 2 October 2007, Gavin Charles Morton and John Maxwell Morgan were appointed Administrators of the Companies by the Companies directors.
- B. At a meeting of the Companies creditors held on 29 January 2008, the creditors resolved pursuant to section 439C of the Corporations Act that -
 - (a) the Companies execute a deed of company arrangement substantially in the form of this deed of company arrangement;
 - (b) the Companies and the Administrators execute a Trust Deed substantially in the form of the Trust Deed set out in schedule 1 to this deed of company arrangement.
- C. The Administrators are registered liquidators and are not disqualified from acting as administrators of this deed of company arrangement.

OPERATIVE PROVISION

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Administration means the administration of the Companies under Part 5.3A of the Corporations Act, which ended on the execution of this document.

Administrators means Gavin Charles Morton and John Maxwell Morgan of c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland as administrators of the Companies in respect of the Administration.

Appointment Date means 2 October 2007.

Arrangement means this deed of company arrangement as varied from time to time.

Arrangement Period means the period commencing on the Commencement Date and ending on the Termination Date.

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, permit, licence, notarisation or waiver, however it is described, and including any condition attached to it; and
- (b) in relation to anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken,

including any renewal or amendment,

Business Day means a day that is not a Saturday, Sunday or public holiday in Brisbane, Australia.

Claim means a debt payable by, or a claim against, the Companies (present or future, certain or contingent, ascertained or sounding only in damages) being debts or claims the circumstances giving rise to which occurred before the Appointment Date that would be admissible to proof against the Companies in accordance with Division 6 of Part 5.6, Corporations Act, if the Companies had been wound up and the winding up is taken to have commenced on the Appointment Date.

Commencement Date means the date on which this document is executed by the last of the parties to this document to execute this document.

Companies means International Building Industries Ltd (Administrators Appointed) ACN 116 936 862; Non Skid Australia Pty Ltd (Administrators Appointed) ACN 117 321 767, S.E.P. (DIST) Pty Ltd (Administrators Appointed) ACN 119 424 814, I.B.S. (DIST) Pty Ltd (Administrators Appointed) ACN 117 770 822, Sterling Engineered Products Pty Ltd (Administrators Appointed) ACN 113 809 206, I.B.I.L. (ADMIN) Pty Ltd (Administrators Appointed) ACN 118 339 825 and S.E.P. Logistics Pty Ltd (Administrators Appointed) ACN 117 767 683.

Companies Property means the assets of the Companies as at the Commencement Date including all causes of action, all debts due and owing to the Companies, all plant and equipment, all fixtures and fittings and all money received and held by the Administrators in any bank account maintained by the Administrators during or in the course of the Administration;

Conditions Precedent means the conditions precedent set out in clause 2.1.

Contributions Agreement means the Agreement to be entered into between the Companies and the Trustees in the form set out in Schedule 2.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Queensland or the Queensland registry of the Federal Court of Australia.

Creditor means a person having a Claim against the Companies.

Deed Administrators means Gavin Charles Morton and John Maxwell Morgan of c/- PKF, LEVEL 6, AMP Place, 10 Eagle Street, Brisbane, Queensland as administrators of this Arrangement and, should any successor be appointed to that office pursuant to the Corporations Act, from the time of such appointment, any such successor.

Directors means Martin L Callaghan, Dr Ian Hoare and Alexander Noel Smith.

Enforcement Process has the same meaning as in the Corporations Act.

Equivalent Claim means a claim against the Trust Fund under the terms of the Trust Deed which, but for the release in clause 14.1, would be a Claim.

Government Agency means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

GST means:

- (a) the same as in the GST Law;
- (b) any other goods and services tax, or any Tax applying to this transaction in a similar way; and
- (c) any additional tax, penalty tax, fine, interest or other charge under a law for such a Tax.

GST Law means the same as "GST law" means in the *A New Tax System (Goods & Services Tax) Act 1999*.

IBIL means International Building Industries Ltd (Administrator Appointed) ACN 116 936 862

Lessor means any person who is the owner of property in the possession of the Companies at the Commencement Date that is leased or hired by the Companies.

Listing Rules means the official listing rules of the NSX.

NSX means National Stock Exchange of Australia.

Owner means any person who is the owner of property in the possession of the Companies at the Commencement Date.

Regulations means the *Corporations Regulations 2001* (Cm).

Remuneration and Costs means the amounts payable to the Deed Administrators or the Administrators, as the case may be, pursuant to clause 9.1.

Section 439C Resolution means the resolution of the Companies Creditors, pursuant to section 439C of the Corporations Act that the Companies enter into this Arrangement.'

Secured Creditor means any Creditor who is the holder of a Security over any property of the Companies.

Security means any security within the meaning of that word in section 444D(2), Corporations

Act.

Termination Date means the date on which this Arrangement is terminated.

Trading Contribution means the amount to be paid to the Trustees by the Companies under the Contributions Agreement.

Trust means the IBIL Group Creditors' Trust.

Trust Deed means the trust deed to be entered into between the Companies and Gavin Charles Morton and John Maxwell Morgan of c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland substantially in the form of that contained in Schedule 1 which creates the Trust.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and includes any executor, administrator, assign, transferee, purchaser or successor in law of the person;
 - (v) anything (including a right, obligation or concept) includes each part of it;
 - (vi) "\$" or "dollars" means the lawful currency of Australia; and
 - (vii) a time is a reference to Brisbane time.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) The words **subsidiary**, **holding Companies** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Business Days**

If the day on or by which a person must do something under this document is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or that term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

2. **CONDITIONS PRECEDENT**

2.1 **Conditions**

The conditions referred to in clause 4 and 5 are that:

- (a) the shareholders of the Companies in general meeting, pass the following resolutions as required under the Australian Corporations Act 2001 (subject to any relief granted by the Australian Securities & Investments Commission) and the NSX Listing Rules (subject to any waiver granted by the NSX):
 - (i) an ordinary resolution under section 611 (item 7) of the Corporations Act to approve Entrepid obtaining voting power in IBIL of more than 20%;
 - (ii) an ordinary resolution under Listing Rule 7.4 to approve the issue of IBIL's shares to Entrepid and under the capital raising;
 - (iii) an ordinary resolution approving the giving of financial benefits to related parties under Part 2E. 1 of the Corporations Act and under Listing Rule 10.11 (only if required by NSX);
 - (iv) an ordinary resolution under Listing Rules 10.1 and 11.1.2 (only if required by NSX);
 - (v) an ordinary resolution appointing new directors to IBIL as nominated by Entrepid;
 - (vi) an ordinary resolution of the IBIL shareholders under section 157 of the Corporations Act to change the name of IBIL to '[insert name]'; and
 - (vii) a resolution effecting any amendment to the constitution of IBIL required to give effect to the above; and
- (b) within 14 days at the passing of the resolutions referred to in clause 2.1(a) Entrepid shall pay to the Deed Administrators the sum of \$350,000 to hold pending the terms of this agreement, the Contribution Agreement and the Trust Deed.

2.2 **Waiver of conditions**

The conditions specified in clause 2.1 may be waived if all the parties to this Arrangement agree in writing.

2.3 Obligation to satisfy conditions

To the extent that it is within the relevant party's control, the parties must:

- (a) use reasonable endeavours (other than waiver) to ensure that the conditions referred to in clause 2.1 are satisfied; and
- (b) keep each other informed of any circumstances of which they are aware that may result in any of those conditions not being satisfied in accordance with its terms.

2.4 Result of non-satisfaction of conditions

If the conditions referred to in clause 2.1 are not satisfied or waived under clause 2.2, then this Arrangement terminates in accordance with clause 13.3.

3. COMMENCEMENT AND TERM

This Arrangement commences on the Commencement Date and continues until the Termination Date.

4. TRUST DEED

Upon the satisfaction, or waiver under clause 2.2, of each of the conditions set out in clause 2.1, the Deed Administrators and the Companies will execute the Trust Deed.

5. CONTRIBUTIONS AGREEMENT

Upon the satisfaction, or waiver under clause 2.2, of each of the conditions set out in clause 2.1:

- (a) the Deed Administrators, in their capacity as trustees of the Trust; and
 - (b) the Companies,
- will execute the Contributions Agreement.

6. DEED ADMINISTRATORS

6.1 Consent to Appointment

The Deed Administrators consent to their appointment as the administrators of this Arrangement.

6.2 Appointment

The Deed Administrators are the administrators of this Arrangement.

6.3 Role of Deed Administrators

The Deed Administrators will administer this Arrangement and have all the functions, powers and duties conferred on them by this Arrangement and the Corporations Act.

6.4 Agent of the Companies

In exercising the powers conferred by this Arrangement and carrying out the duties arising under this Arrangement, the Deed Administrators shall act as agents for and on behalf of the Companies.

6.5 Limitation of the Deed Administrators' Liability

Subject to the Corporations Act, in the performance or exercise of the Deed Administrators' powers,

functions and duties under this Arrangement, the Administrators shall not be personally liable for:

- (a) any debt, liability or other obligation which the Deed Administrators may incur on behalf of the Companies pursuant to this Arrangement; or
- (b) any loss or damage caused by any act, default or omission by the Deed Administrators or on behalf of the Deed Administrators in the performance or exercise of the Deed Administrators' powers, functions and duties under this Arrangement, except if the Deed Administrators, or any partner, employee or authorised agent or delegate of the Deed Administrators has acted dishonestly, in breach of duty, in breach of trust or been negligent.

6.6 Powers of Deed Administrators

For the purposes of administering this Arrangement, the Deed Administrators shall have the following powers:

- (a) to administer the Deed Fund in accordance with the provisions of this Arrangement;
- (b) to make interim or other distributions of the proceeds of the Deed Fund available for the payment of claims of Admitted Creditors as provided in this Arrangement;
- (c) to do all acts, and execute in the name and on behalf of the Companies, all deeds, contracts, receipts and other documents using the Companies' common or official seal;
- (d) to permit any person authorised by the Deed Administrators to operate any account in the name of the Companies;
- (e) to bring, prosecute and defend in the name and on behalf of the Companies, or in the name of the Deed Administrators any actions, suits or proceeding;
- (f) to refer to arbitration any question affecting the Companies;
- (g) to convene and hold meetings of the Creditors or members of the Companies for any purpose the Deed Administrators think fit;
- (h) to appoint agents to do any business or to attend to any matters or affairs of the Companies that the Deed Administrators are unable to do, or that is unreasonable to expect the Deed Administrators to do, in person;
- (i) to appoint solicitors, accountants or other professionally qualified persons to assist the Deed Administrators;
- (j) subject to the *Bankruptcy Act 1966* (Cth), to prove in the bankruptcy of any contributory or debtor of the Companies or under any deed executed under that Act;
- (k) subject to the *Corporations Act*, to prove in the winding up of any contributory or debtor of the Companies or under any scheme of arrangement entered into or deed of company arrangement executed, under the *Corporations Act*;
- (l) to defend an application for the winding up of the Companies;
- (m) to compromise any debts or claims brought by or against the Companies on such terms as the Deed Administrators think fit and to take security for the discharge of any debt forming part of the property of the Companies;
- (n) to enter during normal business hours any premises occupied by the Companies for the purposes of examining and taking copies of any and all such documents, books or records as the Deed Administrators deem fit;

- (o) to perform any function, and exercise any power, that the Companies or any of its officers could perform or exercise;
- (p) to publicly examine any officer of the Companies or any other person in accordance with Part 5.9 of the Corporations Act;
- (q) to attend to any statutory requirements in relation to the Companies;
- (r) to do anything that is incidental to exercising a power set out in this clause or otherwise contained in Schedule 8 A of the Regulations; and
- (s) to do anything else that is necessary or convenient for the purpose of administering this Arrangement.

6.7 Joint and several Deed Administrators

- (a) The powers and functions of the Deed Administrators may be exercised by any one of them, or by both of them together.
- (b) The rights, benefits and obligations of the Deed Administrators under this Arrangement are joint and several.

7. EXCLUSION OF PRESCRIBED PROVISIONS

Each of the prescribed provisions contained in Schedule 8 A of the Regulations are expressly excluded from this Arrangement, except where they are expressly included or restated in this Arrangement or where they are necessary in the reasonable opinion of the Deed Administrators for the purposes of administering this Arrangement.

8. SCOPE OF ARRANGEMENT AND MORATORIUM

8.1 Arrangement binds all Creditors

This Arrangement binds all Creditors of the Companies, so far as concerns their Claims.

8.2 Restrictions on Creditors

Subject to clause 8.1, during the Arrangement Period, a Creditor in respect of its Claim, must not:

- (a) make an application for an order to wind up the Companies or take or concur in taking any step to wind up the Companies;
- (b) proceed with such an application to wind up the Companies made before this Arrangement became binding on the Creditor;
- (c) begin, continue or take any step in any proceedings, action or arbitration against the Companies or to which the Companies is a party;
- (d) begin, continue or take any step in any proceedings, action or arbitration in relation to any of the Companies property;
- (e) begin or continue with any Enforcement Process in relation to the Companies' property;
- (f) if the Creditor voted in favour of the Section 439C Resolution, enforce a guarantee of a liability of the Companies against a Director; or
- (g) exercise any right of set-off or cross-action to which the Creditor would not have been entitled had the Companies been wound up on the day on which the Administration began,

except, in the case of paragraphs (c), (d) and (e) above, with the leave of the Court and in accordance with such terms (if any) as the Court imposes.

8.3 Owner's, Lessor's and Secured Creditor rights not otherwise affected

Subject to section 444F of the Corporations Act, this Arrangement does not affect a right that an Owner, Lessor or Secured Creditor has in relation to property of the Owner, Lessor or Security of the Secured Creditor unless this Arrangement so provides in relation to an Owner, Lessor or Secured Creditor who voted in favour of the Section 439C Resolution.

9. DEED ADMINISTRATORS' REMUNERATION AND INDEMNITY

9.1 Remuneration and Costs

The Deed Administrators shall be:

- (a) remunerated in respect of any work done by the Deed Administrators in their former capacity as Administrators and in their capacity as Deed Administrators in the course of the Arrangement, and any partner or employee of the Administrators and Deed Administrators, in connection with the Administration and the Arrangement by such amount as is or has been determined in accordance with section 449E of the Corporations Act or by order of a Court;
- (b) reimbursed in respect of all costs, fees, charges and expenses, including legal fees and costs, incurred in connection with the performance of their duties, obligations and responsibilities under the Administration and the Arrangement.

9.2 Scope of indemnity

- (a) The Deed Administrators are entitled to be indemnified out of the Companies Property for:
 - (i) their Remuneration and Costs payable pursuant to clause 9.1;
 - (ii) all liabilities incurred and payments made by the Deed Administrators in their former capacity as Administrators and in their capacity as Deed Administrators in the course of the Arrangement (the '**Liabilities**'); and
 - (iii) all actions, suits, proceedings, accounts, claims, demands, awards, orders, judgments or similar arising out of the Arrangement or the Administration which may be commenced against, incurred by or made on the Deed Administrators in their former capacity as Administrators of the Companies and in their capacity as Deed Administrators of the Arrangement by any person and against all costs, charges and expenses incurred by the Administrators and/or Deed Administrators in respect thereof (the '**Demands**');
- (b) The Deed Administrators shall not be entitled to an indemnity in respect of any Liabilities or Demands if the Deed Administrators, or any partner, employee, authorised agent or delegate of the Deed Administrators has acted dishonestly, in breach of duty, breach of trust, or been negligent.

9.3 Continuing indemnity

The indemnity in clause 9.2 shall take effect on and from the Commencement Date and be without limitation as to time and shall endure for the benefit of the Deed Administrators and their respective legal personal representatives (if any) notwithstanding the removal of the Deed Administrators and the appointment of a new administrator or the termination of the Arrangement for any reason whatsoever.

9.4 Indemnity not to be affected or prejudiced

The indemnity under clause 9.2 shall not:

- (a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Administrators or the Deed Administrators and shall extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Administrators or the Deed Administrators or the approval and execution of the Arrangement; or
- (b) affect or prejudice all or any rights that the Administrators or the Deed Administrators may have against any person to be indemnified against the costs, charges, expenses and liabilities incurred by the Administrators or the Deed Administrators of or incidental to the exercise or performance of any of the powers or authorities conferred on the Administrators or the Deed Administrators by the Arrangement.

9.5 Deed Administrators' Lien

The Deed Administrators shall be entitled to exercise a lien over the Companies' Property for all amounts in respect of which they are entitled to an indemnity under the terms of this Arrangement.

9.6 Drawing

Subject to any resolution or court order made under section 449E of the Corporations Act, the Deed Administrators will be entitled to draw their Remuneration and Costs as incurred from time to time from the Companies' Property and retain in their possession pursuant to their lien under clause 9.5 (even upon termination of this Arrangement) such Companies' Property as the Deed Administrators, in their sole discretion, consider is necessary to satisfy their lien under clause 9.5.

9.7 Deed Administrators' release

On termination of this Arrangement, every person bound or that was bound by this Arrangement hereby releases and forever discharges the Administrators, the Deed Administrators and the partners, employees, agents and sub-contract labour of the Administrators and the Deed Administrators and each of them from any and all claims, demands, causes of action, proceedings, costs and expenses of any nature whatsoever concerning or arising out of or in any way relating to or concerning the Administration or this Arrangement, except where the claim, demand, cause of action, proceeding, cost or expense arises as a result of dishonesty, breach of duty, breach of trust or negligence.

10. THE BOARD

During the Arrangement, unless authorised by the Administrators, the Directors and Companies' officers cannot perform or exercise, and must not purport to perform or exercise, a function or power as an officer of the Companies.

11. MEETINGS OF CREDITORS

11.1 Convening of meetings by Deed Administrators

The Deed Administrators may at any time convene a meeting of Creditors.

11.2 Convening meetings at request of Admitted Creditors or others

The Deed Administrator shall convene a meeting of Creditors if so requested in writing by Creditors the value of whose Claims is not less than 10% of the value of the total of the Claims.

11.3 Manner of convening meetings

Meetings of Creditors shall be convened by the Deed Administrators in accordance with section 445F of the Corporations Act.

11.4 Corporations Regulations

Except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Arrangement, regulations 5.6.12 to 5.6.36A (excluding regulation 5.6.24) of the Regulations apply, with such modifications as are necessary, to meetings of the Creditors or of the Committee as if the references to "the Liquidator", "the liquidator or provisional liquidator", "the liquidator, provisional liquidator or chairman", or "a liquidator, provisional liquidator or trustee for debenture holders", as the case may be, were references to the Deed Administrators.

12. REPORTS TO CREDITORS

During the Arrangement Period, the Deed Administrators may report to Creditors on any matters which the Deed Administrators consider should be brought to the attention of the Creditors.

13. TERMINATION

13.1 Termination of the Arrangement by Court Order or Resolution

The Arrangement will terminate if:

- (a) a Court so orders in accordance with section 445D of the Corporations Act; or
- (b) the Creditors pass a resolution terminating the Arrangement at a meeting of the Creditors.

13.2 Compulsory convening of meeting to consider resolution for variation or termination of Arrangement

Subject to clause 13.5, the Deed Administrators will convene a meeting of the Creditors in accordance with section 445A of the Corporations Act to consider a resolution to vary or to terminate the Arrangement if a Court so orders.

13.3 Discretionary convening of meeting to consider resolution for variation or termination of Arrangement

Subject to clause 13.4, the Deed Administrators may, in their absolute discretion, convene a meeting of the Creditors in accordance with section 445A of the Corporations Act to consider a resolution to vary or terminate the Arrangement if the Deed Administrators determine that it is no longer practicable or desirable to continue to implement or carry out the Arrangement.

13.4 Termination of the Arrangement for non-performance

The Arrangement will terminate if the Deed Administrators and the Companies agree that it is no longer practicable or desirable to continue to implement or carry out the Arrangement and that it should terminate and sign an acknowledgment saying that this Arrangement has terminated.

13.5 Termination of the Arrangement by performance

This Arrangement will terminate once the following events have both occurred:

- (a) the Trust Deed and the Contributions Agreement have come into effect;
- (b) the Deed Administrators have lodged with ASIC a notice of termination of

this Arrangement in the following form:

"International Building Industries Ltd (Administrators Appointed) ACN 116 936 862;

Non Skid Australia Pty Ltd (Administrators Appointed) ACN 117 321 767;

S.E.P. (DIST) Pty Ltd (Administrators Appointed) ACN 119 424 814;

I.B.S. (DIST) Pty Ltd (Administrators Appointed) ACN 117 770 822:

Sterling Engineered Products Pty Ltd (Administrators Appointed) ACN 113 809 206;

I.B.I.L. (ADMIN) Pty Ltd (Administrators Appointed) ACN 118 339 825; and

S.E.P. Logistics Pty Ltd (Administrators Appointed) ACN 117 767 683

We, Gavin Charles Morton and John Maxwell Morgan of c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland, as administrators of the Deed of Company Arrangement executed on the day of 2008 CERTIFY that the Deed has been wholly effectuated."

and the execution of the notice terminates this Arrangement.

13.6 Report for meeting

Upon a meeting being convened pursuant to clause 13.2 or 13.3, the Deed Administrators shall send each Creditor prior to the meeting an up-to-date report as to the state of the affairs of the Companies accompanied by such financial statements as the Deed Administrators think fit. The report shall include a statement:

- (a) explaining the relevant circumstances which have caused the Deed Administrators to convene the meeting pursuant to clause 13.2 or 13.3; and
- (b) that the Arrangement will be varied or terminated if the Creditors so resolve.

13.7 Consequences of Termination

Upon termination, whether under this clause or any other provision of the Arrangement (unless otherwise expressly provided):

- (a) Claims (other than Claims of Secured Creditors) will be released under clause 14.1 and converted to Equivalent Claims under clause 14.4;
- (b) the Arrangement is at an end as to its future operation, except for the enforcement of any right or claim which arises on, or has arisen before, termination; and
- (c) without limiting the generality of paragraph (a), clauses 9 and 14 survive termination of this Arrangement.

13.8 Further Consequences of Termination of the Arrangement for non-performance

Upon termination of the Arrangement under clause 13.4:

- (a) the Companies shall be taken to have passed a special resolution under section 491 of the Corporations Act that the Companies be voluntarily wound up and that the Deed Administrators be the Companies liquidators;
- (b) Regulation 5.3A.07 of the Corporations Regulations will apply; and
- (c) the Companies shall be wound up.

13.9 Trading Debts incurred whilst Companies is under this Deed

For the avoidance of any doubt as to the effectiveness of section 553(1A) and section 553(1B) of the Corporations Act, it is acknowledged that any creditor who has a claim against the Companies which arises during the period from the Commencement Date until the time when the Companies goes into liquidation, if that occurs, shall be entitled to prove in the liquidation of the Companies for that debt.

14. RELEASE OF CLAIMS

14.1 All Claims Against Companies Extinguished

Subject to clause 14.4, upon termination of this Arrangement pursuant to clause 13.5, the Companies will be released and discharged from all Claims against it (other than claims of Secured Creditors).

14.2 Execution of All Necessary Documents

Creditors (other than Secured Creditors) must, if required by the Companies or the Deed Administrators, execute any documents the Companies or the Deed Administrators may require from time to time to give effect to the releases in clause 14.1.

14.3 Bar to Claims

Subject to section 444D of the Act, this Deed may be pleaded by the Companies or the Deed Administrators against any person (other than a Secured Creditor) having a Claim against the Companies as an absolute bar and defence to any legal proceedings brought or made at any time in respect of that Claim.

14.4 Conversion of Claims

The Parties acknowledge and agree that once the Claims against the Companies are released pursuant to clause 14.1, the Creditors who had Claims will contemporaneously become beneficiaries of the Trust under the Trust Deed and entitled to make an Equivalent Claim against the Trust Fund under the Trust Deed in accordance with clause 14 of the Trust Deed.

15. NOTICES

15.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

15.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and
- (b) if it is sent by mail:
 - (i) within Australia - 3 Business Days after posting; or
 - (ii) to or from a place outside Australia - 7 Business Days after posting.

15.3 Address for notices

A person's address and fax number are those set out below, or as the person notifies the sender:

International Building Industries Ltd (Administrators Appointed) ACN 116 936 862, Non Skid Australia Pty Ltd (Administrators Appointed) ACN 117 321 767, S.E.P. (DIST) Pty Ltd (Administrators Appointed) ACN 119 424 814, I.B.S. (DIST) Pty Ltd (Administrators Appointed) ACN 117 770 822, Sterling Engineered Products Pty Ltd (Administrators Appointed) ACN 113 809 206, I.B.I.L. (ADMIN) (Administrators Appointed) Pty Ltd ACN 118 339 825, S.E.P. Logistics Pty Ltd (Administrators Appointed) ACN 117 767 683

Address: c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland 4000
Fax number: 07 3226 3500
Attention: Gavin Charles Morton and John Maxwell Morgan

16. AMENDMENT AND ASSIGNMENT

16.1 Amendment

Subject to the terms of the Corporations Act, this document can only be amended, supplemented, replaced or novated by another document signed by the parties.

16.2 Assignment

A party may only dispose of, declare a trust over or otherwise create an interest in its rights under this document with the consent of each other party.

17. GENERAL

17.1 Governing law

- (a) This document is governed by the law in force in Queensland.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Queensland, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

17.2 Inconsistency with the Corporations Act

If there is any inconsistency between the terms of the Arrangement and the Corporations Act then the Corporations Act shall, only to the extent of the inconsistency, prevail and the Arrangement shall be interpreted accordingly.

17.3 Waiver

The non-exercise of or delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party to be bound by the waiver.

17.4 Attorneys

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

17.5 Severability

Any provision in this document which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this document or affecting the validity or enforceability of that provision in any other jurisdiction.

17.6 Counterparts

This document may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.

17.7 Entire Agreement

This document constitutes the entire agreement between the parties on everything connected with the subject matter of this Arrangement and supersede any prior agreement or understanding on anything connected with that subject matter.

17.8 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

SCHEDULE 1

Trust Deed

SCHEDULE 2

Contribution Agreement

DRAFT

DATED this day of 2008.

DEED OF TRUST

INTERNATIONAL BUILDING INDUSTRIES LTD (ADMINISTRATORS APPOINTED) ACN 116 936 862

**NON SKID AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 321 767**

**S.E.P. (DIST) PTY LTD (ADMINISTRATORS APPOINTED)
ACN 119 424 814**

**I.B.S. (DIST) PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 770 822**

**STERLING ENGINEERED PRODUCTS PTY LTD (ADMINISTRATORS APPOINTED)
ACN 113 809 206**

**I.B.I.L. (ADMIN) PTY LTD (ADMINISTRATORS APPOINTED)
ACN 118 339 825**

**S.E.P. LOGISTICS PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 767 683**

AND

GAVIN CHARLES MORTON AND JOHN MAXWELL MORGAN

Mullins Lawyers
Level 22 Central Plaza One
345 Queen Street
BRISBANE QLD 4000

Tel: 07 3224 0222
Fax: 07 3224 0333
Our Ref: PAL:94242
Email: plutvey@mullinslaw.com.au

TABLE OF CONTENTS

INTERPRETATION	1
1.1 Definitions	1
1.2 Rules for interpreting this Deed.....	3
1.3 Business Days	3
1.4 Multiple parties.....	3
2. TRUST FUND.....	4
3. DECLARATION OF TRUST	4
3.1 Declaration of trust.....	4
3.2 Name of trust	4
3.3 Powers of Trustees	4
3.4 Joint and several Trustees.....	4
4. DETERMINATION OF CREDITORS' CLAIMS	5
4.1 Admitted List.....	5
4.2 Incorporation of certain provisions.....	5
4.3 Advertising and notice of Claims	5
4.4 Evidence of Claims.....	5
4.5 Notice not required	5
4.6 Costs and expenses.....	5
4.7 Determination by the Trustees	5
4.8 Late entry of Equivalent Claims	6
4.9 Payments of Entitlements after late entry of Equivalent Claims	6
4.10 Correction of errors.....	6
4.11 Trustees power to vary Admitted Claims	6
4.12 Trustees' notices under this clause	6
4.13 Declaration of Court.....	6
4.14 Entry on Admitted List after Court Order	7
4.15 Satisfaction of Entitlements after Court Order or Variation	7
4.16 Creditor entitled to withdraw Asserted or Admitted Claim.....	7
4.17 No entitlement to interest.....	7
4.18 Proof of debt in Administration	7
4.19 Time of the essence	7
5. RELEASE OF EQUIVALENT CLAIMS	8
5.1 Discharge and release of Equivalent Claims	8
5.2 inability to locate Creditors	8
6. THE TRUST FUND	8
6.1 The Trust Fund.....	8

6.2	Application of Trust Fund.....	8
6.3	Calculation of Total Admitted Claims	8
6.4	Payment of Entitlements in respect of Asserted Claims.....	9
6.5	Timing of distributions of the Trust Fund.....	9
7.	TRUSTEES	9
7.1	Exclusion of Liability	9
7.2	Reliance on Advice	9
7.3	Remuneration and Costs	9
7.4	Scope of indemnity	9
7.5	Continuing indemnity	10
7.6	Indemnity not to be affected or prejudiced	10
7.7	Trustees Lien.....	10
8.	MEETINGS.....	10
8.1	Convening of meetings by Trustees.....	10
8.2	Convening meetings at request of Creditors or others.....	10
8.3	Right of Admitted Creditors to attend meetings.....	10
8.4	Variation of Deed	11
9.	TRUSTEES' RETIREMENT AND REPLACEMENT	11
9.1	Retirement of Trustees.....	11
9.2	Replacement of Trustees.....	11
9.3	Appointment subject to Trusts Act.....	11
9.4	Retiring Trustee to vest fund in new Trustee.....	11
9.5	Deed of Appointment	11
9.6	Retiring Trustee to be fully discharged.....	11
10.	TERMINATION	11
10.1	Termination of the Trust for performance.....	11
10.2	Termination of the Trust by Court order	11
10.3	Termination of the Trust by resolution of Creditors	12
10.4	Trustees to distribute Trust Fund upon termination of Trust.....	12
10.5	Action previous to this Deed preserved.....	12
11.	NOTICES.....	12
11.1	How to give a notice.....	12
11.2	When a notice is given	12
11.3	Address for notices	12
12.	AMENDMENT AND ASSIGNMENT	13
12.1	Amendment.....	13
12.2	Assignment	13
13.	STAMP DUTY & COSTS	13
14.	GENERAL	
14.1	Governing law.....	13
14.2	Inconsistency with the Corporations Act.....	13
14.3	Waiver.....	13

14.4	Attorneys	13
14.5	Severability	13
14.6	Counterparts.....	13
14.7	Entire Agreement.....	14
14.8	Giving effect to this document	14
14.9	Companies may execute this deed.....	14
	Schedule 1 - Trustees' schedule of rates.....	15
	Schedule 2 – Contribution Agreement.....	15

DEED OF TRUST

DEED made on

2008.

BETWEEN: INTERNATIONAL BUILDING INDUSTRIES LTD (ADMINISTRATORS APPOINTED) ACN 116 936 862, NON SKID AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 321 767, S.E.P. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 119 424 814, I.B.S. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 770 822, STERLING ENGINEERED PRODUCTS PTY LTD (ADMINISTRATORS APPOINTED) ACN 113 809 206, I.B.I.L. (ADMIN) PTY LTD (ADMINISTRATORS APPOINTED) ACN 118 339 825, S.E.P. LOGISTICS PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 767 683
("the Companies")

AND: GAVIN CHARLES MORTON AND JOHN MAXWELL MORGAN AS ADMINISTRATORS OF THE COMPANY of care of PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland 4000
("Trustees")

BACKGROUND

- A. Under the DOCA, the Companies are to establish a Trust Deed and the Trust created thereby is to hold specified assets in the Trust Fund.
- B. The Trust Fund is to be used, amongst other things, to make various payments to the Admitted Creditors with Admitted Claims.
- C. The Companies wish to establish the Trust Deed in accordance with the DOCA.
- D. The Trustees consent to becoming the Trustees under the Trust Deed on the Terms of this Deed.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

Unless defined in this Deed or the context otherwise requires, words and phrases defined in the DOCA have the same meaning when used in this Deed:

'Corporations Act' means the *Corporations Act 2001* (Cth);

'Administration' means the administration of the Companies under Part 5.3 A, Corporations Act, which ended upon the execution of the DOCA;

'Admitted Claim' means an Equivalent Claim that is admitted by the Trustees in accordance with this Deed;

'Admitted Creditor' means any Creditor who has an Admitted Claim;

'Admitted List' means a list of Admitted Claims created and maintained by the Trustees in accordance with this Deed

'Appointment Date' means 2 October 2007;

'Asserted Claim' means a claim asserted by any person to be an Equivalent Claim and notified to the Trustees in accordance with this Deed;

'Business Day' means a day that is not a Saturday, Sunday or public holiday in Brisbane, Australia.

'Claim' means a debt payable by, or a claim against, the Companies (present or future, certain or contingent, ascertained or sounding only in damages) being debts or claims the circumstances giving rise to which occurred before the Appointment Date that would be admissible to proof against the Companies in accordance with Division 6 of Part 5.6, Corporations Act, if the Companies had been wound up and their winding up is taken to have commenced on the Appointment Date;

'Commencement Date' means the date of execution of the this Deed by the last of the parties to this Deed;

'Companies' Property' means the assets of the Companies;

'Contributions Agreement' means the Agreement entered into between the Companies and the Trustees in the form set out in Schedule 2 to the DOCA;

'Court' means the Supreme Court of Queensland or the Queensland registry of the Federal Court of Australia;

'Creditor' means any person having an Equivalent Claim against the Trust Fund;

'Deed Administrators' means Gavin Charles Morton and John Maxwell Morgan c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland in their capacity as deed administrators of the Companies under the DOCA;

'Deed Administrators' Remuneration and Costs' means the amounts payable to the Deed Administrators, or the Administrators as the case may be, pursuant to clause 9.1 of the DOCA;

'DOCA' means the deed of company arrangement entered into by the Companies on or about [to be inserted]

'DOCA Date' means the date that the DOCA was executed by the last of the parties to the DOCA;

'Employee' means a Creditor of the Companies who was an employee of the Companies as at the Appointment Date;

'Entitlement' means in respect of any Creditor, the amount, if any, to be paid to that Creditor in accordance with this Deed.

'Equivalent Claim' means a claim against the Trust Fund under the terms of this Deed which, but for the release in clause 14.1 of the DOCA, would be a Claim;

'Trustees' means Gavin Charles Morton and John Maxwell Morgan of c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland as administrators of the Companies in respect of the Administration;

'Trustees' Remuneration and Costs' means the amounts payable to the Trustees pursuant to clause 7.3;

'Companies' Contribution' means the amount to be paid to the Trustees by the Companies under the Contribution Agreement;

'Trust' means the trust established under this Deed;

'Trust Fund' means the Trust Fund set out in clause 2;

'Trust Termination Date' means the date on which the Trust terminates pursuant to clause 10.

1.2 Rules for interpreting this Deed

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this Deed or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and includes any executor, administrator, assign, transferee, purchaser or successor in law of the person;
 - (v) anything (including a right, obligation or concept) includes each part of it;
 - (vi) '\$' or 'dollars' means the lawful currency of Australia; and
 - (vii) a time is a reference to Brisbane time.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word agreement includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 Business Days

If the day on or by which a person must do something under this Deed is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

1.4 Multiple parties

If a party to this document is made up of more than one person, or a term is used in this Deed to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or that term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

2. TRUST FUND

The Companies will pay the Trading Contributions to the Trustees and they will form the Trust Fund.

3. DECLARATION OF TRUST

3.1 Declaration of trust

The Trustees acknowledge and declare that the Trust Fund will be held on trust by the Trustees for Admitted Creditors.

3.2 Name of trust

The name of the trust constituted by this Deed is the IBIL Group Creditors' Trust.

3.3 Powers of Trustees

Without limiting the Trustees' powers in accordance with the *Trusts Act (Qld) (1973)* for the purposes of administering the Trust, the Trustees have the following powers:

- (a) to do all things necessary or convenient for the purposes of administering the Trust Fund in accordance with the provisions as set out in this Deed and the DOCA;
- (b) do all things necessary or convenient for the purposes of ensuring that the obligations of the Companies and Contribution under the DOCA and this Deed are fulfilled, and to take such legal proceedings or other steps as the Trustees think fit to enforce those obligations;
- (c) to do all things necessary or convenient for the purposes of fulfilling the Trustees' obligations under this Deed and the DOCA;
- (d) to admit Claims to proof in accordance with the provisions of the DOCA and this Deed;
- (e) to enforce compliance with the terms of this Deed and the DOCA;
- (f) to make interim or other distributions of the Trust Fund;
- (g) to appoint agents to do any business or attend to any matter of affairs of the Trust that the Trustees are unable to do, or that it is unreasonable to expect the Trustees to do, in person;
- (h) to appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;
- (i) to compromise any Claim on such terms as the Trustees consider fit;
- (j) to do all those things in relation to the assets in the Trust Fund that an administrator is empowered to do in relation to the Companies under the DOCA;
- (k) to do all things necessary or convenient for the purposes of clause 4.15 of this Deed including taking such legal proceedings or other steps as the Trustees deem fit to recover such amount of an Admitted Claim to the extent that it is later extinguished or reduced;
- (l) to do anything that is incidental to exercising a power set out in this clause; and
- (m) to do anything else that is necessary or convenient for administering the Trust.

3.4 Joint and several Trustees

- (a) The powers and functions of the Trustees may be exercised by any one of them, or by both of them together.
- (b) The rights, benefits and obligations of the Trustees under this Deed are joint and several.

4. DETERMINATION OF CREDITORS' CLAIMS

4.1 Admitted List

The Trustees shall make and maintain an Admitted List.

4.2 Incorporation of certain provisions

For the purposes of any Creditor seeking to formally prove their Asserted Claim, sections 553A, 553AA, 553C and 563B of the Corporations Act and Subdivision C of Division 6 of Part 5.6 of the Corporations Act (other than section 554F of the Corporations Act) apply to the Asserted Claim, with such modifications as may be necessary, including:

- (a) references to the 'liquidator' be read as references to the 'Trustees';
- (b) references to the 'relevant date'⁵ be read as references to the 'Appointment Date';
- (c) where appropriate, references to the 'Companies' be read as references to the 'Trust Fund'; and
- (d) references to a 'debt' or 'claim' be read as references to an 'Equivalent Claim'.

4.3 Advertising and notice of Claims

The Trustees will as soon as practicable:

- (a) place an advertisement in a newspaper or newspapers circulating generally in each State and Territory of Australia in which the Companies conduct business; and
- (b) send to each known Creditor at his, her or its last address a notice, requiring each person asserting a Claim to notify the Trustee, in writing, within 14 days of the date of the advertisement of:
 - (i) the nature of the Asserted Claim;
 - (ii) the amount of the Asserted Claim; and
 - (iii) the security (if any) held in respect of the Asserted Claim.

4.4 Evidence of Claims

Each creditor who notifies an Asserted Claim to the Trustees shall:

- (a) provide the Trustees with such further proof, evidence or information in support of its Asserted Claim as the Trustees may reasonably require; and
- (b) if so required by the Trustees, prove its Asserted Claim by delivering to the Trustees a statutory declaration verifying the Asserted Claim which statutory declaration shall be in such form as may be required by the Trustees.

4.5 Notice not required

Despite clause 4.3, the Trustees need not send such notices to any Creditor who has already submitted a proof of its Asserted Claim.

4.6 Costs and expenses

Any costs and expenses incurred by a Creditor in complying with clause 4.4 shall be borne by that Creditor and shall not form part of the Creditor's Asserted Claim or any Admitted Claim.

4.7 Determination by the Trustees

The Trustees shall as soon as practicable determine whether all or part of an Asserted Claim should be entered on the Admitted List. If:

- (a) the Trustees are satisfied that the Asserted Claim, or part thereof, is an Equivalent

Claim, then the Trustees shall enter the Asserted Claim, or the relevant part thereof, on the Admitted List; or

- (b) the Trustees are satisfied that the Asserted Claim or any part thereof is not an Equivalent Claim, then the Trustees shall notify the person in accordance with clause 4.12.

4.8 Late entry of Equivalent Claims

Notwithstanding that a Creditor has failed to assert a Equivalent Claim to the Trustees in accordance with clause 4.8, the Trustees may, in their absolute discretion, accept a written notification from that Creditor and enter the Equivalent Claim or part thereof on the Admitted List. If the Trustees enter only part of such Equivalent Claim, the Trustees shall notify the Creditor in accordance with clause 4.12.

4.9 Payments of Entitlements after late entry of Equivalent Claims

Where a Creditor fails to assert an Equivalent Claim to the Trustees in accordance with clause 4.4 and the Trustees subsequently enter part or the whole of the claim on the Admitted List, that Creditor shall only have the benefit of any payments of Entitlements made under this trust after the time of entry of the Equivalent Claim on the Admitted List and the Trustees shall, so far as possible, adjust any subsequent payments to take account of the amount of the Entitlement the Creditor would have received had the Equivalent Claim as entered on the Admitted List been so entered as at the DOCA Date.

4.10 Correction of error

If the Trustees consider that an Admitted Claim or any part thereof has been incorrectly entered on the Admitted List then the Trustees shall notify the relevant Admitted Creditor in accordance with clause 4.12.

4.11 Trustees power to vary Admitted Claims

If, at any time after the Trustees have made a determination pursuant to clause 4.7, the Trustees consider that an Admitted Creditor may have been admitted for an incorrect amount, the Trustees:

- (a) shall notify the Admitted Creditor and shall request that the Admitted Creditor lodge any such further information as may be requested by the Trustees;
- (b) may, after considering the further information provided by the Admitted Creditor, amend the Admitted List to increase or decrease the amount of the Admitted Claim if the Trustees are satisfied that they should do so; and
- (c) shall notify the Admitted Creditor of any amendment to the Admitted List in accordance with clause 4.12.

4.12 Trustees' notices under this clause

Any notice by the Trustees under this clause shall:

- (a) be in writing;
- (b) include an explanation of the Trustees' decision as reflected in the notice;
- (c) inform the recipient of its rights under clause 4.13; and
- (d) nominate the Court in which any proceeding by the recipient is to be commenced.

4.13 Declaration of Court

A Creditor who receives a notice from the Trustees under clause 4.12 may, within 14 days of the date of such notice or such further time as the Court allows, commence a proceeding in the Court nominated by the Trustees appealing against the Trustees' decision. Unless the Creditor commences such a proceeding within that 14 day period, or such further time as the Court allows, the Trustees decision shall be final.

4.14 Entry on Admitted List after Court Order

The Trustees shall, on or after the later of:

- (a) the 14th day after the date of a notice served in accordance with clause 4.12; and
- (b) the date of the order of a Court in a proceeding commenced pursuant to clause 4.13 enter an Equivalent Claim on or, as appropriate, amend the Admitted List in accordance with such notice or any such order of a Court, as the case may require.

4.15 Satisfaction of Entitlements after Court Order or Variation

If, prior to the time of any entry on or amendment to the Admitted List under clause 4.11 or 4.14, any Entitlements have been provided to Admitted Creditors, the following provisions shall apply:

- (a) if the effect of that entry or amendment is to extinguish the amount of an Admitted Claim, that Creditor shall at once repay to the Trustees, as a debt due to the Companies, the total amount of the Entitlement paid in respect of the Admitted Claim;
- (b) if the effect of that entry or amendment is to reduce the amount of an Admitted Claim, that Creditor shall at once repay to the Trustees, as a debt due to the Companies, the amount paid that exceeds the amount of Entitlement the Creditor would have been entitled to receive if its Equivalent Claim had been originally admitted for the reduced amount;
- (c) if the effect of that entry or amendment is to cause a Creditor to become an Admitted Creditor, the Creditor is entitled to the Entitlement that the Creditor would have been entitled to receive if its Equivalent Claim had been originally admitted; and
- (d) if the effect of that entry or amendment is to increase a Creditor's Admitted Claim, the Creditor is entitled to be paid any additional payment the Creditor would have been entitled to receive if all of its Equivalent Claim had been originally admitted.

4.16 Creditor entitled to withdraw Asserted or Admitted Claim

- (a) A Creditor may by notice in writing to the Trustees advise the Trustees that it does not seek to claim as a beneficiary under this Deed for its Equivalent Claim.
- (b) If a Creditor notifies the Trustees under clause 4.16(a), clause 5.1 will apply to the Creditor's Equivalent Claim as if they had received their full Entitlement.

4.17 No entitlement to interest

Interest shall not accrue, and shall not be payable, in respect of any of the Admitted Claims.

4.18 Proof of debt in Administration

The Trustees may use the proofs of debt of Creditors received by them in the Administration to establish the quantum of Creditor's Equivalent Claims.

4.19 Time of the essence

Time shall be of the essence in respect of each and every obligation of an Admitted Creditor or a Creditor notifying an Asserted Claim pursuant to this clause.

5. RELEASE OF EQUIVALENT CLAIMS

5.1 Discharge and release of Equivalent Claims

Other than Secured Creditors, Creditors accept their Entitlement in full and final satisfaction and in complete discharge of all Equivalent Claims which they have or claim to have against the Trust Fund and upon receiving their Entitlement, release, discharge and forever hold the Trust, the Trustees and their respective partners, employees, agents and sub-contract labour harmless from any Equivalent Claim due to them, or which they claim are due to them, arising out of or in any way relating to any matter occurring prior to the DOCA Date. Each such creditor will, if called upon to do so, properly execute and deliver to the Trustees such forms of release of its Equivalent Claim as the Trustees may require.

5.2 Inability to locate Creditors

If the Trustees are for any reason unable to locate any Creditor or if any cheque or payment made by the Trustees to a Creditor has not been presented by the time this Deed would otherwise terminate, then the Trustees shall stop payment of such a cheque and the money represented by such a stopped cheque or payment will be paid by the Trustees on behalf of the Creditor to the Australian Securities and Investments Commission upon trust for the Creditor. The payment of money as described shall constitute a full and final discharge of the obligations of the Trustees to that Creditor.

6. THE TRUST FUND

6.1 The Trust Fund

The Trustees shall establish, maintain and operate the Trust Fund in accordance with the terms of this Deed.

6.2 Application of Trust Fund

The Trustees shall apply the Trust Fund in the following order of priority:

- (a) firstly, at the discretion of the Trustees, in payment of any outstanding Trustees' Remuneration and Costs, if any;
- (b) secondly, at the discretion of the Trustees, in payment of any outstanding Administrators' and Deed Administrators' Remuneration and Costs, if any;
- (c) thirdly, in payment of the Admitted Claims that would, in a liquidation of the Companies, be afforded a priority under section 556 and section 560 of the Corporations Act (other than Remuneration and Costs); and
- (d) fourthly, in payment of any other Admitted Claims, and if there is insufficient funds to pay all of those Admitted Claims in full, they must be paid proportionately.

Subject to the above, the terms of section 556 and section 560 of the Corporations Act shall apply as if the references to the 'liquidator' were references to the 'Trustees', references to 'winding up' were references to this Deed and with such other modifications as are necessary to give effect to the terms of this document.

6.3 Calculation of Total Admitted Claims

Subject to clause 6.2, for the purposes of calculating each Admitted Creditor's Entitlement under this Arrangement, total Admitted Claims may, at the Trustees' absolute discretion, include Asserted Claims which are the subject of a proceeding to review the Trustees' decision under clause 4.13 of this document.

6.4 Payment of Entitlements in respect of Asserted Claims

A Creditor will not receive any payment in respect of any Asserted Claim that is subject to a proceeding commenced pursuant to clause 4.13 of this document except pursuant to an order of a Court in which such proceeding has been commenced.

6.5 Timing of distributions of the Trust Fund

- (a) The Trustees shall distribute the Trust Fund in accordance with the terms of this Deed.
- (b) The Trustees are entitled to distribute the Trust Fund at such times as the Trustees consider appropriate and feasible, in their absolute discretion, however, the Trustees will use their best endeavors to pay interim distributions to those Admitted Creditors entitled to receive payments from the Trust Fund as regularly as is practicable and feasible.

7. TRUSTEES

7.1 Exclusion of Liability

The Trustees are not liable for any loss, damages, costs or expenses which may result to the Trust Fund or any person in the absence of wilful default, fraud, gross negligence or breach of trust.

7.2 Reliance on Advice

Where the Trustees act in reliance upon the advice of any solicitor instructed on behalf of the Trust obtained in relation to the interpretation of the provisions of this Deed or any document or statute or any matter concerning the administration of the Trust, the Trustees are not liable to any person in respect of any act done or omitted to be done by the Trustees in accordance with the advice.

7.3 Remuneration and Costs

The Trustees shall be:

- (a) remunerated in respect of any work done by the Trustees in their capacity as Trustees in the course of administering the Trust, under this Deed, and any partner or employee of the Trustees, in accordance with the schedule of fees set out in the Schedule;
- (b) reimbursed in respect of all costs, fees, charges and expenses, including legal fees and costs, incurred in connection with the performance of their duties, obligations and responsibilities under this Deed.

7.4 Scope of indemnity

- (a) The Trustees are entitled to be indemnified out of the Trust Fund and the Companies' Property for:
 - (i) any Trustees' Remuneration and Costs payable pursuant to clause 7.3;
 - (ii) any Administrators' and Deed Administrators' Remuneration and Costs payable pursuant to clause 9.1 of the DOCA;
 - (iii) all liabilities incurred and payments made by the Trustees in their capacity as trustees of the Trust in the course of administering the Trust (the '**Liabilities**'); and
 - (iv) all actions, suits, proceedings, accounts, claims, demands, awards, order's, Judgments or similar arising out of the Trustees acting as trustees of the Trust which may be commenced against, incurred by or made on the by any person

and against all costs, charges and expenses incurred by the Trustees in respect thereof (the '**Demands**').

- (b) The Trustees shall not be entitled to an indemnity in respect of any Liabilities or Demands if the Trustees, or any partner, employee, authorised agent or delegate of the Trustees has acted dishonestly, in breach of duty, breach of trust, or been negligent.

7.5 Continuing indemnity

The indemnity in clause 7.4 shall take effect on and from the Commencement Date and be without limitation as to time and shall endure for the benefit of the Trustees and their respective legal personal representatives (if any) notwithstanding the removal of the Trustees and the appointment of a new Trustee or the termination of the Trust for any reason whatsoever.

7.6 Indemnity not to be affected or prejudiced

The indemnity under clause 7.4 shall not:

- (a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Trustees and shall extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Trustees or the approval and execution of this Deed; or
- (b) affect or prejudice all or any rights that the Trustees may have against any person to be indemnified against the costs, charges, expenses and liabilities incurred by the Trustees of or incidental to the exercise or performance of any of the powers or authorities conferred on the Trustees by this Deed.

7.7 Trustees' Lien

The Trustees shall be entitled to exercise a lien over the Trust Fund and the Companies' Property for all amounts in respect of which they are entitled to an indemnity under the terms of this Deed.

8 MEETINGS

8.1 Convening of meetings by Trustees

- (a) The Trustees may at any time convene a meeting of Admitted Creditors and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Deed, regulations 5.6.12 to 5.6.36A of the *Corporations Regulations* apply, with such modifications as are necessary, to meetings of the Admitted Creditors as if the references to the liquidator, the liquidator or provisional liquidator, the liquidator, provisional liquidator or chairman, or a liquidator, provisional liquidator or trustee for debenture holders, as the case may be, were references to the Trustees.
- (b) The Trustees must convene a meeting of the Admitted Creditors to consider a resolution to vary this Deed or terminate this Trust if at any time prior to the termination of this Trust, the Trustees determines that it is no longer practicable or desirable to continue to implement or carry out his Deed or the court so orders.

8.2 Convening meetings at request of Creditors or others

The Trustees must convene a meeting of Creditors if so requested in writing by Creditors the value of whose Claims is not less than 10% of the value of the total of the Claims.

8.3 Right of Admitted Creditors to attend meetings

Admitted Creditors who have received full payment of their Entitlement (if any) pursuant to clause 6.2 shall no longer be entitled to attend and participate in meetings of Creditors.

8.4 Variation of Deed

This Deed may be varied with the consent of the Trustees by resolution passed at a meeting of Admitted Creditors but only if the variation is not materially different from the proposed variation set out in the notice of that meeting.

9. TRUSTEES' RETIREMENT AND REPLACEMENT

9.1 Retirement of Trustees

- (a) Subject to clause 9.1(b), a Trustee may retire at any time by giving not less than 28 days prior notice to the Companies.
- (b) Subject to clause 9.2(b), the retirement of the retiring Trustee will become effective at 5.00pm on the 28th day after the Companies receive notice of the retirement.

9.2 Replacement of Trustees

- (a) Other than in relation to a retirement of a Trustee under clause 10.1, upon receiving notice of retirement from a Trustee, the Companies will within 28 days of receiving notice of the retirement appoint a replacement Trustee to take the place of the retiring Trustee.
- (b) Other than in relation to a retirement of a Trustee under clause 10.1, the retirement of a Trustee will only be effective if:
 - (i) a replacement Trustee has been appointed by the Companies; and
 - (ii) the replacement Trustee has executed a deed of appointment under clause 9.5.

9.3 Appointment subject to Trusts Act

Any appointment or retirement pursuant to clause shall be subject to the provisions of Part 2 of the *Trusts Act 1973 (Qld)* except that a sole Trustee may act and a retiring Trustee shall be fully discharged even where only one Trustee remains after the retirement.

9.4 Retiring Trustee to vest fund in new Trustee

Upon a replacement Trustee's appointment becoming effective, the Trust Fund will vest in the replacement Trustee jointly and severally with any remaining Trustees.

9.5 Deed of Appointment

The new Trustee appointed under clause 9.2(a), will execute a proper deed accepting the office of Trustee and undertaking to perform and observe the obligations of the retiring Trustee.

9.6 Retiring Trustee to be fully discharged

Any Trustee who retires under any of the above provisions of this clause shall be fully discharged.

10. TERMINATION

10.1 Termination of the Trust for performance

This Trust will terminate and the Trustees will retire as soon as reasonably practicable after distribution of the final distribution from the Trust Fund.

10.2 Termination of the Trust by Court order

This Trust will terminate if the Court so orders.

10.3 Termination of the Trust by resolution of Creditors

This Trust will terminate if the Creditors pass a resolution terminating the Trust at a meeting of the Creditors.

10.4 Trustees to distribute Trust Fund upon termination of Trust

If this Trust is terminated, unless the Court orders otherwise, the Trustees will distribute the remaining funds in the Trust Fund as soon as possible pursuant to clause 6.2.

10.5 Action previous to this Deed preserved

The termination or avoidance, in whole or in part, of this Trust does not affect the efficacy of any act done prior to the termination or avoidance.

11. NOTICES

11.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

11.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and
- (b) If it is sent by mail:
 - (i) within Australia - 3 Business Days after posting; or
 - (ii) to or from a place outside Australia - 7 Business Days after posting.

11.3 Address for notices

A person's address and fax number are those set out below, or as the person notifies the sender:

The Trustees

Address: Gavin Charles Morton and John Maxwell Morgan c/- PKF, Level 6, AMP Place,
10 Eagle Street, Brisbane, Queensland 4000
Fax number: 07 3226 3500

Attention: Gavin Charles Morton and John Maxwell Morgan

12. AMENDMENT AND ASSIGNMENT

12.1 Amendment

Subject to the terms of the Corporations Act, this Deed can only be amended, supplemented, replaced or novated by another document signed by the parties.

12.2 Assignment

A Creditor may assign their Equivalent Claim.

13. STAMP DUTY AND COSTS

The Companies must pay any stamp duty in respect of this Deed.

14. GENERAL

14.1 Governing law

- (a) This Deed is governed by the law in force in Queensland.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Queensland, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Deed, and waives any right it might have to claim that those courts are an inconvenient forum.

14.2 Inconsistency with the Corporations Act

If there is any inconsistency between the terms of this Deed and the Corporations Act then the Corporations Act shall, only to the extent of the inconsistency, prevail and this Deed shall be interpreted accordingly.

14.3 Waiver

The non-exercise of or delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party to be bound by the waiver.

14.4 Attorneys

Each person who executes this Deed on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so. under that power of attorney.

14.5 Severability

Any provision in this Deed which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this Deed or affecting the validity or enforceability of that provision in any other jurisdiction.

14.6 Counterparts

This Deed may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.

14.7 Entire Agreement

This document constitutes the entire understanding between the parties on everything connected with the subject matter of this Deed and supersedes any prior agreement or understanding on anything connected with that subject matter.

14.8 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

14.9 Companies may execute this deed

The Companies Is authorised by the Deed Administrators to execute this Deed.

SCHEDULE 1
Trustee's Schedule of Rates

SCHEDULE 2
Contribution Agreement

DRAFT

DATED this

day of

2008.

CONTRIBUTION AGREEMENT

**INTERNATIONAL BUILDING INDUSTRIES LIMITED (ADMINISTRATORS
APPOINTED) ACN 116 936 862**

**NON SKID AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 321 767**

S.E.P. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 119 424 814

I.B.S. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 770 822

**STERLING ENGINEERED PRODUCTS PTY LTD
(ADMINISTRATORS APPOINTED) ACN 113 809 206**

I.B.I.L (ADMIN) PTY LTD (ADMINISTRATORS APPOINTED) ACN 118 339 825

**S.E.P. LOGISTICS PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 767 683**

AND

GAVIN CHARLES MORTON AND JOHN MAXWELL MORGAN

Mullins Lawyers

Level 22 Central Plaza One
345 Queen Street
BRISBANE QLD 4000

Tel: 07 3224 0222

Fax: 07 3224 0333

Our Ref: PAL:94242

Email: plutvey@mullinslaw.com.au

TABLE OF CONTENTS

1.	INTERPRETATION	1
2.	CONTRIBUTIONS.....	4
3.	SECURITY	4
4.	DEFAULT BY COMPANY.....	4
5.	NOTICES.....	5
6.	AMENDMENT AND ASSIGNMENT.....	6
7.	STAMP DUTY AND COSTS.....	6
8.	GENERAL	6
	SCHEDULE 1	9

DEED made this day of 2008.

BETWEEN: **INTERNATIONAL BUILDING INDUSTRIES LTD (ADMINISTRATORS APPOINTED) ACN 116 936 862, NON SKID AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 321 767, S.E.P. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 119 424 814, I.B.S. (DIST) PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 770 822, STERLING ENGINEERED PRODUCTS PTY LTD (ADMINISTRATORS APPOINTED) ACN 113 809 206, I.B.I.L. (ADMIN) PTY LTD (ADMINISTRATORS APPOINTED) ACN 118 339 825, S.E.P. LOGISTICS PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 767 683**
("the Companies")

AND: **GAVIN CHARLES MORTON AND JOHN MAXWELL MORGAN** of c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland 4000 ("Trustees")

BACKGROUND

- A. The Companies and the Trustees have entered or will enter into the DOCA and the Trust Deed.
- B. In order for the Trustees to be in a position to pay Creditors' Entitlements under the Trust Deed, the Companies will make the contributions outlined in this Agreement to the Trustees.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

In this Agreement, except to the extent that the context otherwise requires:

'Administrators' means Gavin Charles Morton and John Maxwell Morgan of c/- PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland as administrators of the Companies in respect of the Administration;

'Administration' means the administration of the Companies under Part 5.3A, Corporations Act, which ended upon the execution of the DOCA;

'Admitted Claim' means an Equivalent Claim that is admitted by the Trustees in accordance with the Trust Deed;

'Admitted Creditor' means any Creditor who has an Admitted Claim;

'Admitted List' means a list of Admitted Claims created and maintained by the Trustees in accordance with the Trust Deed;

'Agreement' means this Contributions Agreement;

'Appointment Date' means 2 October 2007;

'Claim' means a debt payable by, or a claim against, the Companies (present or future, certain or contingent, ascertained or sounding only in damages) being debts or claims the circumstances giving rise to which occurred before the Appointment Date that would be admissible to proof against the Companies in accordance with Division 6 of Part 5.6, Corporations Act, if the Companies had been wound up and the winding up is taken to have commenced on the Appointment Date;

'Commencement Date' means the date that the Agreement is signed on behalf of the Company, and the Trustees;

'Companies' means International Building Industries Ltd (Administrators Appointed) ACN 116 936 862; Non Skid Australia Pty Ltd (Administrators Appointed) ACN 117 321 767, S.E.P. (DIST) Pty Ltd (Administrators Appointed) ACN 119 424 814, I.B.S. (DIST) Pty Ltd (Administrators Appointed) ACN 117 770 822, Sterling Engineered Products Pty Ltd (Administrators Appointed) ACN 113 809 206, I.B.I.L. (ADMIN) Pty Ltd (Administrators Appointed) ACN 118 339 825 and S.E.P. Logistics Pty Ltd (Administrators Appointed) ACN 117 767 683;

'Contribution Amount' means the sum of \$350,000.00;

'Creditor' means any person having an Equivalent Claim against the Trust Fund;

'Creditor's Entitlement' means in respect of any Creditor, the amount, if any, to be paid to that Creditor in accordance with the Trust Deed.

'Deed Administrators' means mean Gavin Charles Morton and John Maxwell Morgan of c/-PKF, Level 6, AMP Place, 10 Eagle Street, Brisbane, Queensland in their capacity as deed administrators of the Company under the DOCA;

'Deed Administrators' Remuneration and Costs' means the amounts payable to the Deed Administrators, or the Administrators as the case may be, pursuant to clause 9.1 of the DOCA;

'DOCA' means the Deed of Company Agreement between the Companies, the Funder and the Trustees;

'Equivalent Claim' means a claim against the Trust Fund under the terms of the Trust Deed which, but for the release in clause 14.1 of the DOCA, would be a Claim;

'Insolvency Event' means the happening of any of these events:

- (a) if a person, being an individual, dies or becomes incapable of managing that person's own affairs;
- (b) a bankruptcy notice is issued with respect to a person or any application is made or step is taken to bankrupt a person;
- (c) a person enters into or proposes to enter into a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of any of its creditors;
- (d) a receiver or a receiver and manager is appointed to a person or the whole or part of the assets of the person;
- (e) an application is made or a step is taken for the appointment of an administrator, controller, provisional liquidator or liquidator to a person or that person's assets, or that appointment is actually made;
- (f) an application is filed or an order is made or an effective resolution is passed for the winding up of a person; or
- (g) anything analogous or having a substantially similar effect to any of the events specified above happens with respect to a person;

'Party' means a party to this Agreement;

'Request' means the written request set out in Schedule 1;

'Trust Deed' means the Deed of Trust between the Companies, the Trustees and the Funder;

'Trust Fund' means the Trust Fund as defined in the Trust Deed;

'Trustees Fees' means the Trustees fees that are outstanding in performing their obligations under the DOCA, the Trust Deed and/or this Agreement.

1.2 Rules for interpreting this Agreement

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this Agreement, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this Agreement or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and includes any executor, administrator, assign, transferee, purchaser or successor in law of the person;
 - (v) anything (including a right, obligation or concept) includes each part of it;
 - (vi) '\$' or 'dollars' means the lawful currency of Australia; and
 - (vii) a time is a reference to Brisbane time.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such, as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

2. CONTRIBUTION

2.1 Companies to pay contribution

The Companies will pay a contribution to the Trustees in accordance with clause 2.2 and 2.3.

2.2 Method of paying of contribution

Any payment required to be made under this clause must be made:

- (a) in cash or by bank cheque; or
- (b) by crediting the account of the recipient (specified for that purpose) with cleared funds.

2.3 Trustees to submit request to the Companies

Upon the Trustees providing the Request to the Companies the Deed Administrators shall pay to the Trustees the Contribution Amount to hold pursuant to the terms of the Trust Deed.

2.4 Trustee may recover Contribution Amount as a debt

The Companies and the Trustees agree that should the Contribution Amount not be paid within 7 days of the delivery of the Request to the Companies, the Trustees may recover the amount of the claim from the Companies as a debt.

3 SECURITY

3.1 Companies to provide Security

The Companies will provide the Security to the Trustees to secure the Companies' obligations under this Agreement.

3.2 Security to be released upon Companies satisfying its obligations

The Trustees will release the security within 7 business days of receiving the contribution under clause 2.1 or at such other time as agreed between the parties.

4. DEFAULT BY COMPANIES

4.1 Events of Default

The Companies are in default under this Agreement if:

- (a) the Companies fail to pay any money payable under this Agreement within 7 days of the due date for payment; or
- (b) an Insolvency Event occurs with respect to the Companies.

4.2 Trustees' remedies upon Default

Upon default by Companies under clause 4.1, the Trustees may without further notice to the Companies exercise any one or more of the following remedies:

- (a) sue for and recover all payments owing under this Agreement;

- (b) exercise the Trustees rights under the Security;
- (c) terminate this Agreement by written notice to the Companies and the Agreement will terminate upon the Companies receiving the notice of termination; or
- (d) pursue any other remedy at law or in equity.

4.3 **Indemnity**

The Companies indemnify and will continue to indemnify the Trustees against all losses, claims, costs, demands and expenses however arising which the Trustees may sustain or incur during the course of, or in any attempt to, exercise its rights under this clause.

5. **NOTICES**

5.1 **How to give a notice**

A notice, consent or other communication under this document is only effective if it is: in writing, signed by or on behalf of the person giving it;

- (a) addressed to the person to whom it is to be given; and
- (b) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

5.2 **When a notice is given**

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax: .
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and
- (b) if it is sent by mail:
 - (i) within Australia - 3 Business Days after posting; or
 - (ii) to or from a place outside Australia - 7 Business Days after posting.

5.3 **Address for notices**

A person's address and fax number are those set out below, or as the person notifies the sender:

The Trustees

Address: Gavin Charles Morton and John Maxwell Morgan c/- PKF, Level 6, MP Place , 10 Eagle Street, Brisbane, Queensland, 4000

Fax number: (07) 3226 3500

Attention: Gavin Charles Morton and John Maxwell Morgan

6. AMENDMENT AND ASSIGNMENT

6.1 Amendment

Subject to the terms of the Corporations Act, this Agreement can only be amended, supplemented, replaced or novated by another document signed by the parties.

6.2 Assignment

No party may assign nor purport to assign this Agreement or any right under this Agreement without the prior written consent of the other party which consent may not be unreasonably withheld.

7 STAMP DUTY AND COSTS

The Company must pay any stamp duty in respect of this Agreement.

8. GENERAL

8.1 Governing law

- (a) This Agreement is governed by the law in force in Queensland.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Queensland, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Agreement, and waives any right it might have to claim that those courts are an inconvenient forum.

8.2 Inconsistency with the Corporations Act

If there is any inconsistency between the terms of this Agreement and the Corporations Act then the Corporations Act shall, only to the extent of the inconsistency, prevail and this Agreement shall be interpreted accordingly.

8.3 Waiver

The non-exercise of or delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party to be bound by the waiver.

8.4 Attorneys

Each person who executes this Agreement on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

8.5 Severability

Any provision in this Agreement which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

8.6 Counterparts

This Agreement may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.

8.7 Entire Agreement

This document constitutes the entire understanding between the parties on everything connected with the subject matter of this Agreement and supersedes any prior agreement or understanding on anything connected with that subject matter,

8.8 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

8.9 Companies may execute this Agreement

The Companies are authorised by the Deed Administrators to execute this Agreement.

EXECUTED as an Agreement in Queensland.

SCHEDULE 1

To: The Deed Administrators of International Building Industries Ltd (Administrators Appointed) ACN 116 936 862; Non Skid Australia Pty Ltd (Administrators Appointed) ACN 117 321 767, S.E.P. (DIST) Pty Ltd (Administrators Appointed) ACN 119 424 814, I.B.S. (DIST) Pty Ltd (Administrators Appointed) ACN 117 770 822, Sterling Engineered Products Pty Ltd (Administrators Appointed) ACN 113 809 206, I.B.I.L. (ADMIN) Pty Ltd (Administrators Appointed) ACN 118 339 825 and S.E.P. Logistics Pty Ltd (Administrators Appointed) ACN 117 767 683

We, Gavin Charles Morton and John Maxwell Morgan, as Trustees pursuant to the Trust Deed hereby request that you pay to us the sum of THREE HUNDRED AND FIFTY THOUSAND DOLLARS (\$350,000.00) within seven (7) days of the date hereof:

Dated:

Signed:

Gavin Charles Morton and John Maxwell Morgan
Trustees
C/- PKF
Level 6, AMP Place
10 Eagle Street
BRISBANE QLD 4000
Phone: (07) 3226 3555
Fax: (07) 3226 3500

ANNEXURE B

INTERNATIONAL BUILDING INDUSTRIES LTD

ACN 116 936 862

NON SKID AUSTRALIA PTY LTD

ACN 117 321 767

S.E.P. (DIST) PTY LTD

ACN 119 424 814

I.B.S. (DIST) PTY LTD

ACN 117 770 822

STERLING ENGINEERED PRODUCTS PTY LTD

ACN 113 809 206

I.B.I.L. (ADMIN) PTY LTD

ACN 118 339 825

S.E.P. LOGISTICS PTY LTD

ACN 117 767 683

(ALL ADMINISTRATORS APPOINTED)

('the Companies')

ADMINISTRATORS' STATEMENT IN RELATION TO ASIC REQUIRED DISCLOSURE REGARDING CREDITORS' TRUSTS

In May 2005, ASIC issued a guide for Registered Liquidators in relation to DOCA's which involve creditors' trusts. The guide provides particulars of the information which ASIC deems material to creditors making an informed decision as to whether they accept the use of a creditors' trust (refer www.asic.gov.au for the full text of the Guide).

In accordance with ASIC's guide, we now provide particulars of the information that we consider is necessary for creditors to make an informed decision as to whether to accept the DOCA or not:-

1. Creditors' Trusts

ASIC defines a creditor's trust as:-

"a mechanism used to accelerate a company's exit from external administration. To date, it has been used most commonly (but not exclusively) in connection with the rehabilitation of public companies listed on Australian Stock Exchange Ltd (ASX)."

Should creditors accept the DOCA proposal, shareholders approve the recapitalisation of IBIL as described in Section 3 of the Administrators' report, the Administrators and the company will execute a Creditors' Trust Deed ('CTD') and a trust will be created. All of the creditors' claims will be transferred to the CTD. The Trustees of the CTD will be the Administrators of the Companies.

At the time of the creation of the CTD an agreement will be entered into between the Companies and the Trustees of the Trust (Contributions Agreement) that will require:-

- The company to pay the Trustees the DOCA fund to pay all creditors' claims against the Companies and any outstanding Administrators', Deed Administrators' or Trustees' fees and costs.

After the execution of the CTD and the Contributions Agreement, the DOCA will terminate and creditors will no longer have a claim against the Companies but will become beneficiaries of the Trust. In turn, the Trust will have a claim against the Companies for the amounts payable under the Contributions Agreement until such time as the payments under the Contributions Agreement are paid in full. As the full amount of the DOCA fund is to be paid in one lump sum, this claim will be automatically satisfied on payment of the Deed Fund.

In order to provide protection of creditors' interests, the sections and rules of the Corporations Act 2001 relating to adjudication of creditors' claims and any appeals against the Trustees' decision, priority of creditors' claims and calling of meetings (if necessary) have substantially been mirrored in the Trust Deed.

2. Advantages of a Creditors' Trust

In the instance of a publicly listed company, the main advantage of a creditors' trust is that the trust aids in the acceleration of the company ceasing to be subject to a DOCA and allows the Companies to re-list on the NSX sooner and allows the shares to be traded. In normal instances, should a creditor's trust not be used, the Companies would not be able to re-list on the NSX until such time as the conditions of the DOCA were satisfied.

By transferring creditor's claims into a trust, IBIL will be free from the requirement to include "Subject to DOCA" on all company documents. As a result, IBIL will be in a position to re-list similar to a shell company on the NSX and issue securities including shares and debenture stock/s to raise funds. The funds received from the sales of shares and securities can then be used by IBIL for its restructuring and, on completion of the restructuring, the continuance of operations within the company's restructured form.

3. Disadvantages of a Creditors' Trust

ASIC in their guidance note advise that they view the following to be the main risks associated with the forming a creditors trust:-

"a) under the DCA (DOCA) proposal, the DCA may be 'effectuated' and creditors' rights against the company extinguished before:

- i) the amount available for distribution to creditors of the company/beneficiaries of the trust has been ascertained; or*
- ii) the trust fund has been received in full by the trustee; or creditors of the company/beneficiaries of the trust have received any payment from either the deed administrator or the trustee;*

b) creditors may have less (or no) legal rights if the DCA proposal is not fully complied with all relevant parties; and

c) creditors may agree to the proposal without being aware (or fully appreciating the implications) of these matters.”

Key differences

The CTD has been prepared so that the processes and rights of creditors in most instances are subsequently equivalent to those available under a DOCA and the Corporations Act. However, there are some material differences:-

- Under common law and under the Trusts Act Queensland, creditors' rights are limited to those contained in the Trust Deed and rights available under the Trust Act. This is contrast to the rights that would be otherwise available to creditors under a DOCA and the Act;
- Under the Trust Deed, creditors' will lose their statutory right of appeal in respect to adjudication of their Proof of Debt by the Trustee. However, the Trust Deed has been drafted to give creditors a contractual entitlement to make application to the Court if they consider that their claim was wrongly rejected in full or in part by the Trustee in respect of any distribution to be made by the Trustee (refer clause 4.15 of Deed of Trust, Annexure A to Administrators' Report to Creditors); and
- Termination of the DOCA will occur prior to any distribution being made to creditors under the Trust Deed. Consequently, creditors will not have the right to call a meeting to vary the DOCA.

Employees' Priority /General Employees' Entitlements and Redundancy Scheme (GEERS)

If the DOCA is approved by the creditors and a Creditors' Trust is subsequently created, the claims of employees will be extinguished and the employees will become beneficiaries of the Creditors' Trust.

Based on current GEERS guide, GEERS will not pay employee priorities under a DOCA. However, if a DOCA fails before the Creditors' Trust is formed, creditors and employees will have the option to put the company into liquidation which will allow employees to lodge claims with GEERS.

However, should the Creditors' Trust be formed, the employees' claims will become merely a claim as a beneficiary against the Trust and creditors will lose the right to resolve to put the Companies into liquidation. Therefore, while the priority status will be retained under the Creditors' Trust it will lose its priority status against the company. Employees will also lose their rights to claim against GEERS. Again, because payment of the full amount of the Deed Fund is conditional upon creation of the CTD, we do not consider this to be a risk to priority unsecured creditors.

Tax Implications for the Trust

Although no professional tax advice has been sought, we are not aware of any tax disadvantages to creditors in receiving distributions from the Creditors' Trust rather than receiving payment from the company (under the DOCA) in their capacity as creditors. However, creditors should seek their own advice.

Dated this 21st day of January 2008.

A handwritten signature in black ink, appearing to read 'G. Morton', with a stylized flourish at the end.

GAVIN C MORTON
Administrator

Annexure C

IBIL GROUP ANALYSIS OF CREDITORS' CLAIMS

International Building Industries Ltd

RATA

	Number	Amount \$
Trade Creditors	7	57,548
Related Parties (excl IBS)	1	16,041
Other	4	349,947
	12	423,536

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	2	139,783
Related Parties (excl IBS)	1	16,041
Other *	22	2,033,207
	25	2,189,031

LESS Likely Rejected POD's	5	577,995
LESS Related Party POD's	1	16,041
	19	1,594,995

Represented By:

Likely Admitted PODs	11	869,515
Contentious PODs	8	725,480
	19	1,594,995

* In addition to the above, a further POD of \$5,000,000 has been received from two creditors jointly. These creditors have also submitted another POD for \$120,000. No supporting documentation has been provided for either of these claims. For the purposes of this analysis, the claim for \$5,000,000 has not been included and the claim for \$120,000 has been included as a contentious claim.

Non Skid Australia Pty Ltd

RATA

	Number	Amount \$
Trade Creditors	1	1,884
Related Parties (excl IBS)	3	378,755
Other	1	29
	5	380,668

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	0	0
Related Parties (excl IBS)	3	378,755
Other	4	652,774
	7	1,031,530

LESS Likely Rejected POD's	2	350,187
LESS Related Party POD's	3	378,757
	2	302,586

Represented By:

Likely Admitted PODs	0	0
Contentious PODs	2	302,586
	2	302,586

Sterling Engineered Products Pty Ltd

RATA

	Number	Amount \$
Trade Creditors	0	0
Related Parties (excl IBS)	3	11,223
Other	1	9,655
	<u>4</u>	<u>20,878</u>

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	0	0
Related Parties (excl IBS)	3	11,225
Other	2	98,834
	<u>5</u>	<u>110,059</u>
LESS Likely Rejected POD's	1	97,600
LESS Related Party POD's	3	11,225
	<u>1</u>	<u>1,234</u>

Represented By:

Likely Admitted PODs	1	1,234
Contentious PODs	0	0
	<u>1</u>	<u>1,234</u>

IBS Dist Pty Ltd

RATA

	Number	Amount \$
Trade Creditors	0	0
Related Parties (excl IBS)	2	166,878
Other	1	12,892
	<u>3</u>	<u>179,770</u>

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	0	0
Related Parties (excl IBS)	2	166,878
Other	12	1,870,776
	<u>14</u>	<u>2,037,654</u>
LESS Likely Rejected POD's	3	327,928
LESS Related Party POD's	2	166,878
	<u>9</u>	<u>1,542,848</u>

Represented By:

Likely Admitted PODs	4	705,364
Contentious PODs	5	837,484
	<u>9</u>	<u>1,542,848</u>

SEP Logistics Pty Ltd**RATA**

	Number	Amount \$
Trade Creditors	13	14,791
Related Parties (excl IBS)	2	369,969
Other	1	153,162
	16	537,922

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	2	2,546
Related Parties (excl IBS)	2	369,969
Other	3	261,591
	7	634,105

LESS Likely Rejected POD's	1	97,600
LESS Related Party POD's	2	369,969
	4	166,536

Represented By:

Likely Admitted PODs	2	2,545
Contentious PODs	2	163,991
	4	166,536

SEP Dist Pty Ltd**RATA**

	Number	Amount \$
Trade Creditors	0	0
Related Parties (excl IBS)	2	643
Other	0	0
	2	643

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	0	0
Related Parties (excl IBS)	2	643
Other	2	97,809
	4	98,452

LESS Likely Rejected POD's	1	97,600
LESS Related Party POD's	2	643
	1	209

Represented By:

Likely Admitted PODs	1	209
Contentious PODs	0	0
	1	209

IBIL (Admin) Pty Ltd**RATA**

	Number	Amount \$
Trade Creditors	19	125,573
Related Parties (excl IBS)	2	2,120,350
Other	3	37,859
Employees	13	24,157
	37	2,307,939

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	3	41,147
Related Parties (excl IBS)	2	2,120,351
Other	4	221,963
Employees	15	27,632
	24	2,411,093

LESS Likely Rejected POD's	4	223,300
LESS Related Party POD's	2	2,120,351
	18	67,442

Represented By:

Likely Admitted PODs	17	65,925
Contentious PODs	1	1,517
	18	67,442

**SUMMARY OF ALL
COMPANIES****RATA**

	Number	Amount \$
Trade Creditors	40	199,796
Related Parties (excl IBS)	15	3,063,859
Other	11	563,544
Employees	13	24,157
	79	3,851,356

Proofs of Debt ('PODs')

	Number	Amount \$
Trade Creditors	7	183,476
Related Parties (excl IBS)	15	3,063,862
Other	49	5,236,954
Employees	15	27,632
	86	8,511,924

LESS Likely Rejected POD's	17	1,772,210
LESS Related Party POD's	15	3,063,864
	54	3,675,850

Represented By:

Likely Admitted PODs	36	1,644,792
Contentious PODs	18	2,031,058
	54	3,675,850

ANNEXURE D

IBIL GROUP

UPDATE ON ASSET REALISATIONS

COMPANY / ASSET	Note	Estimated Realisable Value \$	Amount Realised \$
Per Report as to Affairs			
SEPL - Trade Debtors	1	10,296	6,529
IBIL - Cash at Bank		43	42
SEPL - Cash at Bank		37,962	37,962
NSA - Stock	2	30,000	
IBILA - Office Furniture and Equipment		5,100	4,500
IBIL - Tax Refund	3	1,017	
NSA - Tax Refund	3	1,106	
IBSD - Tax Refund	3	15,000	
SEP - Tax Refund	3	111	
IBILA - Tax Refund	3	7,307	
SEPL - Tax Refund	3	6,717	
Other Realisations			
SEPL - Cash at Bank	4		2,218
SEPL - Rental Bond Refund	5		3,100
		<u>114,659</u>	<u>54,351</u>

NOTES:

Note 1 - SEPL - Trade Debtors

Of the \$10,296 outstanding, \$6,529 has been collected. We are currently in the process of attending to the collection of the balance of debtors owed.

Note 2 - NSA - Stock

We are currently in the process of negotiating sale of this stock. However due to the poor quality of the stock and small quantities, we do not expect to realise the amount recorded in the RATA.

Note 3 - Tax Refunds

All BAS' have been lodged. We are currently waiting to receive assessments from the ATO in relation to the expected refunds.

Note 4 - SEPL Cash at Bank

The amount recorded above represents funds held in a bank account on behalf of SEP(NZ). As these funds were not required, the director of SEP(NZ) authorised the closure of the bank account, the proceeds of which were provided to SEPL.

Note 5 - SEPL - Rental Bond Refund

Represents refund of the rental bond on the Junction Road premises paid by SEPL.

ANNEXURE E

ESTIMATED OUTCOME STATEMENT FOR PROPOSED DEED OF COMPANY ARRANGEMENT

ASSETS	Int Build (IBIL) \$ (incl GST)	Int Build (IBIL) \$ (incl GST)	Non Skid Australia (NSA) \$ (incl GST)	Non Skid Australia (NSA) \$ (incl GST)	S.E.P. (Dist) (SEPD) Optimistic \$ (incl GST)	S.E.P. (Dist) (SEPD) Pessimistic \$ (incl GST)	I.B.S. (Dist) (IBSD) Optimistic \$ (incl GST)	I.B.S. (Dist) (IBSD) Pessimistic \$ (incl GST)	Sterling Eng Products (SEP) Optimistic \$ (incl GST)	Sterling Eng Products (SEP) Pessimistic \$ (incl GST)	I.B.I.L. (Admin) (IBILA) Optimistic \$ (incl GST)	I.B.I.L. (Admin) (IBILA) Pessimistic \$ (incl GST)	S.E.P. Logistics (SEPL) Optimistic \$ (incl GST)	S.E.P. Logistics (SEPL) Pessimistic \$ (incl GST)	Total Optimistic \$ (incl GST)	Total Pessimistic \$ (incl GST)
Sundry Debtors	-	-	-	-	-	-	-	-	-	-	-	-	10,296	10,296	10,296	10,296
Cash at Bank	43	43	8,000	3,000	-	-	-	-	-	-	-	-	37,662	37,662	38,005	38,005
Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,000	3,000
Office Furniture and Equipment	1,017	-	1,106	-	15,000	-	15,000	-	111	-	4,500	4,500	6,717	3,100	4,500	4,500
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,258	3,100
LESS ESTIMATED COSTS TO DATE																
Administrators' Remuneration (for period 2/10/07 to 30/11/07)	23,100	23,100	16,500	16,500	4,950	4,950	3,850	3,850	3,850	3,850	11,000	11,000	23,100	23,100	86,350	86,350
Administrators' Outlays	1,100	1,100	1,100	1,100	275	275	275	275	275	275	1,100	1,100	1,100	1,100	5,225	5,225
Administrators' Remuneration (for period 1/12/07 to 18/2/08)	27,500	27,500	4,400	4,400	2,750	2,750	2,750	2,750	2,750	2,750	8,250	8,250	4,400	4,400	52,800	52,800
TOTAL ESTIMATED COSTS TO DATE	51,700	51,700	22,000	22,000	7,975	7,975	6,875	6,875	6,875	6,875	20,350	20,350	28,600	28,600	144,375	144,375
SURPLUS / (DEFICIENCY)	(50,640)	(51,657)	(12,894)	(19,000)	(7,975)	(7,975)	8,125	(6,875)	(6,764)	(6,875)	(8,543)	(15,850)	26,375	22,758	(52,316)	(85,474)
DEED CONTRIBUTIONS																
Non Priority Unsecured Creditors*	171,032	125,995	-	23,902	41	17	138,744	121,875	243	97	12,967	5,327	501	13,155	323,527	290,369
LESS ESTIMATED FUTURE COSTS																
Legal Fees	11,630	9,546	-	1,811	3	1	9,435	9,234	17	7	882	404	34	997	22,000	22,000
DOCA Admins and Trustees Outlays	2,908	2,387	-	453	1	0	2,359	2,308	4	2	220	101	9	249	5,500	5,500
DOCA Admins and Trustees Remuneration	23,260	19,092	-	3,622	6	3	18,869	18,468	33	15	1,764	807	68	1,993	44,000	44,000
FUNDS AVAILABLE FOR NON PRIORITY UNSECURED CREDITORS	133,233	94,970	-	18,017	32	12	108,081	91,865	189	73	10,102	4,016	390	9,916	252,027	218,869
VALUE OF NON PRIORITY UNSECURED CREDITORS**																
Lower Limit (Optimistic)	869,515	1,594,995	-	302,586	209	209	705,364	1,542,848	1,234	1,234	65,925	67,442	2,545	166,536	1,644,792	3,675,850
Upper Limit (Pessimistic)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESTIMATED DIVIDEND TO UNSECURED CREDITORS (cents in the dollar)	15.32	5.95	-	5.95	15.32	5.95	15.32	5.95	15.32	5.95	15.32	5.95	15.32	5.95	15.32	5.95

* Funds available for non priority unsecured creditors under the DOCA proposal calculated as follows:

	Optimistic	Pessimistic
Dead Funds	\$ 400,000	\$ 400,000
Deficiency	- 52,316	- 85,474
Employee Entitlements (Priority Unsec Cts)	- 24,157	- 24,157
	<u>323,527</u>	<u>290,369</u>

Dead Contributions of \$323,527 in optimistic and \$290,369 in pessimistic scenario are allocated to each of the Companies based on the value of admitted claims as set out in Annexure C. For example IBIL Optimistic amount of \$171,032 is calculated as \$869,515/1,644,792 * 323,527

** Per Annexure B

ANNEXURE F

IBIL GROUP

TIME COST ANALYSIS FOR THE PERIOD 1 DECEMBER 2007 TO 18 JANUARY 2008

IBIL

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$ (excl GST)	Assets	Creditors	Employees	Trade On	Investigation	Dividend	Administration
Gavin Morton	Appointee	400.00	37.50	15,000.00							1.10
Hakki Hassan	Manager	290.00	1.70	493.00	1.70		36.40				
Renee Lobb	Intermediate	115.00	7.80	897.00	3.10	4.30			0.40		
Ellen Malone	Secretary	105.00	3.90	409.50		3.20					0.70
TOTAL (excl GST)			50.90	16,799.50	4.80	43.90	0.00	0.00	0.40	0.00	1.80
Average Hourly Rate				330.05							50.90

NSA

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$ (excl GST)	Assets	Creditors	Employees	Trade On	Investigation	Dividend	Administration
Gavin Morton	Appointee	400.00	1.60	640.00							
Hakki Hassan	Manager	290.00	2.60	754.00	2.60		1.60				
Renee Lobb	Intermediate	115.00	2.70	310.50		1.50			0.30		0.90
Ellen Malone	Secretary	105.00	1.80	189.00		1.30					0.50
TOTAL (excl GST)			8.70	1,893.50	2.60	4.40	0.00	0.00	0.30	0.00	1.40
Average Hourly Rate				217.64							8.70

SEPD

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$ (excl GST)	Assets	Creditors	Employees	Trade On	Investigation	Dividend	Administration
Gavin Morton	Appointee	400.00	1.60	640.00							
Hakki Hassan	Manager	290.00	0.00	0.00			1.60				
Renee Lobb	Intermediate	115.00	2.40	276.00		1.10			0.30		1.00
Ellen Malone	Secretary	105.00	2.00	210.00		1.30					0.70
TOTAL (excl GST)			6.00	1,126.00	0.00	4.00	0.00	0.00	0.30	0.00	1.70
Average Hourly Rate				187.67							6.00

IBSD

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$ (excl GST)	Assets	Creditors	Employees	Trade On	Investigation	Dividend	Administration
Gavin Morton	Appointee	400.00	1.60	640.00							
Hakki Hassan	Manager	290.00	0.20	58.00			1.60				
Renee Lobb	Intermediate	115.00	2.60	299.00		1.50			0.30		0.80
Ellen Malone	Secretary	105.00	1.80	189.00		1.30					0.50
TOTAL (excl GST)			6.20	1,186.00	0.00	4.60	0.00	0.00	0.30	0.00	1.30
Average Hourly Rate				191.29							6.20

SEP

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$ (excl GST)	Assets	Creditors	Employees	Trade On	Investigation	Dividend	Administration
Gavin Morton	Appointee	400.00	1.60	640.00							
Hakki Hassan	Manager	290.00	0.00	0.00			1.60				
Renee Lobb	Intermediate	115.00	2.80	322.00		1.40			0.40		1.00
Ellen Malone	Secretary	105.00	1.80	189.00		1.30					0.50
TOTAL (excl GST)			6.20	1,151.00	0.00	4.30	0.00	0.00	0.40	0.00	1.50
Average Hourly Rate				185.65							6.20

IBILA

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$ (excl GST)	Assets	Creditors	Employees	Trade On	Investigation	Dividend	Administration
Gavin Morton	Appointee	400.00	1.60	640.00							
Hakki Hassan	Manager	290.00	0.10	29.00			1.60				0.10
Renee Lobb	Intermediate	115.00	4.50	517.50	1.00	2.50			0.30		0.70
Ellen Malone	Secretary	105.00	2.30	241.50		1.30					1.00
TOTAL (excl GST)			8.50	1,428.00	1.00	5.40	0.00	0.00	0.30	0.00	1.80
Average Hourly Rate				168.00							8.50

SEPL

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$ (excl GST)	Assets	Creditors	Employees	Trade On	Investigation	Dividend	Administration
Gavin Morton	Appointee	400.00	2.40	960.00	0.80	1.60					
Hakki Hassan	Manager	290.00	0.70	203.00							0.70
Renee Lobb	Intermediate	115.00	6.40	736.00	0.30	2.20					3.90
Ellen Malone	Secretary	105.00	1.80	189.00		1.30					0.50
TOTAL (excl GST)			11.30	2,088.00	1.10	5.10	0.00	0.00	0.00	0.00	5.10
Average Hourly Rate				184.78							11.30