

RSM Bird Cameron Partners

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30 September 2009

Circular to Creditors

Cape View Developments WA Pty Ltd (Administrators Appointed)
ACN 109 689 643
formerly known as Southern Timber Company Limited
("the Company")

On 3 September 2009, Neil Cribb and I were appointed Joint and Several Administrators of the Company pursuant to Section 436A of the Corporations Act 2001. The appointment was ratified at a meeting of creditors of the Company held on 14 September 2009 (**First Meeting**).

The purpose of this circular letter is to report to creditors on progress in the administration and matters arising out of the First Meeting.

Extension of Convening Period

As foreshadowed at the First Meeting, the Administrators applied to the Court for an extension of time in which to convene the second (decision) meeting of creditors pursuant to Section 439A of the Corporations Act 2001 (**Second Meeting**).

On 24 September 2009, the Court ordered that the date by which the Administrators must convene the Second Meeting be extended to 2 December 2009. A copy of the Court Order is attached.

This decision of the Court now allows the Administrators to obtain and properly consider property valuations of Stage 3 of the Cape View Beach Resort development and whether a Deed of Company Arrangement can be formulated to extract maximum value from the resort development.

Committee of Creditors

At the First Meeting, creditors resolved to elect a Committee of Creditors comprising the following members:-

- Mr Nick Allingame, representing Pindan Pty Ltd;
- Ms Anne Thoume, representing Primary Securities Ltd;
- An authorised representative of St George Bank Ltd;
- Mr Greg Caird, representing Australian Development Consultants Pty Ltd; and
- Mr Mark McKeown, a director and creditor of the Company.

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Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

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independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



The functions of the Committee of Creditors are:-

1. To consult with the Administrators about matters relating to the administration; and
2. To receive and consider reports by the Administrators.

Creditors should contact Mike Edmondson of this office on 08 9261 9273 should they require any further information on these matters or the progress of the administration generally.

Yours faithfully



GREG DUDLEY
Joint and Several Administrator

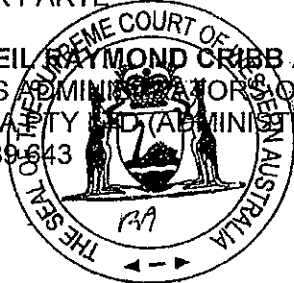
IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR 181 of 2009

IN THE MATTER OF CAPE VIEW DEVELOPMENTS WA PTY LTD
(ADMINISTRATORS APPOINTED) ACN 109 689 643

EX PARTE

NEIL RAYMOND CRIBB AND GREGORY BRUCE DUDLEY
AS ADMINISTRATORS OF CAPE VIEW DEVELOPMENTS
WA PTY LTD (ADMINISTRATORS APPOINTED) ACN 109
689 643



Plaintiffs

**ORDER TO EXTEND CONVENING PERIOD
BEFORE THE HONOURABLE JUSTICE KENNETH MARTIN IN CHAMBERS
24 SEPTEMBER 2009**

Date of Document: 24 September 2009

Date of Filing: 24 September 2009

Filed on behalf of: The plaintiffs

Prepared by:

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Our Ref: RM: TZ: 00609

Tony Zaffino
173408_1

UPON THE APPLICATION of the plaintiffs by Originating Process dated 23 September 2009 and UPON HEARING Mr T K Zaffino of counsel for the Plaintiffs IT IS ORDERED THAT:

1. The period within which the Plaintiffs must, by section 439A of the *Corporations Act 2001* (Cth) (**Act**), convene a meeting of the creditors of Cape View Developments WA Pty Ltd ACN 109 689 643 (Administrators Appointed) (**Company**) be extended to 2 December 2009.

2. Section 439A(2) of the Act is to operate to permit the convening and holding of the meeting of creditors of the Company required by section 439A of the Act at any time during the convening period as extended by paragraph 1 above, provided the requirements of sections 439A(3) and 439(4) of the Act are complied with and provided the Plaintiffs give notice of the meeting to creditors at least 5 business days before the meeting.
3. The Plaintiffs have liberty to apply for a further extension of the convening period extended by paragraph 1 above.
4. The Plaintiffs' costs of this application be paid from the assets of the Company.
5. Any interested person has liberty to apply to modify or discharge paragraphs 1 and 2 above.
6. The Plaintiffs give notice of this Order to the Company's creditors by means of a circular to be posted to the Company's creditors by ordinary post, no later than 7 days after the date of this Order.

BY THE COURT



REGISTRAR