

DONNELLY & ASSOCIATES LAWYERS

13 September 2007

Our Reference: MD:RLL/
Your Reference: AKB: 368423

Piper Alderman Lawyers
Level 23
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Attention: **Amanda Banton**
By Facsimile ONLY: **(02) 9253 9900**

Dear Madam,

**RE: Creditor's Statutory Demand For Payment Of A Debt ("Statutory Demand") Issued 28 August 2007
Roadshlps Logistics Limited ("RLL")**

We refer to your correspondence of 5 September 2007.

In relation to your client's request that the Statutory Demand referred to above be withdrawn we are instructed that our client will not agree to this request. In this regard, we note that certain instructions provided to you appear to be at odds with the true position in relation to the removal of Michael Nugent as Managing Director and Chairman of RLL and the issue of shares to our client.

In particular, we note as follows:

1. In an affidavit filed on or about 18 May 2006 in proceedings SC4115 of 2006, Jonathon Peter McArthur ("McArthur"), director of RLL, deposed to the fact (paragraphs 44(a)) that Mr Nugent was removed as a director of RLL by way of resolution of the Board on 27 March 2006.
2. Notwithstanding the matters set out in the affidavit of Mr McArthur, our client instructs us that Mr Nugent was effectively removed from the position of Managing Director on or about 23 March 2006, which is the date Oliver Douglas ("Douglas") and Mr McArthur attended at the Westpac Banking Corporation branch in Martin Place, Sydney, and took steps to remove the authority for Mr Nugent to act as a signatory on the RLL bank account. In this regard, we are instructed that Mr Douglas signed the relevant Westpac documents on 23 March 2006 as "Chairman" of RLL.
3. At the Board Meeting referred to in paragraph 1 above, Mr McArthur further deposes to the fact (paragraph 44(e)) that it was resolved to

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move the RLL share registry from Transferonline to Computershare. In this regard, we are instructed that the shares issued to our client, as referred to in your letter of 5 September 2007, were issued by Computershare. That being so, the issue of the shares (to our client) took place either after Mr Nugent had *effectively* been removed from the positions of Managing Director and Chairman of RLL or, alternatively, and in any event after it was formally resolved by the Board to remove Mr Nugent from those positions.

In the circumstances set out above, our client takes the view that under section 724 of the *Corporations Act 2001 (Cth)* ("the Act") your client was legally obliged to make disclosure of the fact that Mr Nugent had been removed as Managing Director and Chairman of RLL and thereafter accord our client the opportunity to withdraw from the proposed share issue if he so desired. And as our client has deposed to in the affidavit served in support of the Statutory Demand, had he been given the opportunity to withdraw, which was his entitlement under the Act, he would have withdrawn.

In view of the above we now look forward to receiving your advice as to the manner in which your client proposes to pay the debt owed to our client.

On the question of indemnity costs, the case law on this point is clear and in our view your claim for indemnity costs, presuming your client applies to have our client's Statutory Demand set aside and is successful in its application, is misconceived.

Finally, we note our client reserves its rights generally.

Yours faithfully,
DONNELLY & ASSOCIATES



Mark Donnelly