

20 February 2009

«REG_ADDRESS_LINE_1»
«REG_ADDRESS_LINE_2»
«REG_ADDRESS_LINE_3»

Dear Noteholder,

**NYLEX LIMITED (RECEIVERS AND MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)**

As you may be aware, Australian Executor Trustees Limited ("AET") is the trustee for Noteholders of unsecured convertible Notes issued by Nylex Limited ("Nylex"), under the terms of the Convertible Note Trust Deed dated 19 October 2006 ("Trust Deed").

Terms defined in the Trust Deed have the same meaning when used in this letter.

On 11 February 2009, Mr George Georges and Mr John Lindholm of Ferrier Hodgson were appointed as the Administrators of Nylex. Also on 11 February 2009, Mr Colin Nicol, Johan Vorster and Sam Davies of McGrath Nicol were appointed Receivers and Managers ("Receivers") of Nylex.

In accordance with Clause 3.1 of the Trust Deed, the Outstanding Moneys are owed to AET and we will be lodging a proof of debt on behalf of all Noteholders.

An Intercreditor Deed exists between Nylex, AET and a number of entities ("Senior Finance Parties") who have provided loan facilities to Nylex. Under the Intercreditor Deed, the repayment of the senior loan facilities ranks ahead of the debt to Noteholders. We have been advised that Nylex has breached a number of the financial covenants to the Senior Finance Parties, which constitutes a Default Event under the Trust Deed.

Consequences of a Default Event

If a Default Event occurs, the Trustee may issue a Default Notice to Nylex provided the Trustee is so directed by a Noteholder Resolution. Once so directed, the Trustee will issue a Default Notice to Nylex. Upon issue of a Default Notice, Nylex must repay all of the Outstanding Moneys to AET for the account of the Noteholders. Notwithstanding the issuance of a Default Notice being served on Nylex, the repayment of the Outstanding Moneys would be subject to the repayment of the loan facilities provided by the Senior Finance Parties.

A Noteholder Resolution means a resolution passed by not less than 40% of the votes cast by Noteholders entitled to vote on the resolution.

Clause 13.12 of the Trust Deed explains the process for obtaining a Noteholder Resolution. Clause 13.12(a)(ii) provides that a resolution must be in writing, signed by Noteholders holding not less than 40% in nominal value of the Notes as at the date of the resolution.

Resolution

AET invites Noteholders to resolve, in writing, to direct AET to issue a Default Notice to Nylex, in accordance with the Trust Deed. Attached is a form of resolution that you would need to complete.

If you intend to resolve that a Default Notice be issued please complete and return the attached resolution by close of business on Friday, 27 February 2009.

The results of this resolution will be posted on the AET website - www.aetlimited.com.au/CorporateTrustServices/Announcements. As the Notes are unsecured, AET does not have access to funds, however, any other relevant information will also be posted to this website from time to time.

Noteholders may also check the Administrator's website for information - www.ferrierhodgson.com

Should you have any questions with respect to this matter, please do not hesitate to contact the writer at philip.joseph@aetlimited.com.au or on (02) 9028 1051, or Stuart Howard at stuart.howard@aetlimited.com.au or on (02) 9028 5908.

Yours faithfully,

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature appears to be 'Philip Joseph'.

Philip Joseph
CEO Corporate Trust

Australian Executor Trustees Limited
Corporate Trust
Locked Bag 4010,
Queen Victoria Building Post Office
Sydney NSW 2000

Attn: Stuart Howard

RESOLUTION

I/We, _____, the holder of _____ Notes hereby resolve to direct Australian Executor Trustees Limited to issue a Default Notice to Nylex Limited, in accordance with Clause 8.2 of the Convertible Note Trust Deed. The Default Notice is to declare that the Outstanding Moneys are immediately due and payable to Australian Executor Trustees Limited on account of the Noteholders.

Terms defined in the Trust Deed have the same meaning when used in this resolution.

Signed

Print Name

Date

NB. In the case of a corporate Noteholder, this resolution is to be signed by an officer of the Noteholder, or under the common seal of the Noteholder.