

INFORMATION SHEET

Nylex Limited
(Subject to Deed of Company Arrangement)
(Receivers and Managers Appointed)
ACN 009 375 553

PROPOSAL

The Proponent, Trident Capital Pty Ltd (“Trident”), is a corporate advisory and venture capital firm. In broad terms, Trident’s proposal is as follows:

- An amount of not less than \$450,000 and not greater than \$550,000 to be made available to creditors of the Company in consideration for the transfer of creditors’ claims arising out of the DOCA to a Creditors Trust.
- The Price of \$550,000 will only be paid by the Proponent upon confirmation by ASX that the Company is able to satisfy the ASX Listing Rules so as to not have to re-comply with Chapters 1 and 2 of the Listing Rules. If ASX confirm that the Company is required to re-comply with Chapters 1 and 2 then the Price paid by the Proponent will be the lesser amount of \$450,000.
- The existing shares of the Company to be consolidated on a 1 for 3 basis and then diluted by the issue of no less than 200,000,000 shares at 1 cent each by public offering. In addition, 100,000,000 shares to be issued to the Proponent at 0.5 cents each.
- The existing convertible notes and listed options to be converted to shares and consolidated on a 1 for 3 basis or become part of the Creditors Trust.

A number of condition precedents need to be met for the proposal to take effect including:

- A notice of general meeting and explanatory statement to be sent to the Company’s shareholders convening a shareholders’ meeting. Shareholders will be requested to vote on a number of resolutions including the consolidation of the existing shares and the proposed capital raising by the issue of new shares by the Company. A meeting of the Company’s shareholders will be convened in due course.
- Full subscription to the offer made for the proposed capital raising. In this regard, the Proponent will arrange the preparation and issue of a prospectus to prospective investors.
- The resignation of all existing directors of the Company.
- The retirement of the Receivers and Managers of the Company.
- The release of the secured creditors registered charge held over the Company.
- All outstanding lodgements required by the Australian Securities and Investments Commission (“ASIC”) to be completed.
- Payment of ASX listing fee and any ASIC fees.
- ASX confirmation that it will lift the suspension on the Company’s securities and re-instate its securities to quotation.

EFFECTUATION OF DOCA

After having met all of the conditions precedent, the DOCA is effectuated and the creation of a Creditors Trust Deed results in the creditors' claims against the Company being extinguished and transferred to the Creditors Trust. The Deed Administrators become the Trustees of the Creditors Trust Deed. The DOCA will not be effectuated until the Price is paid to the Deed Administrators (less the amount of the deposit paid).

The effectuation of the DOCA extinguishes the creditors' claims against the Company enabling the Company to be recapitalised and re-listed for trading of its shares on the ASX.

The effectuation of the DOCA is expected to occur no later than 31 March 2010 unless varied by agreement and approved by creditors.

A copy of the DOCA may be viewed at www.ferrierhodgson.com.au under "Current matters, corporate recovery matters".