

**MINUTES OF A TELEPHONE MEETING OF DIRECTORS OF  
VERCOT PTY LIMITED**  
**HELD AT SUITE 3B 1 RICHARDSON PLACE, NORTH RYDE NSW**  
**ON JANUARY 13, 2006, AT 9.00 A.M.**

**PRESENT:** Messrs J M Cassidy (Chairman) – by telephone  
D F Hendry (Director/Secretary)

**SELECTIVE SHARE BUY-  
BACK:**

The Directors have considered the capital requirements of the Company and a request from ANZ Nominees Pty Ltd who, following the sale of the Company's interest in Abigroup, no longer wishes to retain equity in the Company.

The Board discussed the methodology for the calculation of a buyback price for the shares held by ANZ Nominees.

After discussion it was agreed to use the net tangible assets as disclosed in the Company's audited June 2005 financial statements, adjusted by an estimate of the Company's after tax earnings for the period 1 July to 31 December, 2005 and apply an appropriate rounding factor as follows:

Net assets per audited 30 June 05 accounts	\$51,420,668
Estimated after tax earnings for period 1 July 04 – 31 December 05 (as per attached worksheet)	\$1,085,787
Less Dividend Paid	<u>\$1,323,998</u>
	\$51,182,457
Estimated NTA per share as at 31 December, 2005	\$664,707
Rounded to	\$664,000 per share

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**IT WAS RESOLVED** to recommend to the members that the capital of the Company be reduced by entering into a selective buy-back of 12 ordinary shares held by ANZ Nominees Pty Limited for consideration of \$7,968,000, of which \$12 will be a return of capital and \$7,967,998 will be a fully franked dividend.

The Directors are of the opinion that if the buy-back resolution is approved at the Special Meeting of Shareholders the Company will remain solvent following the buy back.


**IT WAS FURTHER RESOLVED** that a Meeting of Members be called to consider, and if though fit, pass a special resolution based on these recommendations for a selective share buy-back and the consequent cancellation of the ANZ Nominees shares.

**FUTURE INVESTMENTS**

**IT WAS RESOLVED** that notwithstanding the Company had been unsuccessful to date in identifying other investment opportunities it intended to continue to review and evaluate investment opportunities as they arise. In this regard the company is currently considering an equity investment in a hotel in Armidale, known as the Tattersalls Hotel.

**CLOSURE:**

There being no further business the meeting closed.

  
**CHAIRMAN**