

**MINUTES OF A MEETING OF DIRECTORS OF  
VERCOT PTY LIMITED  
HELD AT TATTERSALLS HOTEL, ARMIDALE  
ON 19 JANUARY, 2006 AT 4.00 P.M.**

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**PRESENT:**

Messrs J M Cassidy (Chairman)  
D F Hendry

**IN ATTENDANCE:**

Mr B Gusheh

The meeting in Armidale was held to address the possible purchase by Vercot of a controlling interest in the Tattersalls Hotel, Armidale

Mr Hendry confirmed that he in his private capacity was the successful tenderer to acquire the hotel, from the vendor UNE Services Limited for a purchase price of \$2.65m, in the name of "DF Hendry &/or Nominee".

Mr Hendry is now offering Vercot the opportunity to co-invest in the hotel.

Mr Cassidy advised that on learning of Mr Hendry's tender, he had notified the vendors solicitor, Messrs Watson, McNamara & Watt that he may have a perceived conflict of interest in that he was Chancellor of UNE, UNE Services Ltd is a controlled entity of UNE and that Mr Hendry was well known to him. Mr Cassidy also confirmed he was not involved in the decision of UNE Services Ltd to sell the hotel, was not a director of UNE Services Ltd, had no involvement in the tender process, and on legal advice confirmed he did not have a conflict of interest should Vercot decide to invest.

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Mr Cassidy confirmed that both he and his wife had signed proxies in favour of the resolution to be put to the special meeting to be held on 3 February, 2006 to approve a selective buy-back of 12 ordinary shares held by ANZ Nominees.

Mr Cassidy also confirmed that due to the urgent nature of the business he had earlier inspected the hotel with the assistance and advice of Mr Bob Gusheh, civil engineer and previous operations manager of the Sydney SuperDome. Mr Gusheh had earlier carried out a separate inspection of the building and made enquiries from local business houses as to the potential of the Tattersalls future business.

Following discussion the Directors approved the decision for Vercot to take a controlling interest in the investment and to apply for 2.7m "A" class units in Tattersalls No.2 Unit Trust at an issue price of \$1.00 in accordance with the documents tabled.

Directors also agreed to engage suitable consultants to undertake market research into the future operations of the hotel in order to arrive at a suitable business plan for renovation and upgrade of the hotel's infrastructure.


There was general discussion and agreement regarding employment of suitable personnel previously interviewed by Mr Hendry, and for an application to be made for transfer of the liquor licence to comply with a settlement date of 31 January, 2006.

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**CLOSURE:**

There being no further business the meeting closed.

  
CHAIRMAN