

STATUS OF AIL ANNUAL GENERAL MEETING November 2011

Shareholders would be aware there has not currently been an Annual General Meeting (AGM) for the company. The scheduled meeting held in Adelaide on November 30, 2010 did not have a quorum or final audited accounts and was deferred to another date which still remains to be finalised for the following reasons.

One of the requirements of an AGM is the presentation of company accounts. Unfortunately, at this stage the company accounts are still not complete despite the best efforts of both the Board and Pitcher Partners, the company auditors. The board has kept ASIC fully informed of the situation.

Shareholders are aware that the company was restructured after going into Administration in 2009. To complete the accounts the auditors needed to also complete the 2008 and 2009 accounts as well as the 2010 accounts. Whilst the current board and management has supplied all the data needed to complete the 2010 accounts, the auditors cannot complete and sign off these accounts until they are comfortable that the information from the 2008 and 2009 years is accurate and understand the impact of those accounts on the 2010 accounts.

Unfortunately, the data on hand as supplied to the Administrator from the management of the previous company, and then forwarded to the current board and our auditors has been insufficient and of a poor quality. This has meant the auditors have had to rebuild the accounts, a process which has and is taking a lot of time, expense and effort.

This work is now well advanced and once the auditors have completed the task and lodged the required documents with ASIC, the board will convene the AGM accordingly.