

ION Limited (ACN 009 106 272)
Yollatsac Limited (formerly Castalloy Limited) (ACN 007 528 583)
Yollatsac Manufacturing Pty Ltd (formerly Castalloy Manufacturing Pty Ltd) (ACN 007 838 986)
Yollatsac Wheels Pty Ltd (formerly Castalloy Wheels Pty Ltd) (ACN 007 894 984)
Core Cast Limited (ACN 097 447 660)
ION Light Metal Castings Pty Ltd (ACN 104 930 181)
ION Automotive Group Limited (ACN 104 279 156)
XIAS Pty Ltd (formerly ION Automotive Systems Pty Ltd) (ACN 104 930 109)
XITMS Pty Ltd (formerly ION Transmissions Pty Ltd) (ACN 099 982 180)
XCTA Pty Ltd (formerly Cootes Transport Pty Ltd) (ACN 010 383 016)
XCTS Pty Ltd (formerly Cootes Tanker Service Pty Ltd) (ACN 004 495 765)
XIRC Pty Ltd (formerly I.R. Cootes Pty Ltd) (ACN 004 801 076)
XLC Pty Ltd (formerly Liquip Corp Pty Limited) (ACN 082 859 970)
XLO Pty Ltd (formerly Liquip Overseas Pty Ltd) (ACN 094 440 589)
XLS Pty Ltd (formerly Liquip Sales Pty Ltd) (ACN 001 595 222)
XLSE Pty Ltd (formerly Liquip Service Pty Ltd) (ACN 082 859 989)
XLSV Pty Ltd (formerly Liquip Sales (Vict.) Pty Ltd) (ACN 005 691 761)
XST Pty Ltd (formerly Stevenson Transport Pty Ltd) (ACN 006 271 352)

**(All subject to Deed of Company Arrangement)
(Collectively "ION DOCA Group")**

Deed Administrators' Update

24 September 2010

1. Introduction

Following the last quarterly update to creditors dated 30 July 2010, we now provide a further update on the progress made in dealing with shareholder claims.

2. Shareholder claims – Court application

As previously reported, the Deed Administrators have filed an application with the Federal Court of Australia seeking directions concerning the publication of their updated Report to Creditors and the notification of potential claimants of their right to lodge new or amended proofs of debt. The application was listed for hearing on 17 August 2010 before Justice Dodds-Streeton.

On the basis of the material before the Court, and after submissions from interested parties, the Deed Administrators' application has been adjourned for a further hearing on 14 October 2010.

Once the application is heard and relevant Court orders are made, the Deed Administrators will be able to proceed with the publication of their updated Report to Creditors and to set a deadline for the filing of any new or amended proofs of debt by shareholders. In the meantime, a copy of the application filed by the Deed Administrators is available on the McGrathNicol website (www.mcgrathnicol.com or www.ionlimited.com).

3. Shareholder representation not required

It has been brought to the Deed Administrators' attention that ION shareholders are being approached by persons offering to provide professional representation in relation to their potential claims against ION. Some shareholders have also reported to the Deed Administrators that they have been told by these persons that shareholders will not be able to submit a proof of debt in the ION administration or participate in any distribution made by the Deed Administrators unless they have such representation.

The Deed Administrators advise that while professional representation may be of assistance to shareholders involved in preparing and submitting proofs of debt in the ION administration, professional representation is not a precondition for doing so or for participating in any distribution made by the Deed Administrators.

At the appropriate time, all shareholders will be able to submit proofs of debt in the ION administration, irrespective of whether they are professionally represented. The Deed Administrators will make a further announcement in this regard when the Court application mentioned above is heard and determined.

ION Limited (Subject to Deed of Company Arrangement)



Colin Nicol and Peter Anderson
Deed Administrators