

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

30 July 2010

1. Introduction

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

2. Cash position of ION Consolidated Group

The ION Consolidated Group cash position as at 30 June 2010 is summarised as follows:

ION Consolidated Group

Cash flow for the period 1 April 2010 to 30 June 2010

	Actual
	\$'000
Cash as at 1 April 2010	353,140
Residual payables and receivables	28
Administrators' fees	(997)
Other Administration costs	(1,207)
Interest	4,001
Proceeds from divestments	-
Other	(32)
Total cash flow for the period	1,792
Total cash as at 30 June 2010	354,933

The Deed Administrators were anticipating a cash inflow during the last quarter from the Australian Taxation Office ("ATO") in relation to an income tax refund. The payment of this amount continues to be postponed by the ATO, however the Deed Administrators anticipate payment in 2010.

The Deed Administrators' fees cover the period 22 August 2009 to 26 March 2010, but were paid in this period

Other Administration costs consist of the renewal of insurance policies and legal fees in relation to the claims made by shareholders and other matters.

3. Shareholder claims

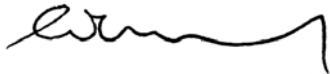
The Deed Administrators' investigation of claims received from shareholders is complete and the findings of fact arising from these investigations are detailed in an updated Report to Creditors.

The Deed Administrators have now 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 is listed for hearing on 17 August 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 further or amended proofs of debt by shareholders. In the meantime, a copy of the application filed with the Court will be published on McGrath Nicol's website for the information of creditors. As soon as relevant orders are made by the Court, a further announcement will be made by the Deed Administrators informing creditors.

4. Distributions to Creditors

There has been no change in the status of distributions to creditors since our last update. As previously reported, until the quantum of admitted claims by shareholders is ascertained, the Deed Administrators are unable to make a distribution to creditors. However, the Deed Administrators anticipate the timing of an interim distribution to creditors to be in the last quarter of the 2010 calendar year subject to the process concerning shareholder claims proceeding in the manner currently proposed by the Deed Administrators.

ION Limited (Subject to Deed of Company Arrangement)



Colin Nicol and Peter Anderson
Deed Administrators