

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 April 2010

1. Introduction

Following the last quarterly update to creditors dated 23 December 2009, 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 31 March 2010 is summarised as follows:

ION Consolidated Group
Cash flow for the period 1 December 2009 to 31 March 2010

	Actual
	\$'000
Cash as at 1 December 2009	349,016
Residual payables and receivables	70
Deed Administrators' fees	-
Other Administration costs	(715)
Interest	4,276
Proceeds from divestments	-
Other	493
Total cash flow for the period	4,124
Total cash as at 31 March 2010	353,140

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.

Other Administration costs primarily relate to legal fees in relation to the claims made by shareholders.

3. Shareholder claims

The Deed Administrators' processing and investigation of claims received from shareholders is complete and the findings of fact arising from these investigations are detailed in a Report to Creditors. This report has been reviewed by Senior Counsel and is now substantially complete. Accordingly, the Deed Administrators will be in a position shortly to make application to the Court seeking directions in relation to a number of issues. As previously reported to creditors, these issues include their obligation to notify creditors or potential creditors of their entitlement to lodge proofs of debt, the circulation of the Report to Creditors (which will detail their factual findings resulting from their forensic investigations) and the processes that should be followed in relation to

the lodgement by shareholders of further and/or amended proofs of debt. As soon as the application is filed and a return date for the hearing is obtained from 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 third quarter of the 2010 calendar year, subject to the Court's approval of the Deed Administrators' intended course of action. Further information about these matters will be included in the Report to Creditors to be issued following the Court application described above.

ION Limited (Subject to Deed of Company Arrangement)



Colin Nicol and Peter Anderson
Deed Administrators