

Circular to Creditors**Absolute Capital Employee Holdings Pty Limited ACN 112 528 435****Absolute Capital Group Limited ACN 097 506 217****Absolute Capital Limited ACN 095 263 353****Absolute Capital Investments Limited ACN 103 190 763****Cederra Structured Investments Limited ACN 104 314 212****(Administrators Appointed)****(Collectively, “the Companies”)**

My partner, Anthony Gregory McGrath and I were appointed Joint and Several Administrators of the Companies on 26 November 2007 by resolution of the Companies’ Directors pursuant to Section 436A of the Corporations Act (“the Act”).

First statutory meeting of creditors

A first statutory meeting of creditors for each of the Companies must be held within five business days of our appointment. They have been convened for Monday, 3 December 2007. The statutory purpose of the first meeting is to allow creditors to determine whether a committee of creditors should be appointed and to appoint an alternative Administrator if it is so resolved at the meeting.

The meeting will be held at the Radisson Plaza Hotel Sydney, 27 O’Connell Street, Sydney NSW 2000, Sir James Fairfax Room at 11.00am with registration commencing at 10.30am. A formal Notice of Meeting is enclosed.

Creditors who intend to vote at the meeting are required to lodge a formal proof of debt. A blank proof of debt form along with instructions on how to complete it, are enclosed. Creditors who are unable to attend the meeting and wish to be represented should ensure that either a proxy form, power of attorney, or evidence of appointment of a company representative is completed. A blank proxy form is enclosed. Documents may be lodged with me prior to the meeting or may be brought to the meeting.

Report and second meeting

All creditors will receive a detailed report from me regarding the Companies’ affairs before the second statutory meeting of creditors is held. A decision on the Companies’ future will be made at the second statutory meeting.

McGrathNicol experience and remuneration

The partners and staff of McGrathNicol have extensive experience in Voluntary Administrations of large and small companies. McGrathNicol partners have acted as Voluntary Administrators for companies operating small to medium businesses, through to very large public companies.

The Administrators’ remuneration can only be fixed by resolution of creditors or by application to the Court. Remuneration will be charged by the Administrators at hourly rates set in accordance with the *Statement of Best Practice – Remuneration* issued by the Insolvency

Practitioners Association of Australia ("IPAA"). The complexity and demands of the Administration will dictate the staff to be utilised for this engagement.

The Administrators will seek approval of their remuneration at the second meetings of creditors (or as otherwise allowed under the Act or by the Court) and a schedule of the hourly rates charged by McGrathNicol for matters of this nature is enclosed for your reference.

A summary of work performed during the administration, along with details of professional fees incurred will be presented at the second meetings.

Prior involvement of McGrathNicol

Pursuant to the *IPAA Statement of Best Practice – Independence on the Appointment of an Administrator*, I have considered the issue of independence. In this regard I note that McGrathNicol has had no prior professional or advisory relationships with the Companies or the directors, or any dominant creditors, in relation to advising those creditors concerning the Companies.

After considering all relevant matters, I have formed a view that we can act as Voluntary Administrators of the Companies.

Other matters

No further credit should be extended to the Companies without an order signed personally by me as Administrator or by my authorised representatives.

A copy of the Insolvency Information for Directors, Employees, Creditors and Shareholders sheet issued by the Australian Securities & Investments Commission ("ASIC") and the IPAA is enclosed for your information. The ASIC/IPAA insolvency information sheets detailed in this advice are available at www.mcgrathnicol.com.

Dated Tuesday, 27 November 2007



J D Hayes
Administrator

Enclosures:

Notice of Meeting
Proof of Debt
Instructions for Completion of Proof of Debt
Proxy
Information for attendance at meeting
McGrathNicol Schedule of Hourly Rates
ASIC/IPAA Insolvency information creditors

FORM 529A

Corporations Act 2001

Paragraph 5.6.12 (2) (b)

**NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION**

Absolute Capital Employee Holdings Pty Limited ACN 112 528 435
Absolute Capital Group Limited ACN 097 506 217
Absolute Capital Limited ACN 095 263 353
Absolute Capital Investments Limited ACN 103 190 763
Cederra Structured Investments Limited ACN 104 314 212
(Receivers and Managers Appointed)
(Collectively, "the Companies")

1. On Monday, 26 November 2007 the Companies, under Section 436A, appointed Joseph David Hayes and Anthony Gregory McGrath of McGrathNicol as Joint & Several Administrators of the Companies.
2. Notice is now given that a meeting of the creditors of the Companies will be held at Radisson Plaza Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000, Sir James Fairfax Room on Monday, 3 December 2007 at 11 AM.
3. The purpose of the meeting is to determine:
 - (a) whether to appoint a committee of creditors; and
 - (b) if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) remove the Administrators from office; and
 - (b) appoint someone else as Administrator of the Companies.

Dated this 27th day of November 2007



J D Hayes
Administrator