



ASIC

Australian Securities & Investments Commission

23 August 2000

Freehill Hollingdale & Page
Solicitors

Your Ref: Mr Andrew Shearwood

By facsimile: (08) 9211 7878

Regional Office - Victoria
CGU Tower, 405 La Trobe Street, Melbourne
GPO Box 9627 Melbourne VIC 3001
DX 423 Melbourne

Telephone: (03) 9250 3100
Facsimile: (03) 9250 3444

Dear Sirs,

Re Promissory note issue - Bayview Mezzanine Pty Ltd

I refer to our past communications in relation to the review conducted by the Australian Securities & Investments Commission ("ASIC") into the above noted fund raising venture.

I advise that ASIC has now completed its review. At this stage, subject to any additional material coming to its attention, ASIC intends to take no further action in respect of this matter.

I take this opportunity to thank you and your client for the assistance provided during the course of ASIC's review.

I confirm that one of ASIC's primary concerns, when reviewing such ventures, is to ensure that promissory notes are not being used as a mere contrivance to avoid the regulatory provisions of the Corporations Law. Consequently ASIC is obliged to closely scrutinise such fund raising methods.

Please note that the use of this letter as a bar to, or defence in, any civil, criminal or disciplinary proceedings is neither intended nor appropriate. This letter merely reflects that, as of its date, ASIC elected to take no enforcement action based on the information it then held.

Should you have any queries kindly contact me on (03) 9280 3456.

Yours faithfully,

Blair Ussher