

## Minutes of Meeting of Directors

### South Australian Marine Products Industries Pty Ltd ACN 107 786 201

Held at Rear 91 South Terrace,  
Fremantle at 3:30pm

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**Present:** Terry Romaro  
Charles Franchina  
Peter Laughton (By telephone)

**Chairman:** Mr Franchina took the chair

**Background:** As Directors are aware the Company sought to raise \$555,000 by way of a pro rata rights issue which the Directors resolved to issue on the 27 August 2010. A notice to shareholders was sent requesting shareholders to participate in the pro rata rights issue and only Fishtrade International Pty Ltd (Fishtrade) participated for its full rights. However, Mr Peter Laughton commenced Federal Court proceedings through his Company Quotila Pty Ltd seeking injunction to prevent the rights issue from proceeding and a declaration to the effect that the resolution of the Directors of the Company made on 27 August 2010 be set aside.

Mr Laughton was successful in obtaining the injunction.

That Court Action has progressed to a stage that it is proceeding to trial and although the Company sought to have the proceedings transferred to Perth to save costs the matter is currently on foot to be heard in Adelaide.

On 2 February 2011. Fishtrade pursuant to the loan agreement between the Company and Fishtrade issued a demand on the Company for repayment of a loan of \$850,000. The due date for payment being 3 May 2011

Subsequent to the demand letter (a copy of which was forwarded to all shareholders) the Chairman spoke to Mr Bert Bosschetti of Discovery III Pty Ltd and he indicated to the Chairman that his company would not assist in repaying the loan to Fishtrade in his portion (10%) or any part thereof. The Chairman also spoke to Mr Laughton who also indicated that he would not be prepared to assist in the repayment of the loan. Due to the stance taken by Messrs Laughton and Bosschetti, Fishtrade intends to enforce the repayment of the loan on the due date including exercising its rights under its security.

As a consequence of:

- (a) the current litigation and the increasing costs for the Company of conducting the litigation in Adelaide;
- (b) the shareholders not being prepared to assist in the repayment of the Fishtrade loan; and
- (c) the Company not being able to repay the loan within 90 days without further funding by shareholders the Company will become insolvent in that it will be unable to pay its debts as and when they fall due.

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In those circumstances the Directors need to consider the appointment of an Administrator pursuant to Part 5.3A of the Corporations Act.

A consent to act as an Administrator by Mr Neil Cribb and Mr Greg Dudley of RSM Bird Cameron Partners was tabled.

**Resolution to appoint Administrator:**

After discussion, the Directors resolved that South Australian Marine Products Industries Pty Ltd ACN 107 786 201 (**Company**) appoint Neil Raymond Cribb and Mr Greg Dudley of RSM Bird Cameron Partners, Chartered Accounts, 8 St Georges Terrace, Perth, Western Australia as the administrator of the Company pursuant to Part 5.3A of the *Corporations Act 2011* (Cth), the board of the Company having today resolved that:

- (a) in the opinion of the directors voting for the resolution, the Company is insolvent or is likely to become insolvent at some future time; and
- (b) an administrator should be appointed to the Company.

**Charles Franchina** Voted in favour of  
**Terry Romaro** Voted in favour of  
**Peter Laughton** Refrained from voting claiming he has not been provided adequate information

Signed as a true and correct record on 21 February 2011.

A handwritten signature in black ink, appearing to be 'Charles Franchina', written over a horizontal line.

Charles Franchina  
Chairman

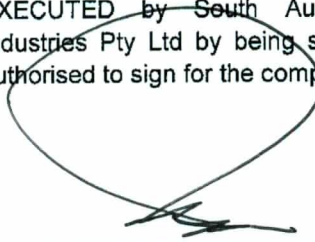
SOUTH AUSTRALIAN MARINE PRODUCTS INDUSTRIES PTY LTD  
ACN 107 786 201 ("THE COMPANY")

**INSTRUMENT OF APPOINTMENT OF JOINT AND SEVERAL ADMINISTRATORS**

In accordance with the resolution of the directors of South Australian Marine Products Industries Pty Ltd signed on 21 February 2011, the Company hereby appoints Neil Raymond Cribb and Greg Bruce Dudley of RSM Bird Cameron Partners, 8 St Georges Terrace, PERTH WA 6000 to be the Company's Joint and Several Administrators and to exercise all or any of the powers conferred upon the Joint and Several Administrators by the Corporations Act 2001.

DATED this 21st day of February 2011.

EXECUTED by South Australian Marine Products Industries Pty Ltd by being signed by a person who is authorised to sign for the company



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Director  
Full Name: TERRY STEPHEN ROMARO  
Address: 7144 Ranelagh Cres, St. Perth WA.

**Alternative Sealing Clause**

THE COMMON SEAL OF South Australian Marine Products Industries Pty Lt was affixed in the presence of authorised person



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Director  
Full Name: CHARLES FRANCHINA  
Address: 4 DARLING ST. WHITE  
GUM VALLEY WA. 6162