

NOTICE TO CREDITORS

RE: ALLIED BRANDS LIMITED (ADMINISTRATORS APPOINTED)

ACN: 108 958 274
ABN: 20 108 958 274

I refer to the appointment of Peter Biazos and I as Administrators of the above company on 27 October 2010 pursuant to Section 436A of the Corporations Act 2001.

The second meeting of creditors to consider the future of the company will be reconvened at **2:30 pm** on **28 June 2011** at the offices of Vincents Chartered Accountants, Level 34, 32 Turbot Street, Brisbane, Qld.

There will not be any further adjournments of this meeting.

For your information and assistance the following statements and reports are attached:

- Formal Notice of Meeting
- A supplementary report on the administration to date and future recommendations
- Annexure A – Draft DCA proposal by Blueknight Corporation

A Proof of Debt form and an Appointment of Proxy form enabling you to appoint a person to attend the meeting and vote on your behalf

For further information in relation to this administration and the enclosed documents, please do not hesitate to contact Matthew Varendorff (mvarendorff@vincents.com.au) on (07) 3228 4267 of this office.

DATED this 20th day of June 2011



PETER DINORIS
ADMINISTRATOR
EMAIL: pdinoris@vincents.com.au

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NOTICE OF MEETING

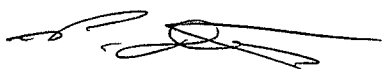
RE: ALLIED BRANDS LIMITED (ADMINISTRATORS APPOINTED)

ACN: 108 958 274

ABN: 20 108 958 274

1. Notice is given that the second meeting of creditors of the above company will be reconvened at the offices of Vincents Chartered Accountants, Level 34, 32 Turbot Street, Brisbane, Qld on **28 June 2011 at 2:30 pm**.
2. The purpose of the meeting is:
 - (i) To consider the Administrators' report on the company's affairs.
 - (ii) For creditors to resolve:
 - (a) That the company enter into a Deed of Company Arrangement; or
 - (b) That the administration should end; or
 - (c) That the company be wound up; and
 - (iii) To fix the remuneration of the Administrators;
 - (iv) If the company is wound up or creditors resolve that the company enter into a Deed of Company Arrangement, to consider the appointment of a Committee of Inspection; and
 - (v) If no Committee is appointed, to fix the remuneration of the Liquidators or Deed Administrators, as appropriate.
3. An Appointment of Proxy form is enclosed to enable you to appoint another person to act on your behalf at the meeting if you wish (see note below). Appointment of Proxies must be returned to my office no later than **4:00 pm on 27 June 2011**.

DATED this 20th day of June 2011



PETER DINORIS
ADMINISTRATOR

NOTE: Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless:

- his claim has been admitted, wholly or in part, by the Administrator; or
- he has lodged with the Administrator particulars of the debt or claim (regulation 5.6.23).

Furthermore, proxies must be made available to the Administrator.

A secured creditor may vote for the whole of his debt without deduction for his security (regulation 5.6.24(4)).

The issue of telephone conferences is addressed at regulations 5.6.13A & 5.6.13B.

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SUPPLEMENTARY REPORT TO CREDITORS

RE: ALLIED BRANDS LIMITED (ADMINISTRATORS APPOINTED)

ACN: 108 958 274

ABN: 20 108 958 274

I refer to my detailed report to creditors dated 11 April 2011 and supplementary report to creditors dated 19 May 2011, prepared pursuant to section 439A of the Corporations Act 2001. This report should be read in conjunction with the abovementioned reports.

As previously advised, Peter Biazos and I were appointed Joint and Several Administrators of the above company on 27 October 2010 pursuant to the provisions of Section 436A of the Corporations Act 2001.

On 27 May 2011, the adjourned second meeting of creditors was reconvened whereby it was resolved that the meeting be further adjourned to 28 June 2011 for a final time for the following reasons:

- Allow the proponents of a Deed of Company Arrangement ("DCA") a final opportunity to provide me with final terms of their proposals.
- Allow the proponents further time to communicate with secured creditors and seek their support.
- Allow sufficient time for me to review the proposals and make a recommendation to creditors.
- Enable all classes of creditors of the company sufficient time to consider the DCA proposals and the other options available regarding the future of the company.
- Maximise the prospects of achieving the objectives of Part 5.3A of the Corporations Act 2001, being to enable the company to maximise the prospects of continuing into existence and to enable a better return to creditors and members of the company.

As at 27 May 2011, there were DCA proposals submitted by the following:

- Trident Capital Pty Ltd.
- Directors of the company.
- Anglo Pacific Equity Partners Pty Ltd.

Emails were issued to the above parties following the meeting of creditors requesting that they submit their DCA proposals along with written confirmation of support by the secured creditors of the company no later than 14 June 2011. This request was made to allow me to have sufficient time to consider each of the proposals and make a recommendation to creditors.

None of the parties provided me with any DCA proposals and secured creditor confirmations on 14 June 2011.

On 16 June 2011 an email was received disclosing Anglo Pacific Equity Partners Pty Ltd withdraws its DCA proposal noting that "after much time invested and despite our best efforts, we've had no indication or assurance from Cashflow Finance that they will be in a position to release security over ABQ in the foreseeable future".

The directors are of the opinion that their DCA proposal does not require the release of charge by the secured creditors at this stage. I do however note that for any parties to achieve a successful recapitalisation (i.e. avoid the DCA proposal being terminated), it is imperative that all the secured creditors of the company agree to release their fixed and floating charges over the assets and undertakings of the company.

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Since the meeting of creditors held on 27 May 2011, I received the following:

- Thursday, 16 June 2011 - withdrawal of DCA proposal by Anglo Pacific Equity Partners Pty Ltd.
- Friday, 17 June 2011 – amendments to the proposal of the Directors.
- Sunday, 19 June 2011 – a DCA proposal (with no creditors' trust) from a syndicate headed by Blueknight Corporation Pty Ltd.

At the time of the preparation of this report, Trident Capital Pty Ltd, the Directors and Blueknight Corporation had not produced written approval from all three (3) secured creditors supporting their respective DCA proposals.

Based on the information presently available, I have little option but to recommend that creditors resolve at the meeting to be held on 28 June 2011 to place the company into liquidation. It is noted:

- At the time of the preparation of this report, there was no DCA proposal with written support of the secured creditors.
- I have not been provided with the terms and conditions of any creditors' trust by Blueknight Corporation and am not in a position to make comment regarding same as per ASIC guidelines.
- I am without sufficient information to make an assessment or comment on the ability and prospects of the parties who have submitted a DCA proposal being able to satisfy and successfully complete any terms and conditions of their respective proposals.
- Insufficient time has been provided to enable me to make a recommendation to creditors on the DCA proposals as recently amended and submitted (refer to section 2 of this report).

All attempts have been made by me to allow the proponents of DCA proposals with sufficient time to formulate proposals acceptable to the secured creditors and in the interests of the creditors and members of the company to achieve the objectives of Part 5.3A of the Corporations Act 2001.

This supplementary report is set out as follows:

1. Secured Creditors
2. Summary of Assets and Liabilities
3. Proposals for a Deed of Company Arrangement
4. Dividend Estimate
5. Options Available to Creditors and Administrators' Recommendation
6. Meeting of Creditors
7. Remuneration of Administrators / Liquidators

1. SECURED CREDITORS

The records of ASIC disclose the following secured creditors with fixed and floating charges:

Westpac Banking Corporation ("Westpac")

ASIC Charge No.	Date Created	Date Registered	Charge Type
1440013	5 March 2007	17 April 2007	Fixed and Floating

Beath Investment Services Pty Ltd ("Beath Investment")

ASIC Charge No.	Date Created	Date Registered	Charge Type
1567012	7 December 2007	21 December 2007	Fixed and Floating

Cashflow Finance Solutions Pty Ltd ("Cashflow Finance")

ASIC Charge No.	Date Created	Date Registered	Charge Type
1886987	24 November 2009	26 November 2009	Fixed and Floating

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2. SUMMARY OF ASSETS AND LIABILITIES

Refer to section 5 of the Report to Creditors dated 11 April 2011 for information regarding the assets and liabilities of the company. In summary, there is a substantial shortfall of assets to liabilities.

3. PROPOSALS FOR A DEED OF COMPANY ARRANGEMENT

I take this opportunity to address information regarding the following proposals for a DCA:

- Trident Capital Pty Ltd
- Directors of the company
- Anglo Pacific Equity Partners Pty Ltd
- Blueknight Corporation Pty Ltd

Trident Capital Pty Ltd

Information along with a copy of the DCA proposal submitted by Trident Capital Pty Ltd ("Trident Capital") was included in my detailed report to creditors dated 11 April 2011.

It was my recommendation as at 11 April 2011 that accepting the proposal of Trident Capital was in the best interests of all creditors of the company. Please note however that Beath Investment has advised it will not be supporting the proposal put forward by Trident Capital.

Without the support of Beath Investments (which appears to have influence on shareholders), the prospect of the terms and conditions of the DCA proposal of Trident Capital being satisfied is low.

I received an email from Trident Capital Pty Ltd on Friday, 17 June 2011 disclosing that an amended DCA proposal may be submitted to me in the morning on 20 June 2011. At the time of the preparation of this report, I had not received an amended proposal. Creditors will appreciate that any such late submission cannot be reviewed and considered in detail by the Administrators for a recommendation or comment to be made to creditors.

The Directors

A copy of the DCA proposal submitted by "The Directors", comprising Lachlan Stuart McIntosh, Peter David Elligett and Peter Allan Graham accompanied my previous report to creditors.

An email received from Lachlan McIntosh on Thursday, 16 June 2011 disclosed the following:

- Note 4p regarding a release of directors from all claims and liabilities of any nature is deleted from the DCA proposal.
- All else stands as is.
- They do not require the release of the secured creditors' charges for the DCA to operate at this stage.

Emails received on Friday, 17 June 2011 from Lachlan McIntosh and HWL Ebsworth Lawyers disclosed the following additional amendment to the Directors' DCA proposal:

- The Directors and / or Beath Investments Pty Ltd propose to review and fund (or seek funding for) the proposed litigation against Dunkin Brands Inc relating to the termination of the license to operate Baskin Robbins in Australia. If deemed necessary under the Corporations Act, the directors will also call at their cost, a meeting of creditors of Allied Brands Ltd to approve the funding arrangement and to determine the order of priority of distribution of funds to secured and unsecured creditors should the litigation be successful.

I am without sufficient information and funds to seek independent legal advice to be in a position to make any comment on whether there is any valid claim against Dunkin Brands Inc and if so the amount of any such potential claim.

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I confirm that:

- The proposal of the Directors involves those parties remaining as Directors of the company and a creditors' trust would be proposed at such a time as they generate an offer for the corporate shell. A meeting of creditors would be called at this time to consider the terms of the creditors' trust.
- Although the proposal is not dependent on the secured creditors agreeing at the present time to release their charges over the company, such support would be required should they generate an offer for the corporate shell and require creditor approval for a creditors' trust.

I am yet to receive any written indication from Westpac or Cashflow Finance as to whether or not they support the proposal put forward by the Directors.

Anglo Pacific Equity Partners Pty Ltd

This DCA proposal was withdrawn on 16 June 2011.

Blueknight Corporation Pty Ltd

An email was received on Sunday, 19 June 2011 from Michael Pollak disclosing the following:

- In the last couple of days, they resolved their issues regarding the Cashflow Finance situation.
- They now believe they have the support of all of the secured creditors and have now partnered with another syndicate (Blueknight - Roger Steinepreis and George Ventouras).
- They believe I must put this proposal up.

A copy of the DCA proposal issued by the syndicate through Blueknight Corporation Pty Ltd is attached as **Annexure A**.

I understand that the terms and conditions of this DCA proposal are very similar to that by Anglo Pacific Equity Partners.

An email was received on Sunday, 19 June 2011 from Jury Wowk of HWL Ebsworth Lawyers, acting for Beath Investment, which disclosed:

- The DCA proposal by Blueknight Corporation addresses issues arising from the inability to obtain the agreement of all secured creditors to release their securities.
- Beath Investment considers it appropriate and requests that I ensure the DCA proposed by Blueknight Corporation is included in this report.

I have not been provided with:

- Details of the terms and conditions of any potential Creditors Trust regarding this proposal.
- Any written indication from Westpac or Cashflow Finance as to whether or not they support the proposal put forward by this party.

Administrators' Position

There is presently no proposal on hand for a DCA that is accompanied by the written approval of all three (3) fixed and floating charge-holders supporting same.

4. DIVIDEND ESTIMATE

Based on the information presently available, it appears:

- Under liquidation:
 - Employees may be entitled to lodge claims under the scheme known as GEERS. This scheme does not cover superannuation entitlements and it appears unlikely there would be any material distribution under GEERS.
 - The prospect of a dividend to priority unsecured creditors appears dependent on recoveries from unpaid capital and any voidable transactions (preferences, uncommercial transactions, insolvent trading etc).

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- The prospect of a dividend to ordinary unsecured creditors is dependent on recoveries from voidable transactions.
- The previous update to creditors addresses the dividend prospects under the Trident Capital proposal for a DCA. I understand there is an amended proposal being prepared, however at the time of the preparation of this report, I had not received the amended proposal from Trident Capital to comment on dividend prospects.
- Under DCA proposal by the directors, the prospect of a dividend to priority unsecured creditors and ordinary unsecured creditors is dependent on the sale price achieved for the corporate shell and any recoveries from the alleged claim against Dunkin Brands Inc.
- Under DCA proposal through Blueknight Corporation, it appears limited funds would be contributed towards priority unsecured creditor claims and any further dividend prospects for priority and ordinary unsecured creditors are limited to any recoveries from the alleged claim against Dunkin Brands Inc.

5. OPTIONS AVAILABLE TO CREDITORS AND ADMINISTRATORS' RECOMMENDATION

Options

Pursuant to Section 439A of the Corporations Act 2001, I am required to convene a second meeting of creditors where creditors may resolve one of the following options:

1. That the administration should end; or
2. That the company execute a Deed of Company Arrangement; or
3. That the company be wound up.

Deed of Company Arrangement

Addressed in this report are three (3) proposals for a DCA:

- Trident Capital
- Directors
- Blueknight Corporation

Administration to End

It is inappropriate for the administration to end and the control of the company to be returned to its Directors. The company has ceased trading and has significantly more liabilities than assets.

Company to be Wound Up

As noted earlier in this report, it is my recommendation that the company be wound up.

Creditors **should be aware that** if the company is placed into liquidation, any detailed investigations and / or legal recovery action would need to be funded by creditors given the lack of available funds.

Voidable Transactions

I am required to specify if there are any transactions that appear to be voidable transactions in respect of which money, property or other benefits may be recoverable by a Liquidator under Part 5.7B of the Corporations Act 2001. Please refer to section 10 of the report dated 11 April 2011 in this regard.

Recommendation

When considering creditors' interests, I have considered the following:

- The objectives of Part 5.3A of the Corporations Act 2001;
- The prospects of the terms and conditions of the DCA proposals being satisfied;
- The estimated rate of dividend to be paid under each alternative;

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- Possible offences committed by the current and former Directors;
- Matters that would require investigation by Liquidators; and
- Likely recoveries by Liquidators and necessity for funding by creditors.

I am not in a position at this stage to express any view in relation to the proposals on hand for a DCA as submitted by Trident Capital, the Directors or Blueknight Corporation for reasons that include:

- I have not received written notices from all the secured creditors regarding their support or otherwise of the DCA proposals;
- I have not been provided with the final detailed deeds and creditors' trusts for the proposals by the Directors and Blueknight Corporation;
- There are numerous conditions precedent and qualifications in respect to the DCA proposals, the outcomes of which cannot be guaranteed; and
- Extremely limited time has been provided to me of the abovementioned amendments and new DCA proposal

After careful consideration, I am of the opinion it is in the best interests of creditors to resolve at the meeting to be held on 28 June 2011 to place the company into liquidation.

Creditors are welcome and encouraged to attend the meeting on 28 June 2011 to raise any issues and questions they consider necessary regarding the DCA proposals and any other issues as they so require.

6. MEETING OF CREDITORS

The second meeting of creditors will be reconvened on **28 June 2011 at 2:30 pm** at the offices of Vincents Chartered Accountants located at Level 34, 32 Turbot Street, Brisbane, Qld.

A Notice of Meeting of Creditors in accordance with Regulation 5.6.12(2), formal Proof of Debt form and an Appointment of Proxy form are enclosed.

In accordance with Regulation 5.6.23, only those creditors who have lodged a formal Proof of Debt or Claim are entitled to vote at the meeting of creditors. Creditors who have not lodged a Proof of Debt form are requested to complete this form and lodge it with my office, or alternatively with the Chairman at the meeting. Where the creditor is a company, the attendee is required to hold an Appointment of Proxy form in the name of the company. I request that all documentation be received by me no later than 4:00 pm on 26 May 2011 to facilitate checking and recording.

7. REMUNERATION OF ADMINISTRATORS / LIQUIDATORS

I advise that Section 449E(1) of the Corporations Act 2001 states as follows:

- "The Administrator of a company under administration, or of a deed of company arrangement, is entitled to:*
- (a) such remuneration as is fixed by a resolution of the company's creditors passed at a meeting convened under Section 439A, or under Section 439A of 445F, as the case may be; or*
 - (b) if no remuneration is fixed – such remuneration as the Court fixes on the application of the Administrator."*

A computer print out of time costing and quantum of fees will be available at the meeting of creditors.

Creditors should note that the extent of remuneration will be limited to the funds available and may be less than the remuneration approval being sought.

Please refer to the **Remuneration Report** dated 11 April 2011 for further particulars.

Complete details of professional fees will be provided at the meeting of creditors and any subsequent report to creditors.

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If you have any queries regarding this report or the administration in general, please do not hesitate to contact Matthew Varendorff (mvarendorff@vincents.com.au) of this office on (07) 3228 4267:

DATED this 20th day of June 2011



PETER DINORIS
ADMINISTRATOR
EMAIL: pdinoris@vincents.com.au

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ANNEXURE A

RE: ALLIED BRANDS LIMITED

brisbane . sydney . canberra . gold coast

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Allied Brands Limited
(Administrators Appointed)
ACN 108 958 274
("ABQ" or "the Company")

SUMMARY DOCA PROPOSAL TO RECAPITALISE ALLIED BRANDS LIMITED

1. The Syndicate proposes to arrange the injection of approximately \$1,601,500 cash into ABQ in return for shares representing approximately 87.8% of the Company (after the ABQ Noteholders convert their notes to equity in ABQ at a conversion rate of 2 cents per share, or via a mechanism to achieve the same outcome, and extinguish all notes on issue);
2. Once all ABQ Noteholders have had their notes redeemed, the Syndicate proposes a 15:1 share consolidation followed by an issue of new shares and options to raise approximately \$1,601,500. This will leave approximately 12.2% of the recapitalised Company for existing shareholders (approx 5.2%) and ABQ Noteholders (approx 7.0%). It should be noted that this Proposal is not conditional on the capital raising;
3. Immediately following shareholder approval of the Syndicate's Proposal at the shareholder's meeting, the Syndicate will arrange a loan of funds to ABQ and arrange for ABQ to immediately pay out to the Deed Administrator \$415,000 ("the Syndicate Offer") in return for creditors releasing all claims against the Company and participating as creditors of the ABQ Creditors' Trust, at which time ABQ will be contemporaneously removed from Administration;
4. The Syndicate requires the use of a Creditors' Trust to adjudicate and pay out creditors' claims. The \$415,000 payment by the Syndicate to the Creditors' Trust, plus the current \$32,000 recovered by the Administrators of ABQ is to be distributed as follows:
 - a. \$184,515 to pay the Administrators, Deed Administrators, Creditors Trustee fees and outgoings;
 - b. \$10,000 for petitioning creditors costs;
 - c. \$10,000 to Cashflow Finance Solutions to release their charge against ABQ no later than at the time of payment of the Syndicate Offer;
 - d. \$80,000 to the Noteholders to release their charge against ABQ and convert their debt to equity. The Noteholders have agreed to allocate this \$80,000 to finalise investigations, obtain legal advice, seek funding from litigation funders and potentially pursue a claim against Dunkin Brands Inc ("the Dunkin Litigation"). In the event that there are recoveries from the Dunkin Litigation, these would be paid out in the following proportions:
 - 30% to Westpac;
 - 40% to Noteholders;
 - 10% to Cashflow Finance Solutions; and
 - 20% to all other creditors of ABQ.

- e. \$100,000 paid to Westpac as a secured creditor; and
 - f. The balance (estimated to be approximately \$62,485) to be paid to eligible employee creditors in accordance with the priority of sections 556, 560 and 561 of the Corporations Act 2001, with the balance (if any) paid to unsecured creditors.
5. After payment of \$415,000 to the Deed Administrator and before costs of the Proposal, ABQ will have \$1,186,500 in working capital;
 6. The Syndicate will pay, via a loan of funds to ABQ, for the costs of drafting the Deed of Company Arrangement, Creditors' Trust Deed, shareholder's meeting and shareholder notices. (Please note that such costs do not include those incurred by the Administrator nor their advisors). Costs are not expected to exceed \$80,000;
 7. The Syndicate requires certain assets within the ABQ group of companies to remain in the ABQ listed entity as part of the recapitalisation. These assets include, but are not limited to, Awesome Entertainment Pty Ltd, registered business names and intellectual property relating to performing management services for the Company's retail based franchises. Refer to clause 1 of Detailed DOCA Proposal.
 8. It is proposed that, once the secured creditors have agreed to release their charges against ABQ, a shareholder's meeting be held to consider the Proposal, at which point the \$415,000 payment to the Creditors' Trust will be made;
 9. This proposal is subject to creditor and shareholder approval and the ASX confirming in writing that we do not need to re-comply with Chapters 1 & 2 of the Listing Rules.
 10. Westpac and the Noteholders are only to release their security over ABQ at such time that Cashflow Finance Solutions releases their security over ABQ, which will be no later than at the time of payment of the Syndicate Offer;
 11. Westpac and the Noteholders agree to amend their charges to limit their security over the outstanding debtor books only of Awesome Water Pty Ltd and Awesome Entertainment Pty Ltd, and this will be done no later than at the time of payment of the Syndicate Offer.
 12. A deposit of \$10,000 will be deposited with the Administrator at the time of executing the DOCA and Creditors' Trust Deed. Refer to the detailed DOCA Proposal for further details regarding the deposit.

The above is a Summary DOCA Proposal only and as a consequence, it should not be relied upon in substitution for our Syndicate's Detailed DOCA Proposal below.

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Allied Brands Limited
(Administrators Appointed)
ACN 108 958 274
("ABQ" or "the Company")

DETAILED DOCA PROPOSAL TO RECAPITALISE
ALLIED BRANDS LIMITED
DATED 17 JUNE 2011

GENERAL TERMS OF RECAPITALISATION

A syndicate headed by Blueknight Corporation Pty Ltd (Syndicate) offers to recapitalise Allied Brands Limited (ABQ or the Company). This proposal will require the creditors of the Company to enter into a Deed of Company Arrangement (DOCA) and a Creditors Trust Deed (Trust Deed).

We understand that the equity capital of ABQ as set out in the ASX Appendix 3B dated 17 July 2010 comprises:

- a. 213,202,957 fully paid ordinary shares;
- b. 1,800,000 partly paid shares;
- c. 5,944,815 unlisted options, which will be subject to consolidation as per ASX Listing Rules;

We understand from the Administrators' Creditors Report dated 11 April 2011 that the secured creditors of ABQ comprise:

- a. Secured Creditors of Westpac Banking Corporation as to \$12,434,371; Beath Investment Services Pty Ltd as to \$5,790,000; BOQ Equipment Finance Limited as \$14,975; and Cashflow Finance Solutions Pty Ltd as to \$839,900.
- b. Convertible Notes with a value of \$6,050,550, relating to the Beath Investment Services Pty Ltd charge over ABQ.

The DOCA for ABQ must provide for or contemplate or facilitate the following (Proposal):

- 1) The Syndicate requires, as part of this offer, all of the unencumbered assets of ABQ including certain of the assets that may be held in the subsidiaries of ABQ including, but not limited to, Awesome Entertainment Pty Ltd ("AEPL"), registered business names, logos, customer base, supplier lists, licenses, intellectual property (including IP relating to performing management services for the Company's retail based franchises), goodwill, domain names, websites, trademarks, and all other assets to operate the businesses of ABQ (ABQ Business). The ABQ Business

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must remain as an unencumbered asset of the Company to enable the Company to be reinstated to trading on the Australian Securities Exchange Limited (ASX).

- 2) The consideration for control of ABQ and 100% of the ABQ Business is an aggregate amount of \$415,000 in cash (the Syndicate Offer) to be paid to the Deed Administrator which is to be transferred to the Creditors Trust (Cash Consideration) so that immediately following shareholder approval of this Proposal, in its entirety:
 - i) the Syndicate shall pay to the Deed Administrator the Cash Consideration, in full and final satisfaction of the Syndicate Offer;
 - ii) the \$32,000 cash recovered by the Administrator shall be transferred to the Creditors Trust;
 - iii) the Administrator shall distribute the Creditors' Trust funds as follows:
 - a. \$184,515 to pay the Administrators, Deed Administrators, Creditors Trustee fees and outgoings;
 - b. \$10,000 for petitioning creditors costs;
 - c. \$10,000 to Cashflow Finance Solutions to release their charge against ABQ no later than at the time of payment of the Syndicate Offer;
 - d. \$80,000 to the Noteholders to release their charge against ABQ and convert their debt to equity. The Noteholders have agreed to allocate this \$80,000 to finalise investigations, obtain legal advice, seek funding from litigation funders and potentially pursue a claim against Dunkin Brands Inc ("the Dunkin Litigation"). In the event that there are recoveries from the Dunkin Litigation, these would be paid out in the following proportions:
 - 30% to Westpac;
 - 40% to Noteholders (prior to conversion to shares as per this Proposal);
 - 10% to Cashflow Finance Solutions; and
 - 20% to all other creditors of ABQ.
 - e. \$100,000 paid to Westpac as a secured creditor; and
 - f. The balance (estimated to be approximately \$62,485) to be paid to eligible employee creditors in accordance with the priority of sections 556, 560 and 561 of the Corporations Act 2001, with the balance (if any) paid to unsecured creditors.
 - iv) the DOCA shall terminate by performance and the assets not referred to in this Proposal shall be dealt with in accordance with the DOCA; and
 - v) the ABQ Business assets shall be transferred from the subsidiaries into the ABQ listed entity as is necessary.
- 3) We propose that the ABQ Business being retained by ABQ, be unencumbered and that all other liabilities and obligations of ABQ be compromised via the DOCA.
- 4) Prior to the issuing of securities under the Proposal, the ABQ Noteholders are to convert their notes to equity in ABQ at a conversion rate of 2 cents per share, or via a mechanism to achieve the same outcome (a maximum of 300,000,000 shares may be issued to convert all notes to

shares). This Proposal is subject to ALL Noteholders converting to equity and all Notes being cancelled.

- 5) Post the conversion of the ABQ Noteholders and prior to the issue of securities and options under this Proposal, the existing share structure of the Company, including options, shall be consolidated on a 15 for 1 basis.
- 6) Subject to creditors approving this Proposal, if requested by the Syndicate, the Administrator shall request the existing directors and officers of ABQ to resign and if this does not occur then remove all existing directors and officers and appoint the Syndicate's nominees and the DOCA shall give express powers to the Administrator to do this. It is acknowledged that the Deed Administrator shall be able to limit the powers of any Syndicate nominated director.
- 7) The Syndicate proposes to raise new equity in the Company by way of placements on the following basis:
 - i) an amount of \$300,000 from the Syndicate is to be provided in exchange for 120 million Shares at issue prices to be determined by the Syndicate;
 - ii) a general placement of up to 130 million Shares at 1c each to raise up to \$1,300,000. This placement will be on a best endeavours basis and may be underwritten, subject to certain conditions, by the Syndicate. The Syndicate reserves the right to charge an underwriting fee together with a management fee. These fees would not alter the payment to the Deed Administrator; and
 - iii) an amount of \$1,500 from the Syndicate is to be provided in exchange for 60,000,000 Options, each to acquire one Share, at an exercise price of 1 cent each on or before 31 December 2014.
- 8) The proposal for the ABQ Business is for the Company to retain its interest in this business in the ordinary course and to exploit complementary and any other business opportunities.
- 9) In addition to the Cash Consideration referred to above, the Company shall make available any of its rights in its sundry debtors, any rights to pursue a claim against Dunkin Brands Inc and any recoveries from the Dunkin Litigation and any other assets not purchased by the Syndicate for the benefit of the ABQ creditors pursuant to the terms of the proposed DOCA including, in particular, arrangements for the transfer of all unwanted subsidiary companies, shares in other companies (subject to this transfer being allowable under the Listing Rules or for these assets to remain in trust for the benefit of creditors) and other assets to the Creditors Trust.

Immediately following shareholder approval of the Syndicate's proposal at the shareholder's meeting (or unsatisfied terms are waived by the Syndicate), the Deed Administrator will facilitate all necessary transfers and assignments to the Creditors Trust, including the Syndicate's payment of \$415,000 and the DOCA will then terminate by performance.

- 10) If shareholders do not approve the Syndicate's proposal at the shareholder's meeting, the DOCA will terminate and the Company shall be placed in liquidation.
- 11) If shareholders approve the Syndicate's proposal at the shareholder's meeting, the \$415,000 paid by the Syndicate to the Creditors Trust will be repaid to the Syndicate through the issue of shares (referred to at point 7 above) in the Company.
- 12) The control of the Company shall remain with the Deed Administrator until the DOCA is terminated.
- 13) The prescribed provisions in schedule 8A of the Corporations Regulations will be incorporated in the DOCA, save for regulations 3(c), 10 and 11.
- 14) Change the name of ABQ, if required, and the Syndicate acknowledges that such a change is subject to shareholder approval.
- 15) The Proposal is subject to the following general conditions:
 - i) All liabilities and long term commitments of ABQ being released and compromised via a DOCA. It shall be a term of the DOCA that it is wholly effectuated and the appointment of the Deed Administrator terminates contemporaneously with the payment by the Company of the Cash Consideration to the Deed Administrator. The Secured Creditors, if any, agree to release all security over ABQ.
 - ii) All creditors are bound by the DOCA. All creditors will be required to prove in accordance with the terms of the DOCA and Creditors Trust and no creditor shall have a right to claim payment against the Company (for the avoidance of doubt, the DOCA shall clearly state that all creditors shall be required to prove in the Creditors Trust and not against the Company).
 - iii) All subsidiaries of ABQ shall be excised from ABQ and dealt with by the Deed Administrator and in accordance with the DOCA unless otherwise requested by the Syndicate.
 - iv) Termination of the employment of all employees, if any, at no cost to the Company post the DOCA.
 - v) ASX providing written confirmation to ABQ that it will lift the suspension on the trading of the securities of the Company without the need to re-

comply with Chapters 1 and 2 of the Listing Rules on finalising the DOCA.

- vi) All secured creditors, if any, voting in favour of this Proposal at a meeting of creditors convened for that purpose.
- vii) All convertible notes on issue, if any, either convert to equity in accordance with clause 4 above or otherwise being determined to be debt and being required to prove in accordance with the terms of the DOCA and Creditors' Trust and no convertible noteholder shall have a right to claim payment against the Company.
- viii) All employee options, if any, being cancelled or being dealt with in accordance with the ASX Listing Rules.
- ix) Once the secured creditors have agreed to release their charges against ABQ, a shareholders meeting be held to consider the proposal, subject to the Deed Administrator having the power to extend the meeting date if the Syndicate makes a request for such an extension. For this purpose, the Syndicate shall prepare the required shareholder meeting materials and will submit these materials to ASX, the ASIC and the Deed Administrator for approval prior to dispatch. The Syndicate shall bear its own costs in relation to the preparation of these meeting materials which sums shall be reimbursed by the Company in the event that the Proposals are approved and the Company is reinstated to trading on the ASX. The Syndicate's costs are not expected to exceed \$80,000.
- x) During the DOCA period, a transfer of shares in the Company, any alteration in the status of members or issue of shares shall be void except so far as the Court otherwise orders.
- xi) Westpac and the Noteholders are only to release their security over ABQ at such time that Cashflow Finance Solutions releases their security over ABQ, which will be no later than at the time of payment of the Syndicate Offer.
- xii) Westpac and the Noteholders agree to amend their charges to limit their security over the outstanding debtor books only of Awesome Water Pty Ltd and Awesome Entertainment Pty Ltd, and this will be done no later than at the time of payment of the Syndicate Offer.
- 16) The Syndicate shall furnish to the Administrator a bank cheque for \$10,000 ("Deposit") at the time of executing the DOCA and Creditors' Trust Deed. The Deed Administrator will provide a written undertaking that the Deposit is to be dealt with in accordance with the DOCA. The Deposit can be paid, without deduction, set-off or counter-claim to the Deed Administrator if the Syndicate withdraws from participation in this Proposal or because shareholders do not approve this Recapitalisation Proposal. However, if the conditions of this Proposal (including in point 15 above) are not met, other than directly or indirectly as a result of any act or omission by or on behalf of the Syndicate, then the Deposit must be refunded to the Syndicate free from all deductions.

Signed on and behalf of Blueknight Corporation Pty Ltd



ROGER STEINEPREIS

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrators of **Allied Brands Limited (Administrators Appointed)**

1. This is to state that the company was at **27 October 2010** and still is justly and truly indebted to
 (1)
 of
 in the sum of dollars and cents.
 ABN of Creditor:

Particulars of the debt are:

Date	Consideration (2)	Amount		Remarks (3)
		\$	¢	

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order had or received any satisfaction or security for the sum or any part of it except for the following: (4)

Date	Drawer	Acceptor	Amount		Due Date
			\$	¢	

*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

*3. I am the creditor's agent duly authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

DATED this day 2011.

Signature: Name:

- * Do not complete if this proof is made by the creditor personally.
- (1) Insert full name and address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (2) State how the debt arose, for example "goods sold to company between the dates of"
- (3) Include details of vouchers substantiating payment.
- (4) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them.

Office Use Only			
File No.		Accepted	\$
Processed By:		Rejected	\$
Date Processed		Under Consideration	\$
		Rejection Appealed	No / Yes / N/A

For personal use only

APPOINTMENT OF PROXY

(1) *I/*We
of
a creditor of **Allied Brands Limited (Administrators Appointed)**
appoint (2)
as *my/*our *general/*special proxy to vote at the meeting of creditors to be held at **2:30 pm on 28 June 2011** or at any adjournment of that meeting, and to vote: (3)

*1. generally as he/she determines on *my/*our behalf

OR

*2. generally as he/she determines on *my/*our behalf and specifically in accordance with the following special instructions:
(tick the applicable alternatives below)

With regard to the following:

	FOR	AGAINST	ABSTAIN
That the company execute a Deed of Company Arrangement proposed by Trident Capital Pty Ltd			
That the company execute a Deed of Company Arrangement proposed by a syndicate headed by Blueknight Corporation Pty Ltd			
That the company execute a Deed of Company Arrangement proposed by the Directors of the Company			
Administrators to be appointed Deed Administrators			
That the company be wound up / placed into liquidation			
That the voluntary administration should end			
Remuneration of the Administrators as per the remuneration report to be tabled at the meeting of creditors			
Remuneration of the Deed Administrators as per the remuneration report dated 11 April 2011			
Remuneration of the Liquidators as per the remuneration report dated 11 April 2011			

DATED this day of 2011.

Signature:

* Cross out whichever is inapplicable.

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.
- (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

Return to:

- Vincents Chartered Accountants (Attention: Peter Dinoris) - PO Box 13004 George Street Qld 4003

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