

4 July 2012

Mr Max Donnelly
Ferrier Hodgson
Level 13
225 George Street
SYDNEY NSW 2000

Dear Mr Donnelly

Bankrupt Estate of Russel Walter Keddie

As you are aware this firm acts for Mr Keddie.

I refer to our telephone conversation on Tuesday 3 July 2012 at about 5pm.

We write so as to bring to your attention an omission from Mr Keddie's Statement of Affairs dated the 14 June 2012, filed in conjunction with his debtors petition of the same date.

The omission relates to the non disclosure by Mr Keddie of a previous legal interest in a leasehold property known as flat 13/5 Cleveland Gardens London W26HA, United Kingdom ("the Property").

We understand that Mr Keddie transferred his legal interest in the Property to his wife in recent months in circumstances set out below.

We are instructed as to the background of the Property as follows.

- The Property was purchased by Sarah Key in 1983.
- Sarah Keddie married Mr Keddie in approximately 1985.
- The Property was transferred by Sarah Keddie to Russel Keddie in about 1988.
- In about 1990, on advice, it was decided that the Property be retransferred to Sarah Keddie and instructions were given to a London legal firm, Cohen & Naicker to effect the transfer.
- In 2011, Sarah Keddie gave instructions for legal proceedings to be commenced against the owners of another apartment in the Cleveland Gardens in attempt to rectify a leaking water problem. It was at this time that it was discovered that Mr Keddie remained the legal owner of the property.

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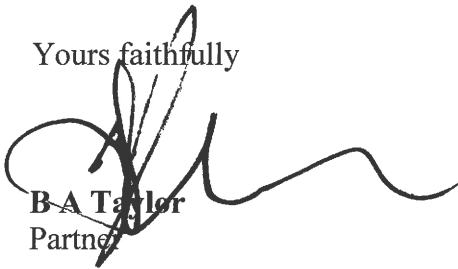
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- The transfer of the property from Mr Keddie to Sarah Keddie was then effected.
- Mr Keddie claims that he made no contribution to the purchase of the Property in 1983. Further, that he made no contribution to mortgage repayments, and that since about 1990, Sarah Keddie has paid all expenses in relation to the apartment including a renovation that was undertaken in approximately 2009. We further understand that from time to time since about 1990 the property has been tenanted and that for tax purposes the rental income has been treated as that of Sarah Keddie.

Mr Keddie sincerely regrets the omission and will do whatever is necessary to assist in your investigation of this matter.

Should you wish to discuss the matter do not hesitate to contact the writer.

Yours faithfully



B A Taylor
Partner