

TO THE CREDITOR AS ADDRESSED

28 November 2014

Dear Sir/Madam

Oceanlinx Limited ACN 077 104 404 (Administrators Appointed) (Receivers and Managers Appointed) (the “Company”)

I refer to the appointment of Jason Tracy and I as Joint and Several Administrators of the Company, my Section 439A report dated 24 October 2014 and my previous letter dated 4 November 2014.

As previously advised, at the second meeting of creditors on 3 November 2014 creditors were informed that I had received new information subsequent to the publication of my Section 439A report, which was likely to have a material impact on the outcome for creditors. The new information included:

- a new offer to acquire the intellectual property assets and GreenWAVE prototype;
- new information in relation to settlement of the Company’s insurance claim; and
- a significant increase in the level of a contingent creditor claim.

Creditors unanimously passed a resolution that the meeting be adjourned for a period of up to 45 business days pursuant to Section 439B(2) Corporations Act 2001 (“the Act”).

Sale of Company’s assets

Subsequent to issuing my Section 439A report but prior to the second meeting of creditors on 3 November 2014 I received a new offer to acquire the intellectual property assets and GreenWAVE prototype. This offer was from a party that had previously submitted and then withdrawn a DOCA proposal.

Accordingly, I held discussions with the interested party to explore their level of interest and ability to complete a transaction. During this process I was advised by Wave Energy Renewable Pty Ltd on 11 November 2014 that they were withdrawing their DOCA proposal and replacing it with an offer to acquire the Company’s saleable assets on similar financial terms to their DOCA proposal. This offer contained a very tight deadline to complete the transaction. I negotiated an extension of this deadline to provide additional time to explore whether the alternate offer was capable of being completed. Due to serious concerns about the Wave Energy Renewable Pty Ltd offer being withdrawn (particularly as I had received a final deadline from Wave Energy Renewable Pty Ltd after which their offer was to be withdrawn), and a lack of certainty (despite repeated requests for same) about the competing interested party’s ability to complete a transaction, I completed a sale of a majority of the Company’s assets to Wave Energy Renewable Pty Ltd on 25 November 2014.

Further details regarding the sale of assets and the competing offer will be included in the supplementary report to my Section 439A report. This report will be provided to creditors when I reconvene the second meeting.

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Settlement of the Company's insurance claim

The Receivers and Managers have settled the Company's insurance claim. However, due to my confidentiality obligations I am unable to disclose the settlement sum to creditors. I am currently waiting to see if the Receivers and Managers will make a determination in respect of Section 562 of the Act in relation to these settlement monies, which sets out, in the event monies have been received by the Company from an insurer under a contract of insurance, in respect to a claim by a third party, then those monies should be paid to that third party, after costs.

To date the Receivers and Managers have transferred \$300,000 to the Administration account. I understand that they will shortly retire and transfer the remaining surplus funds to the Administration account. Details of the surplus funds from the receivership will be included in my supplementary report.

Contingent creditor claims

The two largest creditor liabilities relate to contingent claims from New South Wales Maritime and South Australia Maritime for the salvage of the Company's prototypes stranded at Port Kembla and Carrickalinga respectively. The informal proof of debt received from New South Wales Maritime is significantly higher than anticipated.

I am in the process of obtaining further quotes for both salvage operations. I continue to be in regular contact with both contingent creditors to reach a final position in respect of their claims. Due to the likely quantum of these claims, they will have a significant impact on the overall outcome for all creditors.

Reconvened second meeting of creditors

I am required to reconvene the second meeting of creditors by 7 January 2015, which is 45 business days from the adjournment. I stated in my previous letter that it was my intention is to reconvene the adjourned meeting in late November 2014. Given the DOCA proposal has now been withdrawn and all of the Company's saleable assets have been sold, presently the most likely outcome from the reconvened meeting is that the Company is placed into liquidation.

Given the above, I will carry out further work with the two Maritime contingent creditors with a view to obtaining more certainty about the quantum of their contingent claims. This should enable me to provide more clarity about the likely outcome of a liquidation for all creditors.

I anticipate reconvening the second meeting of creditors prior to 19 December 2014. Creditors will receive at least 5 business days' notice of the time, date and location of the reconvened meeting. Together with this notice I will provide a supplementary report to my Section 439A report, which will contain commentary on any new information and events since my Section 439A report was issued.

Should you have any queries generally, please do not hesitate to contact Dean Pogroske of this office on (02) 9322 3571 or at dpogroske@deloitte.com.au.

Yours faithfully



Vaughan Neil Strawbridge
Joint and Several Administrator