

Sanek Trust Recovery Services (Pty) Limited

Friday
25 July 2008

Our Ref: TPG/CMR/JULY2008/25-7/Dezzo 415

TO: ALL CREDITORS

Dear Sir/s

**DEZZO TRADING 415 (PTY) LIMITED
(IN LIQUIDATION) - "the Company"**

We advise that the abovementioned was placed in provisional liquidation at the instance of Wescape Petroleum by Order of the High Court of South Africa (Cape of Good Hope Provincial Division) on 13 June 2008 and that the writers together with Mr Rainotes Bantubonke Nduna of Nduna and Associates were appointed jointly as provisional liquidators by the Master of the High Court, Cape Town. The return date at which time the provisional liquidation order was made final was the 22 July 2008.

The Company carried on business as a heavy duty transport business with its main place of business situated at Soetendal Farm, Wellington, Western Cape.

The provisional liquidators are investigating the affairs of the Company and its financial position and will report to creditors further in this regard in due course. In the interim, however, we can advise that the Company's assets comprised certain vehicles and accounts receivable. The vehicles would appear to be encumbered to a financial institution whilst the debtors, at this stage, appear to be unencumbered. Creditors exceed R10,000,000 in value. Accordingly, based on the aforementioned, there would not appear to be any danger of a contribution being levied on creditors who prove claims and as such claim forms are attached hereto

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for completion and return. The prospect and quantum of a concurrent dividend emanating from this matter will obviously depend upon the quantum of preferent claims lodged by, inter alia, the employees of the company and the South African Revenue Services.

In the light of recent criticism involving liquidators' fees and a judgement in the Supreme Court of Appeal we deem it appropriate to bring to your attention that the Master of the High Court must tax liquidators fees in accordance with the tariff as is provided for in terms of Section 384(1) of the Companies Act, but having done so, the Master may reduce or increase the amount arrived at by applying the tariff if, in his or her discretion, there is "good cause" to do so.

The dominant provision in Section 384(1) remains that the remuneration to which a liquidator is entitled is remuneration for work or services rendered, not a set commission, and that it must be reasonable.

The concept of "good cause" is very wide and there is nothing in Section 384 of the Act which indicates that it should be interpreted so as to exclude any factor which may be relevant in determining what constitutes reasonable remuneration for a liquidator's services in the circumstances of each case.

Obviously, what factors are relevant will vary from case to case, but may certainly include aspects such as:-

- the complexity of the estate in question;
- the degree of difficulty encountered by the liquidator in the administration thereof;

the amount of work done by the liquidator and the time spent by him or her in the discharge of the duties involved.

If, in the winding-up of a company, particular difficulties are experienced by the liquidator because of the nature of the assets or some other similar feature connected with the winding-up this would undoubtedly constitute "good cause" entitling the Master to increase the tariff remuneration.

In view of the above we hereby advise that the joint provisional liquidators in this matter have resolved to keep time records of the work done by them and their staff should this be necessary to enable the Master to take this aspect into consideration when taxing their fee.

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Should you have any queries in the above regard, please contact the undersigned. Any creditors who wish to submit claims at this stage should send them to Sanek Trust at PO Box 3082, Cape Town, 8000 or 3rd Floor St George's Centre, 5 St George's Mall, Cape Town (Telephone No [021] 418-4010, Telefax No [021] 425-2047 and e-mail: charmaine@sanek.co.za.

Our further report will follow.

Yours faithfully

T P GLAUM
JOINT PROVISIONAL LIQUIDATOR

J F KLOPPER
JOINT PROVISIONAL LIQUIDATOR