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OUR REF: CLIENTS.BRSIMedia World Communications.doc26591.doc1.doc

9 December 2004

TO THE CREDITOR AS ADDRESSED

Dear Sir / Madam

MEDIA WORLD COMMUNICATIONS LTD ('MWC')
ACN 061 727 642
MEDIA WORLD BROADCASTING PTY LTD ('MWB')
ACN 094 923 725
(BOTH ADMINISTRATOR APPOINTED)

I refer to my Report to Creditors dated 6 December 2004. As mentioned in Part 5 of my report (page 32), I had expected to receive an amended proposal for a Deed of Company Arrangement ('DOCA') from Mr Adam Clark.

I enclose a summary of the amended proposal for the information of creditors. Please note that this is Mr Clark's proposal which I pass on to you for your information. By doing so, this should not be interpreted as any endorsement on my part of Mr Clark's proposal.

There are a number of significant differences between the amended proposal and the original proposal from Mr Adam Clark. These include:

1. a statement that the sum of \$5 million will be paid into the trust account of Baker & McKenzie before the second creditors meeting on 14 December 2004;
2. all redeemable convertible preference shares in MWC be converted (previously this related to only Mr Clark's redeemable preference shares);
3. all convertible notes in MWC be converted into ordinary shares or otherwise are the subject of written confirmation from the Administrator to the effect that they will not be capable of redemption following termination of the DOCA (previously there was no provision for me to provide such confirmation); and
4. no requirement to obtain the approval of the ASX to the relisting of MWC. There is, however, a requirement that I obtain written confirmation from the ASX that all notifications required to be lodged, approvals obtained and fees required to be paid up to the date of termination of the DOCA have been lodged, obtained and paid and that the only aspects required to be provided to the ASX or publicly disclosed in order to obtain relisting of MWC shares on the ASX are of a business, operational or technology nature.

partners
Wayne Bentler Ian Carson
Craig Crotbie Joe Dicks
Nehemiah Martin Andrew McLeish
Rod Slattery

directors
Daniel Bryant David Waindu

In my report, I mentioned that a former director, Mr John Anderson, had advised me that he represented an unnamed party who wished to propose an alternate DOCA. I was informed today by Mr Anderson that an alternate DOCA would not be provided.

A DOCA is currently not proposed for MWB.

I remain of the view that the second creditors meeting for both companies should be adjourned, so that I have sufficient time to clarify and fully consider the amended proposal from Mr Clark before providing a further Report to Creditors.

Yours faithfully



Craig Crosbie
Administrator

**Media World Communications Limited
(Administrator Appointed)
ACN 061 727 642
Proposed Deed of Company Arrangement Pursuant to Section 439A(4)(c) of the
Corporations Act
Proposed by Adam Clark**

This proposal contains details of the proposed Deed of Company Arrangement ("DOCA") for Media World Communications Limited ("MWC"). The implementation of the DOCA for MWC is conditional on its creditors resolving to execute the DOCA at the Second Meeting of Creditors.

This proposal replaces and supersedes the earlier DOCA proposal submitted by Adam Clark, and incorporates changes the subject of discussions with the Administrator as to its content.

Summary

This proposal involves:

- a capital injection of \$5,000,000 to be procured by Adam Clark;
- the capital injection being applied towards an issue of ordinary shares at an issue price of 43 cents per share, being the same as the prospectus issue price in mid 2004 without any discount applying;
- a re-affirmation of Adam Clark's fundamental belief in the value and capabilities of the Adams Platform Technology;
- all current creditors whose proofs of debts have been investigated and accepted receiving 100 cents in the dollar within 90 days after the date that creditors vote in favour of this DOCA proposal;
- all deferred creditors whose proofs of debts have been investigated and accepted receiving 100 cents in the dollar within 90 days after the date that creditors vote in favour of this DOCA proposal, discounted by a 10% per annum discount rate reflecting their net present value.
- recapitalising MWC with a minimum of \$2,000,000 to enable it to be re-listed on ASX. (The Administrator has stated that MWC has cash in the order of \$1,000,000 and current and deferred creditors of \$3,500,000. Hence, this \$5,000,000 capital injection should have the effect of leaving a \$2,500,000 balance. It also includes an allowance of up to \$500,000 to be spent by the Administrator on implementing the matters contemplated by the DOCA over the remaining period of the administration).

Proposal

The DOCA will contain the following material provisions:

1. Craig Crosbie of the firm PPB, Level 10, 90 Collins Street in the State of Victoria is to be the Deed Administrator of the proposed DOCA.
2. The provisions of Schedule 8A of the Corporations Regulations will apply to the DOCA, save where they conflict with the express terms of this proposal.
3. Subject to the conditions precedent being satisfied or waived, Adam Clark will procure that \$5,000,000 be invested in MWC by way of ordinary share capital at an issue price of 43 cents per share immediately prior to the termination of the DOCA. Adam Clark will procure that the \$5,000,000 is lodged with Baker & McKenzie to be held in a trust account for the purposes of this DOCA proposal by 14 December 2004.
4. Of this amount, a minimum of \$2,000,000 will be quarantined for the use of MWC for matters arising following the termination of the DOCA. The remainder (up to \$3,000,000) together with existing MWC cash in the order of \$1,000,000 is to be used by the Administrator to pay current and deferred creditors whose proofs of debts have been investigated and accepted (in the order of \$3,500,000), as well as pay for the costs incurred by the Administrator on implementing the matters contemplated by the DOCA over the remaining period of the administration. Deferred creditors are to be discounted by 10% per annum reflecting their net present value.
5. It is a condition precedent of the DOCA that within 90 days after the date that creditors vote in favour of this DOCA proposal, the following conditions are satisfied or are alternatively waived by Adam Clark (and in the event that the following conditions are not satisfied or alternatively waived by Adam Clark then MWC shall be put into liquidation):
 - (a) all redeemable convertible preference shares in MWC are converted into ordinary shares, following notification by the Administrator to the holders (as required by their terms of issue) that the holders may do so;
 - (b) all convertible notes in MWC are converted into ordinary shares, or otherwise are the subject of written confirmation from the Administrator to the effect that they will not be capable of redemption following termination of the DOCA;
 - (c) the Annual General Meeting of the shareholders of MWC with respect to the year ending 30 June 2004 is held, including any shareholder approvals necessary for the restructure contemplated by this proposal;
 - (d) ASX providing written confirmation that all ASX notifications required to be lodged, approvals obtained and fees required to be paid up to the date of termination of the DOCA have been lodged, obtained and paid, and that the only aspects required to be provided to ASX or publicly disclosed in order to obtain a relisting of MWC's shares on ASX are of a business, operational or technology nature;
 - (e) John Tatoulis and Michael Ramsden resign their directorships of MWC and its subsidiaries or are otherwise removed, and are replaced by a new managing director of MWC reasonably acceptable to Adam Clark; and
 - (f) all MWC fixed and leased assets and intellectual property as at the date of this proposal are preserved by the Administrator except as expressly contemplated by this proposal.

6. The DOCA is to terminate within 90 days after the date that creditors vote in favour of this DOCA proposal, being after the conditions precedent are satisfied or alternatively waived by Adam Clark and all creditors' debts have been extinguished to the extent as agreed and all proceeds have been distributed.

Dated this 6th day of December 2004

Adam Clark