



12 August 2008

The Directors  
Wrought Artworks Pty Ltd  
Bays 1 and 2 South  
Locomotive Workshop  
Eveleigh NSW 1430

Dear Directors

As you are aware, the Australian Technology Park served a six months notice to vacate on your Company earlier this year following your carrying out of unauthorised and unlawful works on our heritage building.

On 4 January 2008 your Company advised the ATP that it had completed concrete works in Bay 2 and intended to undertake further works. These works were carried out without landowner's consent and without any development approval. Despite the ATP providing your Company with a written direction on 5 February 2008 not to undertake further unlawful works, ATP staff had to subsequently intervene to prevent you from carrying out such further works.

Your Company has not paid for its accommodation at the ATP for nearly eighteen years nor have you paid for use of the ATP's significant collection of heritage machinery and equipment. Other benefits for which you have paid nothing include the provision of gas, water, car parking and security. You make no contribution towards the ATP's significant costs of maintaining the heritage precinct and the public domain. The ATP's records do not contain evidence of regular maintenance reports being submitted by your Company for our heritage machinery and equipment.

Your Company is a commercial operation run for profit and you have advised the ATP on 23 January 2008 that your anticipated turnover this year is between \$600,000 and \$1.2 million. Part of that turnover is derived from your Company's hiring out of the ATP's property for non-heritage related activities such as photographic shoots.

For many years your profit-making Company has actively resisted entering into a lease or licence agreement and making a financial contribution towards the costs of running the ATP. Indeed, on 23 January this year the ATP reiterated to your Company that your occupation of our property needed to be formalised and rental payments needed to be agreed. We also required formalisation of the maintenance obligations relating to our heritage machinery and equipment. Your Company refused and maintained that it has a legal right to stay at the ATP forever on a rent-free basis.

The existing situation runs contrary to the public interest and is neither transparent nor accountable.

On 18 April 2008 the ATP had another discussion with your Company about these issues and agreed to subsequently meet and to discuss a resolution. The ATP specifically stated that it was seeking that your Company enter into a standard form licence agreement that applies to all tenants and pay a reasonable licence fee as a contribution towards the ATP's costs.

Australian Technology Park  
Precinct Management Ltd

However, when the parties finally met on 26 June 2008, your Company's attitude had changed and the ATP was threatened with a media campaign if it did not back down from its position. Further your Company handed over a letter dated 4 June 2008 which effectively rejected the landowner's rights to control its own property.

Your Company has subsequently embarked on its threatened media campaign and has made a number of public and false allegations designed to impugn the ATP's good name and intentions.

The ATP reaffirms that it will not be swayed from undertaking its public duty to manage its business in the public interest. We have every confidence that legal processes will clearly demonstrate the facts of the current issues in dispute, despite the distortions of your media campaign. Further, should your Company be required to vacate the ATP's property, we undertake to keep our heritage machinery and equipment in place and establish an alternative blacksmithing operation sympathetic to the history of the site.

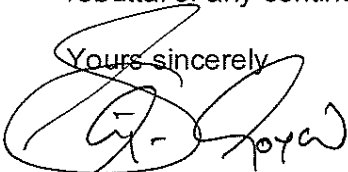
The ball remains in your Company's court if you wish to see these issues resolved in a reasonable and commonsense manner without recourse to legal action. To this end, the ATP sets out in detail below its "without prejudice" offer to resolve the issues in dispute:

1. Your Company occupies a floor space of about 1800 m2 in Bays 1 and 2 South. However, taking into account the space occupied by the ATP's heritage machinery, we are prepared to assume the nett lettable area (NLA) to be only 1080 m2.
2. The commercial rate for the NLA has been independently assessed at \$83 m2. We are prepared to offer a licence fee of only 50% of this rate. This equates to about \$45,000 per annum plus GST.
3. Your Company will have to enter into the standard form licence agreement that applies to all tenants in the Locomotive Workshop.
4. In return for continued use of the ATP's heritage machinery and equipment, we would require that regular maintenance reports be provided.
5. The ATP will require your Company's active cooperation at no charge in our planned rail heritage tours for school groups that we intend to commence shortly.

Your Company's response to the above offer is requested within seven days.

Please also note that, as you have determined to conduct your business affairs in the public domain, the ATP also reserves its right to make this correspondence public in rebuttal of any continued misrepresentations of our position.

Yours sincerely



**Robert Domm**  
Managing Director

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