

Notice of General Meeting and Explanatory Notes

SeaLink Travel Group Limited

ACN 109 078 257

Date: Tuesday 24th March, 2015.

Time: 11.00a.m., Adelaide time.

Venue: Level 2, 431 King William Street,
Adelaide, South Australia

Contents of this Notice

Section

	Page
Notice of General Meeting	3
Explanatory Notes (which form part of the Notice of Meeting)	5
Proxies and Voting	8

Documents accompanying this Notice

1. Proxy form for the Meeting
2. Reply paid Envelope

Important Dates

Deadline for return of Proxy Forms: 11.00 am, Adelaide time on Sunday 22nd March, 2015

Voting Entitlement date: 6.30 pm, Adelaide time on Sunday 22nd March, 2015

Date and time of Meeting: 11.00 am Adelaide time on Tuesday 24th March, 2015

Meeting Procedure

The Meeting will be conducted by the Chairperson, subject to the discretion of the Chairperson to adjourn or reconvene the meeting. Each resolution will be voted on separately.

Share Registry Details

Boardroom Pty Limited

Level 7, 207 Kent Street
Sydney, NSW, 2000

Contact

T: 1300 737 760

F: 1300 653 459

www.boardroomlimited.com.au

Notice of General Meeting

Notice

Notice is hereby given that a general meeting of the shareholders of SeaLink Travel Group Limited ('Company' or 'SeaLink') will be held at Level 2, 431 King William Street, Adelaide, South Australia on Tuesday, 24th March, 2015 at 11.00 a.m. Adelaide time. Attached to and forming part of this Notice of Meeting are the Explanatory Notes that provides shareholders with background information and further details in understanding the reasons for and the effect of the Resolution if approved.

This information is presented in accordance with the regulatory requirements of the Corporations Act.

If you are unable to attend the meeting, you are requested to complete the form of proxy enclosed with this notice ('Proxy Form'). The entitlement for members to vote at the meeting will be determined by reference to those persons on the register of members as at 6.30 p.m. Adelaide time on Sunday 22nd March, 2015. The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, at least 48 hours before the time for holding the meeting (being no later than 11.00a.m. Adelaide time on Sunday 22nd March, 2015) at the Company's share registry, Boardroom Pty Ltd. The proxy may be submitted by any of the following methods:

 Online	www.votingonline.com.au/sealinkgm2015
 By Fax	+ 61 2 9290 9655
 By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
 In Person	Level 7, 207 Kent Street, Sydney NSW 2000 Australia

A number of defined terms are used in the Notice of Meeting. These terms are contained in the Explanatory Notes and the Proxy Form.

Business of the Meeting - Agenda

1. APPROVAL TO PURCHASE TWO VESSELS FOR \$6,000,000 PLUS GST

To consider and if thought fit to pass the following as an ordinary resolution:

"That for the purposes of ASX Listing Rule 10.1, and for all other purposes, approval is given for the Company to purchase the vessels "Palm Cat" and "Maggie Cat" for \$6,000,000 plus GST from Sunrop Pty Ltd, a company associated with Mr Terry Dodd, a Director of SeaLink Travel Group Limited, on the terms and conditions set out in the accompanying Explanatory Notes."

Voting Exclusion Statement for Resolution 1

In accordance with ASX Listing Rules 10.10.1 and 14.11.1, the Company will disregard any votes cast on the Resolution by Sunrop Pty Ltd or any associate of that entity (each of whom will be a 'Prohibited Person').

However, the Company will not disregard a vote if:

- (a) it is cast by a Prohibited Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (b) it is cast by a Prohibited Person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Explanatory Notes attached to this Notice form part of this Notice. A detailed explanation of the background and reasons for the proposed resolution is set out in the Explanatory Notes.

By order of the Board.



Trevor Waller
Company Secretary
20th February, 2015

Explanatory Notes

The Explanatory Notes accompany the Notice of a General Meeting for SeaLink Travel Group Limited ACN 109 078 257 ('**Company**' or '**SeaLink**') to be held on Tuesday, 24th March, 2015 at 11.00a.m. Adelaide time at Level 2, 431 King William Street, Adelaide, South Australia.

The Explanatory Notes have been prepared to assist the Company's shareholders who are entitled to vote ('**Shareholders**') in determining how to vote on the Resolution set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

The Board engaged Grant Thornton Corporate Finance Pty Ltd ('**Independent Expert**') to prepare a report in relation to the vessel acquisitions from Sunrop Pty Ltd. The Independent Expert has concluded that the purchase transaction is **Fair and Reasonable** for Shareholders. The Independent Expert report is attached to these Explanatory notes and Shareholders are encouraged to read it in full.

RESOLUTION 1. APPROVAL FOR THE PURCHASE OF TWO VESSELS FOR \$6,000,000 PLUS GST FROM SUNROP PTY LTD.

Background

As announced on 3 February 2015, SeaLink has agreed to purchase two vessels, the "Palm Cat" and "Maggie Cat", for \$6,000,000 plus GST from Sunrop Pty Ltd ('**Vessel Acquisitions**'), conditional on shareholder approval being obtained.

Shareholder approval is required under ASX Listing Rules 10.1, by ordinary resolution, for the acquisition of a 'substantial asset' from a related party. A 'related party' includes any SeaLink director and any entity controlled by such a director. Sunrop Pty Ltd is owned 85% by Mr Terry Dodd, a SeaLink director.

An asset is 'substantial' if its value, or the value of the consideration for it, is 5% or more of the 'equity interests' of SeaLink as set out in the latest accounts given to ASX under the ASX Listing Rules.

'Equity interests' is defined as the sum of paid up capital, reserves, and accumulated profits or losses, disregarding redeemable preference share capital and outside equity interests, as shown in the consolidated financial statements. SeaLink's total equity as at 31 December 2014 was \$59,549,000. 5% of this is \$2,977,450.

Accordingly, a transaction with a related party with consideration of \$6,000,000 (plus GST) exceeds the 'substantial asset' threshold and therefore the Vessel Acquisitions require shareholder approval pursuant to Listing Rule 10.1.

Independent Expert's Report

In accordance with Listing Rule 10.10, the Company must include with the Notice of Meeting an Independent Expert's Report in relation to the acquisition of a substantial asset from a related party. The Independent Expert's Report for the transaction has been prepared by Grant Thornton Corporate Finance Pty Ltd and is attached in full as Annexure A.

The Independent Expert has concluded that the Vessel Acquisitions are **Fair and Reasonable** for Shareholders.

The Independent Expert has based its conclusion on the vessels' market values, including reference to an independent valuation of vessels obtained through DMS Davlan. They noted that for "Existing Use", the market value for both vessels would be estimated to be in the order of \$5,885,000 (inclusive of GST). In addition, the vendor (Sunrop Pty Ltd) organised a separate valuation from Australian Independent Shipbrokers, which appraised the approximate value on a "willing buyer willing seller" basis to be \$6,250,000 (excluding GST).

In addition, the Independent Expert also took into account availability of alternate suitable vessels in the market, past vessel valuations of similar vessels and business plans underpinning future vessel use.

The reasoning behind the Independent Expert's opinion is set out more fully in Annexure A. Shareholders should read the Independent Expert's Report in its entirety.

Transaction Documents

The transaction document for the Vessel Acquisitions is a *Vessels Sale Agreement* ('**Agreement**') and material terms are described as follows-

The Agreement sets out the obligations of the parties and the terms and conditions of the sale of the vessels, the Maggie Cat and the Palm Cat.

The parties to the Agreement are Sunrop Pty Ltd and Australian Inbound Pty Ltd, a 100% subsidiary of SeaLink Travel Group Limited.

The purchase consideration is payable to Sunrop Pty Ltd as follows-

- \$600,000 deposit on execution of the Agreement; and
- \$5,400,000 (plus GST) on completion date, being 1st April, 2015.

A condition precedent for the completion of the sale is Company Shareholder approval, on the terms set out in Resolution 1 of the Notice of Meeting.

The vendor must replace the Palm Cat starboard engine with a reconditioned 'Caterpillar 3412E' engine.

Should the State of New South Wales require the current operator, Global Traders Marine Pty Ltd, to continue to provide high speed passenger ferry services between Manly and Circular Quay, then SeaLink will enter into a commercial lease arrangement for not less than a three month period on commercial terms. Global Traders Marine Pty Ltd is a company associated with Mr Terry Dodd and currently trades under the business name "Sydney Fast Ferries".

Rationale for Vessel Acquisitions

The Directors have reviewed future uses for the vessels and concluded that the Vessel Acquisitions will provide a positive return on asset values.

The vessels offer SeaLink a number of options to maximise their utilisation and profit including:

- Harbour City Ferries ('**HCF**') charter work;
- Whale Watching;
- A new service from Manly to King Street Wharf (which in the future, would service Barangaroo);
- Cruise ship transfers;
- Special events;
- Backup for Rocket Fleet for maintenance and servicing;
- Provide additional capacity to expand routes, including the current Hop-On Hop-Off services; and
- Corporate charters.

As a back-up strategy, SeaLink also has the option to place one of the vessels in Townsville to replace one of the older vessels (Pacific Cat). This would create savings in fuel use and maintenance. However, this would be a fall back strategy if SeaLink could not fully utilise both vessels to provide a commercial return.

Advantages of the Vessel Acquisitions

- The vessels have a reputation for reliability and offer an immediate sales and marketing footprint in Manly, for SeaLink's Hop-On Hop-Off service and operations to Darling Harbour.
- The vessels add further reliability to the existing contractual commitments given SeaLink currently has very little spare capacity for "ferry charters". Violet McKenzie [another SeaLink vessel?] has been on contract to Harbour City Ferries (HCF) since early December, 2014.
- The vessels provide an obvious footprint to build SeaLink's presence on Sydney Harbour as an operator of scale to Sydney commuters.
- Darling Harbour is becoming a key CBD locale, especially with the development of Barangaroo. Westpac will be establishing a second major local presence at Barangaroo upon completion of the first stage. Major entities such as CBA, Price Waterhouse Coopers, Rabo Bank, Macquarie Bank and KPMG are already located close to the ferry terminal.
- The vessels provides a spring board to accrue more business with a larger fleet, such as business with HCF, cruise ship operators, charters, and additional transfer opportunities from White Bay.
- There is potential for one of the peak hour services to also service Rose Bay, one of the Harbour's busiest wharves.

Disadvantages of the Vessel Acquisitions

- Lack of guaranteed slots to operate peak hour services from Manly to Darling Harbour from April 2015 onwards. SeaLink is liaising with NSW Transport, however, SeaLink has yet to see availability.
- There will be competition from Manly Fast Ferry Pty Ltd in terms of the threat that another service to Darling Harbour poses to its existing Darling Harbour service and its Manly service from April 2015 onwards.
- There is a potential to lose Sydney Fast Ferry berthing in April 2015 and SeaLink will need to ascertain lease arrangements from April 2015 onwards.

On balance, the Board believes the advantages of the Vessel Acquisitions outweigh the disadvantages.

Board Recommendation

The Vessel Acquisitions are a business growth opportunity with a number of ferry expansion opportunities. The Vessel Acquisitions will also strengthen SeaLink as the major private operator on Sydney Harbour. The Directors unanimously recommend that Shareholders approve Resolution 1 to acquire the two additional vessels. The Chairman of the General Meeting will be casting undirected proxies in favour of this Resolution.

Proxies and Voting

Determination of Shareholders' Right to Vote

For the purposes of this meeting, shares will be taken to be held by persons who are registered as members as at 6.30pm Adelaide time on Sunday 22nd March, 2015. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.

Direct voting and the appointment of a proxy by a Member are **alternatives**, a Member cannot lodge a direct vote and appoint a proxy for the same voting rights.

Voting in Person

If you are proposing to attend the Meeting and vote, there is no need for you to take any further action at this time.

Voting by Corporate Representative

Body corporate members should complete an "Appointment of Corporate Representative Form" to enable a person to attend the meeting on their behalf. This form can be obtained from the Boardroom's website at <http://www.boardroomlimited.com.au/Forms.html>

Appointment of a proxy

A shareholder entitled to vote at the general meeting ("GM") may appoint not more than two proxies to attend and vote at the GM on that shareholder's behalf. A proxy need not be a member of the Company.

A member who is entitled to cast two or more votes may appoint not more than two proxies to attend and vote at the GM. If you appoint two proxies, you may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion is specified, each proxy can exercise half of the shareholder's voting rights.

If the appointment of a proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. However, unless the proxy is required by law to vote, the proxy may decide not to vote on that item. All directed proxies that are not voted on a poll at the GM will automatically default to the Chairman, who is required to vote the proxies as directed. Any undirected proxies on a given resolution may be voted on by the appointed proxy as they choose, subject to voting exclusions as described previously.

In the case of shares jointly held by two or more persons, any joint holder may appoint a proxy but if more than one is present at the meeting (either in person or by proxy or attorney or representative) the joint holder whose name appears first in the Company's share register shall alone be entitled to vote in respect of those shares.

Members who wish to appoint a proxy may do so by returning a completed proxy form in addition to the power of attorney or other authority (if any) under which it is signed (or a certified copy) to the Company's registered office.

Lodging a Proxy Form

To be effective, the completed Proxy Form, together with any relevant power of attorney, must be received at the Company's share registry - Boardroom Pty Limited - not less than 48 hours before the time for holding the meeting, which is 11.00 a.m. Adelaide time on Sunday 22nd March, 2015. Members can also submit their proxy voting instructions on-line at <http://www.votingonline.com.au/sealinkgm2015>

The proxy can be returned by any of the following methods:

 Online	www.votingonline.com.au/sealinkgm2015
 By Fax	+ 61 2 9290 9655
 By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
 In Person	Level 7, 207 Kent Street, Sydney NSW 2000 Australia

A Proxy Form with a reply-paid envelope accompanies this Notice of General Meeting



Grant Thornton

An instinct for growth™

SeaLink Travel Group Limited

Independent Expert's Report and Financial Services Guide

13 February 2015



Grant Thornton

An instinct for growth™

The Independent Directors
SeaLink Travel Group Limited
Level 2, Optus Building
431 – 439 King William Street
Adelaide, South Australia 5000

Attn: Trevor Waller

13 February 2015

Dear Independent Directors

Independent Expert's Report and Financial Services Guide

Introduction

SeaLink Travel Group Ltd ("SeaLink") is a tourism and transport company that provides passenger and freight ferry services as well as tourist cruises and other charter cruises across Australia. SeaLink is listed on the Australian Stock Exchange ("ASX") and as at 12 February 2015, SeaLink had a market capitalisation of approximately \$180 million.

On 3 February 2015, SeaLink announced that it had entered into a Vessels Sales Agreement ("the Agreement") to acquire two vessels, named "Maggie Cat" and "Palm Cat" (collectively referred to as "the Vessels") for \$6 million plus GST¹ ("the Consideration") from Sunrop Pty Ltd ("Sunrop"), a company associated with Mr Terry Dodd, a Director of SeaLink and substantial shareholder² (the "Vessel Acquisitions").

The Vessels were built between 2006 and 2008 and are currently being operated by Sydney Fast Ferries Pty Ltd ("SFF"), a company that is controlled by Sunrop. SFF provides ferry services in the Sydney Harbour primarily between Manly and Circular Quay under a five-year contract with the New South Wales ("NSW") State Government. The ferry contract expires on 31 March 2015 and SFF has not been successful in the open tender to continue being the official ferry operator for the Manly to Circular Quay route. Accordingly, SFF has decided to sell the Vessels.

The directors of SeaLink excluding Mr Terry Dodd ("Independent Directors") recommend the shareholders of SeaLink not associated with Mr Terry Dodd ("Non-Associated Shareholders") to vote in favour of the Vessel Acquisitions.

¹ Equivalent to \$6.6 million including GST

² Mr Terry Dodd holds 7.3% equity interest in SeaLink

Holder of Australian Financial Services License No. 247140

Grant Thornton is a trademark owned by Grant Thornton International Ltd (GTI) and used under licence by independent firms and entities throughout the world. Grant Thornton member firms in Australia are businesses trading independently under the name Grant Thornton. Grant Thornton Australia Ltd has been incorporated to conduct those businesses as a single national entity, and public notification will be given upon commencement. Liability limited by a scheme approved under Professional Standards legislation.

Grant Thornton Corporate Finance Pty Ltd
ABN 59 003 265 987
AFSL 247140

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T + 61 2 8297 2400
F + 61 2 9299 4445
E info@gtmsw.com.au
W www.grantthornton.com.au



Purpose of the report

The Independent Directors have engaged Grant Thornton Corporate Finance Pty Limited (“Grant Thornton Corporate Finance”) to prepare an independent expert’s report to state whether the Vessel Acquisitions are fair and reasonable to Non-Associated Shareholders for the purposes of Chapter 2E of the Corporations Act, 2001 (the “Corporations Act”) and Chapter 10 of the ASX Listing Rules.

For the purpose of this Report, Grant Thornton Corporate Finance has engaged DMS Davlan Pty Ltd (“DMS”) to provide an independent technical report (“the DMS Report”) in relation to the fair market value of the Vessels. The DMS Report is included as Appendix B of this Report.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Vessel Acquisitions are fair and reasonable to the Non-Associated Shareholders.

Fairness assessment of the Vessel Acquisitions

In forming our opinion in relation to the fairness of the Vessel Acquisitions to the Non-Associated Shareholders, we have considered the following:

Independent valuation conducted by DMS

DMS has considered a number of valuation methodologies to assess the fair market value of the Vessels as outlined below. In relation to the valuation methodologies adopted by DMS, we note the following:

- The market comparison approach which takes into account comparable transactions for the sale of similar vessels.
- The depreciated replacement cost approach which involves establishing the gross current replacement costs of the Vessels and then depreciating the value to reflect the anticipated effective working life of the Vessels.

According to the DMS Report, the valuer has estimated the fair market value of the Vessels to be in the range of \$6.3 million to \$7.0 million (inclusive of GST). We have compared the fair market value of the Vessels to the Consideration to be paid to Sunrop below:



Valuation summary (A\$'000s)	Section Reference	Low	High
Fair market value of the Vessels (including GST)	Appendix B	6,300	7,000
Value of the Consideration (including GST)		6,600	6,600
Premium / (discount) (A\$'000s)		(300)	400
Premium / (discount) %		-4.5%	6.1%

Source: DMS Report and Grant Thornton Corporate Finance calculations

The Consideration is within the valuation range of the Vessels. Accordingly, we conclude that the Vessel Acquisitions are fair to the Non-Associated Shareholders.

Comparable vessels that are currently operating in Australia

As a cross check to the fair market value of the Vessels, we have compared the Consideration with the following market values of a number of comparable vessels that are currently operating in Australia. The following table summarises a number of similar vessels with their key specifications and market value. We note that the market value is mostly based on independent valuations for financing purposes or information obtained from auction web sites:

Vessel Comparison

Name	Age	Build	Owner	Location	Drive Systems (Engines)	Pax ¹	Length (Metres)	Speed (Knots)	Market value (\$million) ²	
									Low	High
Palm Cat	7	Aluminium Boats Australia	Bass & Finders Cruises	NSW	Caterpillar 3412E (Slipper Type)	300	30.13	28 knots	A\$3.30	A\$3.70
Maggie Cat	9	Brisbane Ship Construction	Bass & Finders Cruises	NSW	Caterpillar 3412E	300	28.64	28 knots	A\$3.00	A\$3.30
Fantome Cat	5	Aluminium Boats Australia	SeaLink	QLD	Caterpillar C32	308	29.85	28 knots	A\$3.60	A\$4.24
Freedom Monarch	5	Aluminium Marine	Freedom Fast Cast Yeppoon	QLD	Yanmar Y6 and Yanmar Gearboxes	300	30	25 knots	A\$4.40	A\$4.95
Freedom Sovereign ³	3	Aluminium Marine	SeaLink Travel Group (Queensland)	QLD	Yanmar Y6AM and Yanmar Gearboxes	200	24	25 knots	A\$3.37	A\$3.63
Elizabeth Class Rocket	1-2	Richardson Devine Marine	SeaLink	NSW	Scania with Twin Disc	200	24	25 knots	A\$2.81	A\$2.81
Manly Fast Ferry Tenders Vessel	NA ⁴	Richardson Devine Marine	SeaLink	NSW	Caterpillar C32	450	35	27 knots	A\$5.46	A\$5.46
PF7658 ⁵	8	N/A	N/A	TAS	MTU 6V 4000 M70	222	36.8	28 knots	A\$4.95	A\$4.95
PF4035 ⁶	17	N/A	N/A	N/A	MTU 12V 396 TE74L	304	33.3	28 knots	US\$2.0 ⁷	US\$7.7 ⁷

Note (1): Number of passengers (capacity)

Note (2): Market value (inclusive of GST) represents a range of estimated fair values for each vessel based on different valuation methodologies

Note (3): Now known as *Vivi Mauatani*

Note (4): A recent new build example. The vessel price represents the quoted price from the builder, Richardson Devine Marine

Note (5): A Catamaran Passenger Ferry type with a reference number of PF7658 listed on International Broking Services ("IBS") website. Founded in 1974, IBS is well-known as a general commercial marine brokerage

Note (6): A Catamaran Passenger Ferry type with a reference number of PF4035 listed on IBS website

Note (7): A wide value range is primarily due to variations in age, build, drive systems, location, condition, class and other factors

Source: Management, IBS and other publicly available information

N/A: Not available, NSW: New South Wales, QLD: Queensland, TAS: Tasmania

We note that the market value of a vessel is driven by a number of factors including age, condition, speed, builder's reputation, model of engine, passenger capacity, vendor's bargaining power and



willingness to sell. In our opinion, the Fantome Cat is the most comparable vessel among all of the comparable vessels mentioned above.

In particular, with regards to the table above, we note the following:

- **Fantome Cat:** is the same design and the youngest of four builds including the Maggie Cat and Palm Cat. The Fantome Cat can achieve the same speed compared to the Vessels and is expected to have a higher market value due to its age, superior design, increased fuel efficiency, an extended upper deck roof and modern navigation equipment³.
- **Freedom Monarch and Freedom Sovereign:** are recently built vessels using different type of engines compared to the Vessels. Both are made by Aluminium Marine.
- **Elizabeth Class Rocket:** is a recently built vessel however it is smaller in size and has a lower maximum speed capacity compared to the Vessels.
- **Manly Fast Vessel Tendered Vessel:** larger in size, broadly similar maximum speed and is expected to be more technically superior than the Vessels.
- **PF 7658:** is similar in age and speed, however it is inferior in terms of passenger capacity compared to the Vessels.
- **PF 4035:** the value range varies widely due to differences in age, build, drive systems, location, condition, class and other factors.

Based on the above, we conclude that the Consideration payable for the Vessels does not appear to be unreasonable and is broadly consistent with the evidence of the recent estimated market value of the comparable vessels.

Fairness conclusion

Based on the above, it is our opinion that the Vessel Acquisitions are FAIR to Non-Associated Shareholders.

Reasonableness assessment

ASIC Regulatory Statement 111 *Content of expert reports* ("RG111") establishes that a related party transaction is reasonable if it is fair. It might also be reasonable if, despite being not fair, there are sufficient reasons for security holders to vote in favour of the transaction. In assessing the reasonableness of the Vessel Acquisitions, we have also considered the following advantages, disadvantages and other factors.

³ Source: SeaLink News <http://www.sealinkqld.com.au/news.php?newsid=19>



Advantages

Growth opportunities

Management expects the reputation and reliability of the Vessels to provide immediate sales capabilities within the Manly area which will assist SeaLink's current ferry service in Manly, the Hop-On-Hop-Off ("HOHO") service⁴ and operations in Darling Harbour. Accordingly, SeaLink's reputation and market presence on Sydney Harbour as a ferry carrier is expected to be enhanced through the Vessel Acquisitions.

As a result of the Vessel Acquisitions, Management expects SeaLink to be in a strong position to capitalise on a number of growth opportunities including:

- **Manly to King Street ferry service:** over the next 18 months, SeaLink is planning to expand its service route to Barangaroo, a future ferry hub under the NSW State Government central plan. SeaLink's strategy is to become the leading ferry operator in Barangaroo.
- **Darling Harbour ferry service:** as a result of the development of Barangaroo, Darling Harbour is expected to become a key CBD ferry hub driven by the increasing presence of a number of large corporate offices.
- **Rose Bay ferry service:** a potential one-hour ferry service during peak hours could be added to the Rose Bay area which is one of Sydney Harbour's busiest wharves. The expanding route is expected between Rose Bay and Darling Harbour.
- **Other ferry services:** the Vessel Acquisitions are expected to provide an opportunity for SeaLink to generate more business with Harbour City Ferries ("HCF") charter work, cruise ship operators and transfers and corporate charters. In addition, special events and Whale Watching tours are also potential growth opportunities for SeaLink as a result of the Vessel Acquisitions. Further, the Vessels could also be deployed in Darwin and Townsville where there are opportunities to provide cruise ship transfers and be available for charter by other operators.

Limited availability of comparable vessels

Management have advised that there is a high market demand for the Vessels due to the new Fast Craft Code issued by the Australian Maritime Safety Authority, which requires new vessels that have a maximum speed above 25 knots to face additional regulatory requirements in relation to design and technical specifications. Accordingly, the cost of building a comparable vessel in compliance with the new code is more costly and time consuming. In addition, the Fast Craft Code also imposes operational impositions including the possibility of requiring more crew which also increases the operating costs.

⁴ A popular ferry service among tourists where main tourist attraction spots in Manly, Circular Quay and Darling Harbour have been made easily accessible by frequent ferry services.



Enhancement of reliability and flexibility

The Vessel Acquisitions are expected to enhance the reliability and flexibility for SeaLink's ferry operations and existing ferry contractual commitments by adding two more vessels to the portfolio. In particular, the Vessels can assist SeaLink as back-up vessels if any vessel within SeaLink's current fleet is unavailable due to technical issues, under maintenance or in the process of being upgraded.

Disadvantages

Lack of guaranteed income

As SFF was unsuccessful in the bid for the ferry contract in the Manly to Circular Quay route which was won by Manly Fast Ferries ("MFF") from April 2015 onwards, there is no guaranteed income for the Vessels. However, we note that this risk may be mitigated as we have been advised that Management are in discussions with interested parties regarding potential short term lease of the Vessels.

Lack of guaranteed time slots

In addition to the loss of current guaranteed income from the existing Manly to Circular Quay service, there are uncertainties (subject to the State Government's approval) around peak-hour time slots between Manly and Darling Harbour. We have been advised that Management are in the process of liaising with NSW Transport on future availability of time slots.

Other factors

Board recommendation

The Independent Directors of SeaLink unanimously recommend Non-Associated Shareholders to vote in favour of the Vessel Acquisitions.

Non-Associated Shareholders position if the Vessel Acquisitions are not approved

If the Vessel Acquisitions are not approved, it is likely that Sunrop will sell the Vessels to SeaLink's direct competitors, which is likely to strengthen their market position and as a result SeaLink may face greater competition which may impact SeaLink's profitability on certain routes.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Vessel Acquisitions are **REASONABLE** to Non-Associated Shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors relevant to SeaLink Shareholders, we have formed our opinion that the Vessel Acquisitions are **FAIR AND REASONABLE** to Non-Associated Shareholders.



Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision as to whether or not to approve the Vessel Acquisitions is a matter for each shareholder of SeaLink based on their own views of value of SeaLink, and expectations about future market conditions, SeaLink's performance, risk profile and investment strategy. If the shareholders are in doubt about the action they should take in relation to the Vessel Acquisitions, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Director

PHILLIP RUNDLE
Director

13 February 2015

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton Corporate Finance”) carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by SeaLink Travel Group Limited (“SeaLink”) to provide general financial product advice in the form of an independent expert’s report in relation to the acquisition of two vessels from Sunrop Pty Ltd, an entity associated with Mr Terry Dodd, a director of SeaLink. This report is included in the Notice of Meeting and Explanatory Memorandum outlining the Vessel Acquisitions.

2 Financial Services Guide

This Financial Services Guide (“FSG”) has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

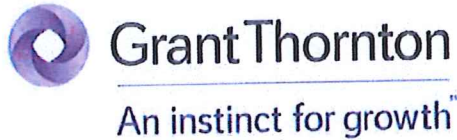
In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance’s client is SeaLink. Grant Thornton Corporate Finance receives its remuneration from SeaLink. In respect of the Report, Grant Thornton Corporate Finance will receive from SeaLink a fee which is based on commercial rates plus reimbursement of out-of-pocket expenses in relation to the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate



Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this Report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of SeaLink and Mr Terry Dodd in order to provide this Report. The guidelines for independence in the preparation of an independent expert's report are set out in Regulatory Guide 112 *Independence of expert* issued by the Australian Securities and Investments Commission ("ASIC"). The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with SeaLink and Mr Terry Dodd (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Vessel Acquisitions.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Vessel Acquisitions, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Vessel Acquisitions. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

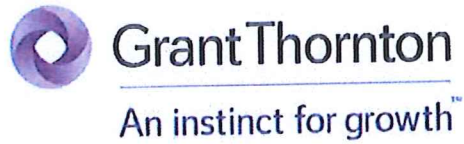
Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of expert" issued by the ASIC.

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Industry Complaints Services Complaints Handling Tribunal, No F-3986. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and this FSG. Complaints or questions about the Target Statement should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.



7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of Section 912B of the Corporations Act, 2001.



Contents

	Page
1 Outline of the Vessel Acquisitions	12
2 Purpose and scope of the report	14
3 Overview of the Vessels	18
4 Source of information, disclaimer and consents	20
Appendix A – Glossary	22
Appendix B – DMS Report	23

1 Outline of the Vessel Acquisitions

1.1 Background

SeaLink is an Australian tourism and transport company which was established in 1989 with headquarter offices located in Adelaide. SeaLink provides passenger and freight ferry services as well as tourist cruises and other charter cruises across Australia.

On 3 February 2015, SeaLink announced that it had entered into an Agreement to acquire the Vessels for \$6 million plus GST¹ from Sunrop, a company associated with Mr Terry Dodd, a Director of SeaLink. The Vessels were built between 2006 and 2008 and are currently being operated by SFF, a company that is controlled by Sunrop.

The Vessels have been used to provide the following services:

- **A fast ferry service in Sydney Harbour area:** The Vessels have been operating under a contract between Manly and Circular Quay route under a five-year contract between SFF and the NSW State Government since 2010 after winning the tender from the previous operator, Manly Fast Ferries Pty Ltd ("MFF"). The ferry contract will expire on 31 March 2015. SFF had put in a tender for the renewal of the ferry contract for the Manly-Circular Quay route. However, the ferry contract was awarded to MFF for a term of seven years starting from 1 April 2015.
- **Whale watching tours:** which only operate for five months of the year.

1.2 Key conditions of the Vessel Acquisitions

On 2 February 2015, Australia Inbound Pty Ltd, a wholly owned subsidiary of SeaLink entered into the Agreement with Sunrop. The Agreement has a number of key terms and conditions, including:

- SeaLink obtaining shareholder approval for purchase of the Vessels.
- Purchase price of \$6.0 million plus GST.
- A 10% deposit of \$0.6 million payable within seven days of signing of the Vessel Sale Agreement. The remaining balance of \$5.4 million plus GST will be payable on the Vessel Acquisitions' completion date which is on or before 1 April 2015.
- Final settlement date has been agreed to be 1 April 2015, which is immediately after the expiry of the ferry contracts between SFF and the NSW State Government for the Manly-Circular Quay ferry route.
- In the case of any additional temporary arrangement between SFF and the NSW State Government in relation to the ferry contracts occurring up to three months after the settlement date, the Vessels can still be used by SFF accordingly by paying the commercial rent prices for the use of the Vessels.

1.3 Funding of the Vessel Acquisitions

The Vessel Acquisitions with the payment of \$6.0 million in cash is expected to be funded by:

- \$4.0 million from SeaLink's existing balance of cash on deposit.
- \$2.0 million from a draw-down of the existing debt facilities with ANZ.

1.4 Effects of the Vessel Acquisitions

If completed, the Vessel Acquisitions will have the following immediate effects:

- SeaLink will pay the remaining purchase consideration of \$5.4 million plus GST to Terry Dodd.
- SeaLink will draw down \$2.0 million of debt to finance the acquisition of the Vessels.
- SeaLink will own 28 vessels in total, out of which nine vessels are high-speed ferries.
- SeaLink will be able to expand its services in Sydney Harbour area (Manly to Circular Quay route) as well as Barangaroo waterfront precinct.

2 Purpose and scope of the report

2.1 Purpose

Chapter 2E of the Corporations Act

Section 208 of Chapter 2E of the Corporations Act requires a company to seek shareholder approval before giving a financial benefit to a related party unless the benefit falls within an exception provided for in Section 210 of the Corporations Act.

Regulatory Guide 76 “Related party Transactions” (“RG 76”) states that it is necessary for entities to include a valuation from an independent expert with a notice of meeting for member approval under Chapter 2E of the Corporations Act where:

- The financial benefit is difficult to value.
- The transaction is significant from the point of view of the entity (see RG 76.112).
- The independent directors do not have the expertise or resources to provide independent advice to members about the value of the financial benefit.

The Vessel Acquisitions will provide financial benefits directly to Mr Terry Dodd, who is currently both a substantial shareholder and director of SeaLink. Accordingly, shareholder approval for the purposes of Chapter 2E of the Corporations Act is required.

The Independent Directors of SeaLink have engaged Grant Thornton Corporate Finance to prepare an independent expert’s report stating whether, in our opinion, the Vessel Acquisitions are fair and reasonable to Non-Associated Shareholders for the purpose of Chapter 2E of the Corporations Act.

Chapter 10 of the ASX Listing Rule

Chapter 10 of the ASX Listing Rule requires the approval from the non-associated shareholders of a company if the company proposes to acquire or dispose a substantial asset from a related party or a substantial holder.

ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration, is 5% or more of the equity interest of the entity as set out in the latest financial statement provided to the ASX. Based on ASX Listing Rule 10.1.3, a substantial holder is a person, who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company.

ASX Listing Rule 10.10.2 requires that the Notice of Meeting and Explanatory Memorandum be accompanied by a report from an independent expert stating whether the transaction is fair and reasonable to the non-associated shareholders.

We note that the Consideration for the Vessels is greater than 5% of the net assets of SeaLink as at 31 December 2014⁵. As a result, SeaLink is required to provide the Non-Associated Shareholders with an independent expert report.

Accordingly, the Independent Directors have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, in its opinion, the Vessel Acquisitions are fair and reasonable to the Non-Associated Shareholders.

2.2 Basis of assessment

The Corporations Act does not define the meaning of 'fair and reasonable'. In preparing this Report, Grant Thornton Corporate Finance has had regard to the Australian Securities Investments Commission's ("ASIC") Regulatory Guide 111 "Content of expert reports" ("RG111"). RG111 establishes certain guidelines in respect of independent expert's report prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" are in the context of a takeover offer.

RG111 states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

In considering whether the Vessel Acquisitions are fair to the Non-Associated Shareholders, we have considered the following:

- Comparing the Consideration with the estimated fair market value of the Vessels based on the conclusions of the independent technical expert.
- Comparing the Consideration with the comparable vessels' estimated fair market value.

In considering whether the Vessel Acquisitions are reasonable to Non-Associated Shareholders, we have considered a number of factors, including:

- Whether the Vessel Acquisitions are fair.
- The implications to SeaLink and Non-Associated Shareholders if the Vessel Acquisitions are not approved.
- Other likely advantages and disadvantages associated with the Vessel Acquisitions as required by RG111.
- Other costs and risks associated with the Vessel Acquisitions that could potentially affect Non-Associated Shareholders.

⁵ Based on net assets of \$59.5 million as at 31 December 2014



Independent technical specialists

In accordance with RG111, an independent expert should retain a technical specialist to provide an opinion to technical matters (i.e. in this case, the value of the Vessels). Grant Thornton Corporate Finance has relied on the valuation conclusion of independent valuation reports.

For the purpose of this Report, DMS, an independent technical specialist, was instructed by Grant Thornton Corporate Finance to provide an independent valuation report in relation to the fair value of the Vessels. The DMS Report is included as Appendix B of this Report.

We note that DMS was previously engaged by ANZ Asset Finance to undertake a valuation of the Vessels for mortgage security purposes. DMS have considered the requirements of the ASIC Regulatory Guide 112 *Independence of Experts* ("RG112") and have stated in the DMS Report that they are independent of SeaLink and Mr Terry Dodd.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to the Vessel Acquisitions with reference to the RG112.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Vessel Acquisitions other than that of independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Vessel Acquisitions.

2.4 Consent and other matters

Our report is to be read in conjunction with the Notice of Meeting and Explanatory Memorandum dated on or around 16 February 2015 in which this report is included, and is prepared for the exclusive purpose of assisting the Non-Associated Shareholders in their consideration of the Vessel Acquisitions. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Notice of Meeting and Explanatory Memorandum.

This Report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Vessel Acquisitions to Non-Associated Shareholders as a whole. We have not considered the potential impact of the Vessel Acquisitions on individual shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Vessel Acquisitions on individual shareholders.

The decision of whether or not to approve the Vessel Acquisitions is a matter for each SeaLink Shareholder based on their own views of value of SeaLink and expectations about future market



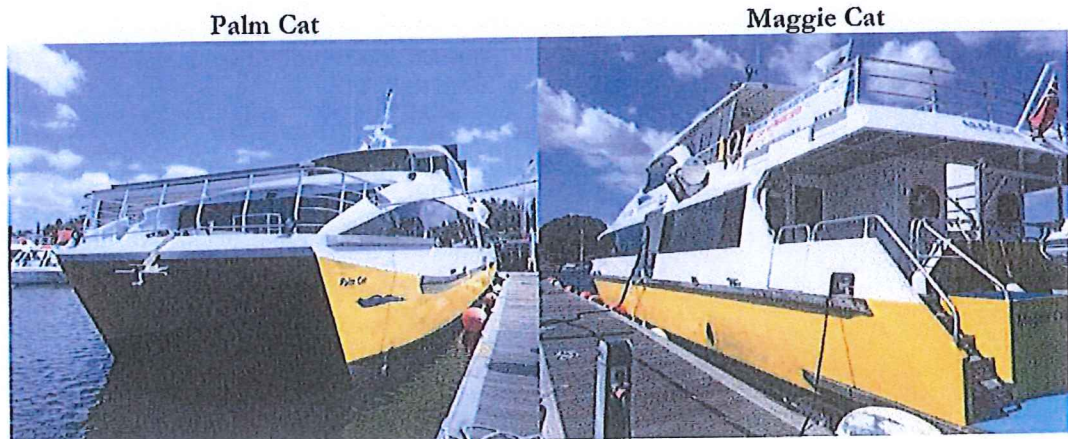
conditions, SeaLink's performance, risk profile and investment strategy. If shareholders are in doubt about the action they should take in relation to the Vessel Acquisitions, they should seek their own professional advice.

3 Overview of the Vessels

The Vessels have a passenger capacity of up to 300 and a maximum speed of up to 30 knots⁶. The Vessels are capable of carrying large crowds and are suitable for the Manly to Circular Quay ferry service in Sydney.

The Vessels were built under the superseded Uniform Shipping Law (“USL”) code which allowed the Vessels to be operated at speeds greater than 25 knots without having to comply with the new Fast Craft Code which has additional regulatory requirements in terms of design and technical specifications attached. As a result, a new build vessel under the new Fast Craft Code is expected to be less cost effective and more time-consuming to build and to operate.

Recent photos of the Vessels are set out below:



Source: Management

The following table sets out key specifications of the Vessels:

Specifications	Maggie Cat	Palm Cat
Built	2006	2008
Builder	Brisbane Ship Construction	Aluminium Boats Australia
Owner	Sunrop Investments Pty Ltd	Sunrop Investments Pty Ltd
Dimensions (in metres) (Measured Length, Beam and Draft)	28.64, 8.24 and 1.6	30.13, 8.00 and 1.6
Engines	Mains – Caterpillar 3412E	Mains – Caterpillar 3412E
Speed	28 knots @ 90 MCR fully laden	28 knots @ 90 MCR fully laden
Fuel	260 litres per hour @ 90% MCR	280 litres per hour @ 90% MCR
Pax ¹	1C 127 +3 Crew; 1D 300 +3 crew	1C 200 +3 Crew; 1D 300 +3 crew

Note (1): Passenger Vessel. In accordance to Commercial Vessels (Permits) Regulation 1986, Class 1C represents restricted offshore code that applies to vessels operating along the coastline of NSW and within a limit of 30 nautical miles from the seaward of the coast or from an area of sheltered water operations or of a safe haven, which applies to rivers and lakes. In pursuant to Marine Safety (Commercial Vessels) Regulation 2010 – Schedule 1, Class 1D represents partially smooth water code that applies to ports, bays and their surroundings.

Source: Management

The Vessels have been operating between Circular Quay and Manly on Sydney Harbour by SFF over the past four years in accordance with a five-year contract with the NSW State Government. The contract will expire at the end of their contract on 31 March 2015.

⁶ Equivalent to approximately 55 km/h



Further details of the Maggie Cat and Palm Cat are set out in the DMS Report attached as Appendix B.

3.1 Management intentions if the Vessel Acquisitions is completed

In the short term Management of SeaLink plan to be use the Vessels as part of SeaLink's Captain Cook Cruises to create new routes and provide flexibility to SeaLink to respond to the growing market demand for ferry services in Sydney Harbour.

In the medium to long term, the Vessels are expected to provide key support in obtaining the Sydney Harbour ferry contracts relating to the future development of the Barangaroo waterfront precinct (the new future ferry hub based on the Transport Master Plan).



4 Source of information, disclaimer and consents

4.1 Source of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Draft Notice of Meeting and Explanatory Memorandum of SeaLink regarding the Vessel Acquisitions.
- SeaLink's ASX announcements.
- SeaLink's company website.
- IBS.
- Other information provided for by SeaLink.
- Discussions with SeaLink Management.
- Other publicly available information.

4.2 Limitations and reliance on information

Grant Thornton Corporate Finance, a wholly owned subsidiary of Grant Thornton Australia Limited, provides advice in relation to all aspects of valuations and has extensive experience in the valuation of public and private companies.

This report has been prepared solely for the purpose set out in Section 2 of this report.

Neither the whole of this report or any part thereof or any reference thereto may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Grant Thornton Corporate Finance has consented to the inclusion of this report in Section 2.4, which is required under clause 8303 of the *Corporations Regulations 2001* to be provided to Non-Associated Shareholders. This report is not intended for general circulation or publication, nor are they to be reproduced for any other purposes other than those outlined above without the prior written consent of Grant Thornton Corporate Finance in each specific instance. We will not assume responsibility for losses occasioned to SeaLink or to any other party as a result of the circulation, reproduction or use of our reports contrary to its intended purpose.

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.

Our conclusions are based on the assumptions stated and on information provided by Management. Neither Grant Thornton Corporate Finance, Grant Thornton Australia Limited nor any member or employee thereof undertakes responsibility in any way whatsoever to any person in respect of errors in this report arising from incorrect information provided by Management.

SeaLink has provided an indemnity to us for any claims arising out of any mis-statement or omission in any material or information provided to us in the preparation of this report.

In the preparation of this report we have relied upon and considered information believed after due enquiry to be reliable and accurate. We have no reason to believe that any information supplied to us was false or that any material information has been withheld from us.

We do not imply and it should not be construed that we have verified any of the information provided to us, or that our enquiries could have identified any matter which a more extensive examination might disclose. We have however evaluated the information provided to us by Management as well as other parties through enquiry and analysis in order to consider whether anything comes to our attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base our report.

We have made enquiries with the partners, directors and managers of Grant Thornton and Grant Thornton Corporate Finance and confirm we are independent of the Company. We have also considered the requirements of APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board (“APES Board”) and confirm that neither Grant Thornton nor Grant Thornton Corporate Finance are aware of any circumstances which compromise our independence to undertake this assignment.

**Appendix A – Glossary**

\$ or A\$	Australian Dollar
US\$	US Dollar
ABC	Aluminium Boats Australia
APES Board	Accounting Professional and Ethical Standards Board
APES110	Code of ethics for Professional Accounting
ASIC	Australian Securities Investment Commission
ASX	Australian Stock Exchange
BSC	Brisbane Ship Construction
Corporations Act	Corporations Act 2001
DMS	DMS Davlan Pty Ltd
DMS Report	DMS Davlan Pty Ltd commissioned by ANZ Assets Finance
FSG	Financial Services Guide
Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
GST	Good Service Tax
HCF	Harbour City Ferries
HOHO	Hop-On-Hop-Off
IBS	International Broking Services
Maggie Cat	The Maggie Cat vessel
Management	Independent Directors of SeaLink
MCR	Maximum Continuous Ratings
MFF	Manly Fast Ferries
N/A	Not Available
NSW	New South Wales
Palm Cat	The Palm Cat vessel
Proposed Consideration	Proposed Purchase Price of \$6,000,000 plus GST
QLD	Queensland
RG	Regulatory Guide
RG 76	ASIC Regulatory Guide 76 “Related Party Transactions”
RG111	ASIC Regulatory Guide 111 “Contents of expert reports”
RG112	ASIC Regulatory Guide 112 “Independence of Experts”
RG74	ASIC Regulatory Guide 74 “Acquisitions agreed to by shareholders”
SeaLink	SeaLink Travel Group Limited
SFF	Sydney Fast Ferries
Sunrop	Sunrop Pty Ltd
Vendor	Mt Terry Dodd
TAS	Tasmania
The Vessels	Maggie Cat and Palm Cat
USL	Uniform Shipping Law
Vessel Acquisitions	The proposed acquisition of two vessels namely Maggie Cat and Palm Cat



Grant Thornton

An instinct for growth™

Appendix B – DMS Report

APPRAISAL & REPORT For



Grant Thornton

Job Name: High Speed Fast Ferries for Sealink Vessels Pty Ltd

Assets: MV Maggie Cat
MV Palm Cat

Valuer: Bernie Semini

Inspected At: Afloat at "The Boat Shed", Rozelle, New South Wales

Inspection Dates: 14 and 15 January 2015

Appraisal Date: 14 and 15 January 2015

Basis: Fair Market Value

Acting on Instructions from:

Agent: Mr Andrea De Cian

Company: Grant Thornton Corporate Finance

9 February 2015

Attention: Mr Andrea De Cian
Grant Thornton Corporate Finance
Level 17, 383 Kent Street
SYDNEY NSW 2000

Dear Andrea

Reference: Sealink Travel Group Limited

Thank you for your instructions. We advise that we have carried out an inspection Onsite whilst Vessels afloat at "The Boat Shed", Rozelle, New South Wales, of the Assets in respect to the above Company and accordingly have prepared an Appraisal and Report for the purposes of assessing the present day Value of such items.

Subject to the matter set out in this letter and in the enclosed Appraisal and Report, we advise that at the date of conducting the Valuation for Sealink Travel Group Limited the Value of the Assets, as set out in the enclosed Appraisal and Report is based on Fair Market Value and estimated to be to the order of \$6,300,000.00 - \$7,000,000.00 (Six Million Three Hundred Thousand Dollars to Seven Million Dollars).

Values are quoted inclusive of GST and are in Australian currency.

FOR AND ON BEHALF OF:

DMS Davlan

Valuer



Bernie Semini
Sales Manager
DMS Davlan Pty Ltd
AVAA Valuer Member No 493
Certified Practising Valuer



Lance Smith
Director
DMS Davlan Pty Ltd
AVAA Valuer Member No 253
Certified Practising Valuer

REPORT

I hereby certify that we have inspected the Assets on the dates indicated and have carried out the assessments as at the dates. Neither I, nor any member of the Valuation Company has any conflict of interest, direct or indirect, or financial interest in relation to this property that has not been disclosed to Grant Thornton Corporate Finance. Additionally, our Report is compiled independent of Sealink Travel Group Limited and Mr Terry Dodd in accordance with ASIC Regulatory Guide 112 "Independence of Experts" March 2011. In accordance with RG112, we disclose the following professional relationship:

- DMS Davlan was engaged by ANZ Asset Finance to undertake a Valuation of the Vessels for mortgage security purposes. In our opinion, DMS Davlan is independent of Sealink Travel Group Limited and all of its Directors.

This report has been prepared for the sole and exclusive use of Grant Thornton Corporate Finance for inclusion as an appendix to the Independent Expert Report (IER) to be circulated with the Notice of Meeting and Explanatory Memorandum to Shareholders and should not be used or relied upon for any other purpose.

INSTRUCTING PARTY

Grant Thornton Corporate Finance has engaged DMS Davlan to provide estimates of Value on the basis of Fair Market Value (FMV) for the primary Plant and Equipment Assets of Sealink Vessels Pty Ltd located afloat at "The Boat Shed", Rozelle, New South Wales.

PURPOSE OF APPRAISAL

The purpose of the Appraisal is to establish the likely realisable Value of the Vessels as at 14 and 15 January 2015 on the basis of and Fair Market Value (FMV) for inclusion as an appendix to the Independent Expert Report (IER).

DATE OF INSPECTION

Our inspection was carried out at the addresses detailed herein on 14 and 15 January 2015 and the Values assessed are as at that date.

BASIS OF VALUE

Fair Market Value - is the estimated amount, expressed in terms of money, that may reasonably be expected from an installed property in an exchange between a willing buyer and a willing seller, with equity to both, neither under any compulsion to buy or sell, and both fully aware of all relevant facts, including installation, as of a specific date. (This amount includes all normal direct and indirect costs, such as installation and other assemblage costs, to make the property fully operational, but does not have to be supported by the business earning.)

Unless otherwise stated, all items listed herein are valued with the assumption that they are in complete working order. Should any Assets be found not to comply with this, the Values attributed will require review. DMS Davlan Pty Ltd have not been instructed to operate the vessels or machinery, however both vessels at the time of inspection were operating in their usual capacities and applications.

VALUATION APPROACH

There are a number of Valuation approaches available to the Valuer when addressing the Value of Plant and Equipment Assets. The two approaches used for the purpose of this report are:

- The Market Comparison Approach;
- The Depreciated Replacement Cost Approach (DRC)

These Approaches are now discussed in more detail.

Market Comparison Approach

The Market Comparison Approach seeks to determine the current Value of an Asset by reference to recent comparable transactions involving the Sale of similar Assets. Adjustments may need to be made to those recorded transactions to take account of differences in the timing, location, background and subject matter of the recorded transactions as compared to the Assets being Appraised.

These vessels are primarily designed for quick turnaround passenger services, however could also be used for tourist, charter or hop-on/hop-off operations. They are quite unique in so much as they are "Grandfathered" to the new Fast Craft Code for vessels that can exceed 25 knots and would be in demand should they be offered to the open market for sale.

Depreciated Replacement Cost Approach

The Depreciated Replacement Cost ("DRC") Approach is an acceptable method of Valuation used to arrive at a Market Value for the Existing Use of specialised Assets. The adoption of a DRC estimate assumes the subject entity has adequate potential profitability.

The DRC Approach involves establishing the gross current replacement cost of the Asset, and then depreciating this Value to reflect the anticipated effective working life of the Asset from new, the age of the Asset and the estimated residual Value at the end of the Asset's working life.

When adopting the DRC Approach the Valuer has broadly used the following procedure, which is detailed below:

Determine the Gross Current Replacement Cost

The Gross Current Replacement Cost ("GCRC") was established by contacting manufacturers or their agents, by reference to recently published prices, by reference to historical cost information or by comparison with recent Sale of similar new Assets. Due Allowance, where and if applicable, has been made for costs associated with freight, duty, local delivery, installation, commissioning, etc.

Depreciation

The GCRC was then depreciated. The selection of the rate and amount of depreciation was based on the Valuer's Assessment of the total and remaining effective working life, the level of residual Value of the Asset at the end of its economic working life and any obsolescence inherent in the Asset.

Effective Life

The effective working life of the Asset is the estimated life of the Asset, assuming continued use in its present function, as part of a continuing business. It is considered to be at an end when profitability is exceeded by operating and maintenance costs.

The standard and frequency of maintenance is a significant factor in the determination of effective lives. All other things being equal, a regularly and well-maintained asset will have a longer effective life than an identical Asset which is subjected to poor and infrequent maintenance.

Residual Value

The Residual Value of an Asset must be determined to perform a depreciation calculation.

This Residual Value reflects the fact that the Asset may no longer be an economic proposition in its present role, however, it may remain in use but with profitability impaired due to increased maintenance costs and lack of efficiency compared with more modern Assets. Alternatively it may be possible to sell the asset to a secondary user or for salvage Value.

We have adopted a Residual Value of 10 percent at the end of the Asset's effective life, which is reflective of the increased maintenance costs that would be required as the machine aged.

Obsolescence

In addition to age and condition (Physical Obsolescence, which measures the consumption of service potential), there are a number of other forms of Obsolescence that can impact upon the Value of an Asset. There are three kinds of Obsolescence, which may affect the Value of Plant and Equipment - technological, functional and economical.

Technological Obsolescence: results from changes in the design and materials of construction of currently available Equipment. As manufacturing techniques improve and stronger and lighter materials become available, manufacturers are able to construct Equipment with equivalent or improved output at lower cost levels. This form of Obsolescence is particularly apparent in new or emerging technologies.

Functional Obsolescence: also results from changes in the design and materials of construction of currently available Equipment, however, the impact on Value is measured by reference to changes in operating costs rather than reductions in capital costs.

Economic Obsolescence: results from external economic factors. It is defined as the Impairment of desirability or useful life arising from economic forces, such as changes in optimum use, legislative enactments that restrict and impair the right to use the Assets for their intended use and changes in supply and demand relationships.

REALISATION

The most efficient and effective means to realise these Assets would be way of a targeted marketing campaign seeking expressions of interest. We would consider a marketing period of perhaps 4 to 8 months reasonable and expected in the current market. Costs would be determined by the scope of the marketing campaign as this may include overseas media, specific publications and web based advertising.

We can prepare a complete Proposal for the remarketing of these assets under separate cover should you require.

SOURCES OF INFORMATION

The Market information we have used in this Valuation has been obtained from the following sources:

- Internal and External Historical Sales Data
- Various Used Equipment Dealers
- The Internet
- Industry Publications
- Original Equipment Suppliers
- Subscriber Based Data
- Manufacturers

MEASUREMENTS AND MENSURATION

All measurements of size, weight, volume and mass etc. are estimates only. We have used either data provided on the assessed items, information from staff of the Appraised Asset Company, expert supplier advice during research or our own estimates based on our experience. We advise these measurements should not be relied on for any other purpose than estimation, and you should make your own enquiries if precision measurements are required for any purpose whatsoever.

PERIOD OF VALIDITY

The Values detailed herein are current at the date of this Report only. Changes in economic condition or Market forces may have the effect of significantly and unexpectedly changing the Values ascribed, over a relatively short period of time.

The Values provided herein are subject to a limitation of 180 days from the date of the Valuation, indicated herein.

DMS Davlan reserves the right to revise the Appraisal and Report in the event there are changes in the above that could affect the Values ascribed.

VALUERS

This Appraisal was carried out by our representative Bernie Semini, should you require any further assistance in relation to this matter, please do not hesitate to contact the Valuer on 0418 692 172.

EXCLUSIONS

Unless specifically requested to do so this Report has excluded the following:

- a) Assets advised as being the property of others although they may be listed;
- b) business records and documents;
- c) cash or other matters of a financial nature;
- d) directors' and employees' personal property;
- e) goodwill;
- f) any other items specifically mentioned herein;
- g) raw materials;

- h) work-in-progress, and
- i) finished stock.

We have made no deduction from the Valuation for either the cost of disposal or tax liability that may arise on the Sale of Assets.

GOODS AND SERVICES TAX (GST)

The Values detailed within this Report have been assessed on the basis of being **GST Inclusive**.

DISCLOSURE, INTERESTS & QUALIFICATIONS

General Limiting Conditions & Assumptions

- a) This letter and the enclosed Appraisal and Report have been prepared solely for the purpose of information and analysis by you, the recipient, and are for your use, as the recipient only. Therefore without our prior written consent, the enclosed Appraisal & Report or their contents may not be reproduced, transmitted, included in any document, circular or statement otherwise made available to any person other than you the recipient, and only to other third parties with the prior written consent of DMS Davlan in each instance.
- b) Please note no deduction has been made in our Valuation in respect of any outstanding amounts owing under any finance lease or hire purchase agreement. The Assets have been Valued under the assumption that they are wholly owned and free of all encumbrances.
- c) Neither the Report nor the amount of the Valuation fee are contingent upon developing or reporting a predetermined Value, requested minimum Value, the approval of a loan or financial transaction nor is our compensation contingent upon an action or event resulting from this Report, opinions or conclusions therein.
- d) The engagement of DMS Davlan for this Report is not contingent upon developing or reporting predetermined results.
- e) DMS Davlan has no present or contemplated interest in the property nor any personal interest or bias in the subject matter or the parties involved.
- f) This Report is prepared on the basis that full disclosures of all information and facts which may affect the Valuation have been made to us and responsible ownership and competent management of the Assets has been assumed.
- g) Any statements of condition are the results of visual inspection only and should not be construed as an opinion or operability or utilisation.

- h) It is assumed that all required licenses, certificates, consents, or other legal requirements from the relevant authority has been or can be obtained or renewed for any use of the Assets on which the Value estimates contained in this Report are based.
- i) During our inspection, and in accordance with OHS requirements, our Valuer did not operate the equipment. We have relied on Information provided by staff as to the Asset condition, or in the absence of such information and whereas there did not appear to be any obvious physical sign of disrepair, we have assumed that the Asset was in working order and of average condition.
- j) The date of Value to which the opinions expressed in this Report apply is set forth in the letter of transmittal. Our Value opinion is based on the purchasing power of Australian Currency, as of that date.
- k) The Value estimates herein are predicated on the assumption that there is no environmental contamination that would cause a loss in Value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.
- l) The Valuer will not be liable nor responsible for his failure to identify matters of environmental concern and the impact which any environmental related issue has on the Assets and their Values including loss arising from site contamination, the non-compliance with any environmental laws, or costs associated with the clean-up of a property in which an environmental hazard has been recognised, including action required by the local Environmental Protection Authority to recover clean-up costs pursuant to any relevant Act.
- m) The Valuation is given in good faith and has been prepared from sources believed to be reliable at the time. However, subject to qualifications contained in legislation (if any):
- No warranty whatsoever is given in relation to the Valuation, and
 - We, and every person involved in preparation of the Valuation, expressly disclaim all liability for any loss or damage (including economic and consequential loss) suffered by any person acting or relying on the Valuation, notwithstanding any act or omission, representation, negligence, default or lack of care by any person. You agree to indemnify and hold harmless DMS Davlan and its subsidiaries for any decisions made on this Valuation.
- n) **Asset values may be subject to significant fluctuations due to external market forces and as such no allowance has been made or could be allowed for future market or economic conditions. The values expressed in this report are current for 6 months from this date however, should during that period there be a significant change in the national or world economy that impacts on the market for assets of the type valued, or a change in the physical condition of the asset, values may need to be reviewed.**

We advise that any copies of this Report that have been transmitted electronically, should be considered draft Reports only. We do not guarantee the authenticity or accuracy of electronic versions of this Report as files may be subject to manipulation or corruption which is out of our control. The signed original copy provided should be considered as the one and only source of reference for this Report.

This Valuation was carried out by our representatives detailed but should you require any further assistance in relation to this matter, please do not hesitate to contact us on (07) 3391 8277.

SUMMARY OF VALUES

	FAIR MARKET VALUE
MV Maggle Cat	\$3,000,000.00 - \$3,300,000.00
MV Palm Cat	\$3,300,000.00 - \$3,700,000.00
TOTAL:	\$6,300,000.00 - \$7,000,000.00

The items mentioned in the schedule hereto have been assessed by our representative Bernie Semini on basis as shown and subject to any qualifications mentioned in the schedule.

This Valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this Valuation.

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Asset Register



001	1	<u>VESSEL</u>	3,000,000	3,300,000
-----	---	----------------------	-----------	-----------

Vessel Type: Passenger Ferry
 Vessel's Name: **MV Maggie Cat**
 Registration No: 24356
 Registration Expiry: 19/11/2018
 Registration Authority: AMSA
 Official No: 858364
 Survey Status: USL Classes 1C and 1D
 Max Persons: 1C = 130 Persons, 1D = 303 Persons
 Length: 31.7 Metres (OA), 28.64 Metres (WL)

 Beam: 8.24 Metres
 Depth: 2.7 Metres (Moulded)
 Draft: 1.2 Metres
 Designer: One2three Naval Architects, Kogarah, NSW
 Builder's Name: Brisbane Ship Constructions

 Place: Brisbane, Australia
 Year Manufactured: 2006
 Launched/Commissioned: 12/2006



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Vessel Construction

Type Style: Multi Deck Passenger Ferry
Catamaran

Material: All Welded Aluminium Hulls and
Superstructure w/ 5 x Watertight Bulk Heads

Decks: 2

Machinery

Main Engines: 2 x Caterpillar 3412E V12
Marine Diesels, Each 1200BHP/895BKW

Location: Port and Starboard

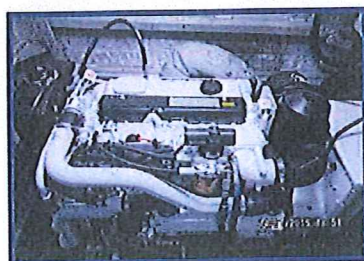
Engine Serial Nos: Port - 9KS04544
Starboard - 9KS04543

Engine Hours: Port - 10,425 ind hrs,
Starboard - 5,165 ind hrs



Gear Boxes: 2 X Twin Disc, Model No: MG-6557-SC, w/ 2.45:1 Reduction Ratio, Serial Nos: Port - 9A2295, Starboard - 9A2296

Auxiliary Machinery: Caterpillar C4.4 DINA 4 Cyl Diesel, 40.5kW/543HP



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

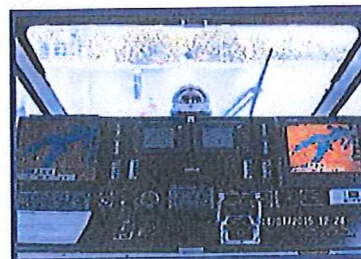
Refrigeration: Skope Upright 2-Door Display Fridge, Haier Under Bench Glass Door Display Fridge, Acson International and Daikin Air Conditioner Units Throughout Vessel



Hydraulic System: TMQ, Model: CH3419, 3Ph/3kW Electro Hydraulic System, 125 Bar/9.6 LPM



Shafts: 2 x Stainless Steel, Approx 150mm
 Propellers: 2 x 5 Blade Bronze Alloy, 960mm ϕ x 1166mm Pitch
 Exhaust: Wet, Trunked Via Side of Hull
 Instruments/Alarms: Fire and Bilge Installed in Engine Room and Wheel House
 Bilge Alarm: Installed in Engine Room and Wheel House w/ Float Switches Installed



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Electronic and Navigational Equipment

Chart Plotter/Multi Combo Unit: Furuno Navnet System Operating C-Map NT Max Electronic Charts



GPS: Furuno GP32 GPS/WAAS Navigator

Radar: Furuno Black Box System w/ RPU015 Processor, Integrated in Navnet System, w/ Open Array Scanner

Sounder: Integrated in Furuno Navnet System

Auto Pilot: Not Installed, 2 x TMQ Rudder Angle Indicators

Compass: Plastimo Offshore 135 Dampened

AIS: Installed - Transponder Only, Class B

VMS: N/A - GNSS Receiver Installed and Integrated in Navnet System

EMS: 2 x Caterpillar w/ LCD Displays



Radios and Communications

VHF: Icom IC-M304

Handheld: 1 x GME GX-660, 1 x Digitech, 3 x GME TX670

MF/HF/SSB: Not Installed

Navtex Receiver: Not Installed

Satellite: Strong SRT5406 DVB

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Intercom: Installed for Internal Communications
PA: TOA, Model: A1812 w/ TOA CS304 Wide Range Speakers

Electrical Installation

24V DC, 240AC, 415V and Shore Power Connector

Alternators: 2 x 24V DC Off Main Engines

47 kVA Generator Make/Model: Leroy Somer LSAM-43.2S35C614, Serial No: 296491/1, Located Starboard

Batteries: Starting = 2 Banks of 2 x 12V DC Cells; House = 1 Bank of 2 x 12V DC Cells, Emergency Radio = 1 Bank of 1 x 12V DC Cell

Battery Charger: Automatic, Victron Energy Centaur 24V/60Amp



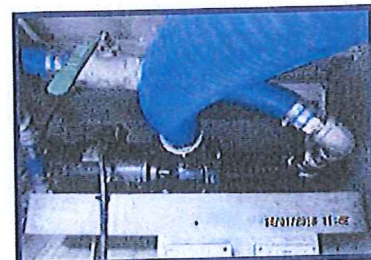
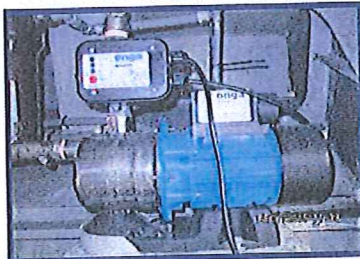
Pumps

Bilge: 2 x Mechanical Off Main Engines, Electric Submersible Pumps in Each Void

Fire: Mechanical Off Main Engines Via Manifold

Deckwash: Fire Pumps / Hoses Shared

Freshwater/Macerator: Onga 240V Electric



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Fuel Tanks

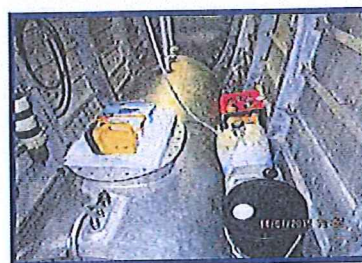
2 x 2400 Ltr One Each Located Port and Starboard

Fresh Water Tanks

1 x 1000 Ltr Located Port Aft

Other Tanks

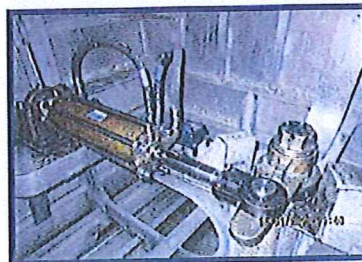
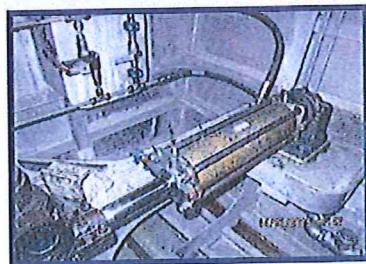
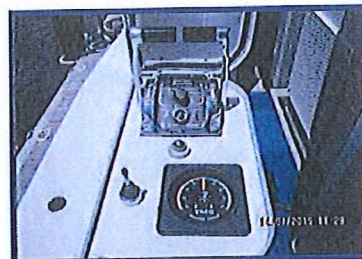
Sullage: 1 x 1000 Ltr Located Starboard Aft



Steering Gear

Three Stations w/ Toggle Control, Hydraulic Power Assisted, Single Ram w/ Cross Bar to 2 x Tiller Heads

Note: Stations Comprised of Main Helm and 2 x Wing Stations



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Accommodation and Passenger Saloons

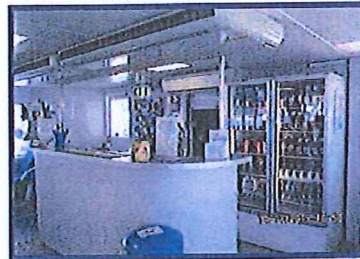
Nil

Passenger Areas: The Cabin Arrangements are Designed for High Passenger Numbers, Main Deck is Fully Air Conditioned w/ 145 Evolution Velour Seats - Some Arranged w/ Island Tables Between, A Fully Stocked Bar w/ Refrigeration, POS System and Entertainment Controls Located Aft

The Upper Deck is Arranged w/ 72 Individual Aluminium Beurteaux Seats, Is Not Air Conditioned and There are Clears to Keep Out the Weather and Spray

There is a Small Area on the Aft Upper Deck Suitable for Carrying Passenger Luggage, Bicycles etc

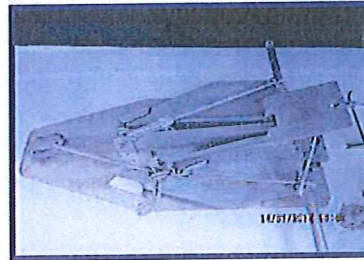
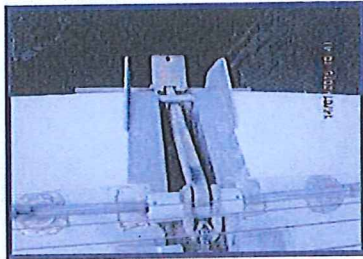
Wheel House: Located on Upper Deck w/ Evolution Helm Chair, Fully Air Conditioned, Electronic Navigation and Communications Devices



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Mooring Equipment

1 x 127kg Primary and 1 x 127kg Spare, w/
70.0m x 14.0mm Short Link Chain
Windlass: Electric, Muir Model: 4500



Fire Fighting Equipment

Seafire FM200 CO² Engine Room Smothering System

Fire Extinguishers: 7 x Foam/Dry Powder, to Class Requirements

Fire Pump: Operated by Mechanical Pumps Off Each Main Engine

Fire Buckets: 2



Tender Vessels

Mercury Inflatable, Unable to Read Data Plate, No Outboard Fitted at Time of Inspection



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Safety Equipment

EPIRB: Safelink GPS, 406MHz, Serial No: 3EF4585DBF81FED, Battery Expiry: 28/10/2015

Life Rafts: DSB 65 Person, Model: LR97R, Serial Nos: Port - 69075, Starboard - 68792, Next Service: 29/11/2015 and 29/11/2015

Carly Floats: 7 x 24 Person

Life Rings/Buoys: 10 (4 x 750mm, 2 w/ Lights, Smoke and Buoyant Lines)

Life Jackets (PFD's): 303, 200 f/w Lights/Whistles

Pyrotechnics: 3 x Parachute Rockets, 2 x Red Hand Flares, 1 x Orange Smoke Flare

Day Shapes: NUC (Not Under Command)

First Aid Kit



Documents Attached

Certificate of Survey and Operation

TOTAL	\$3,000,000.00	\$3,300,000.00
--------------	-----------------------	-----------------------

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Comments:

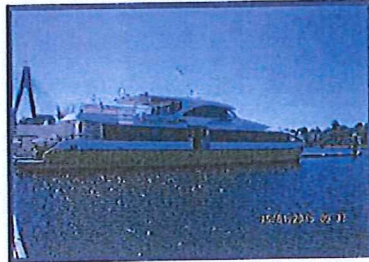
Well constructed and designed vessel to operate high speed passenger services economically.

Since 2008 there has been a reduction in the numbers of locally built passenger ferries and in particular 30m vessels capable of carrying 300 passengers at speeds in excess of 25 knots with motive power less than 750kW placing the MV Maggie Cat in the highly sought after MED II/Fast Craft "Grandfathered" Vessel Class under the new AMSA regime, thus in the current market ensuring high demand and excellent resale.

Additional Photos: Please refer to the CD included, Photos/MV Maggie Cat

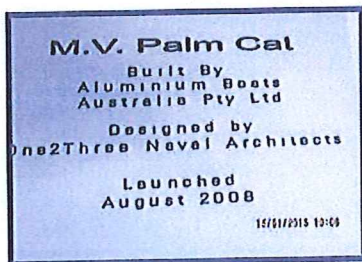
ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Asset Register



002	1	<u>VESSEL</u>	3,300,000	3,700,000
-----	---	----------------------	-----------	-----------

Vessel Type: Passenger Ferry
 Vessel's Name: **MV Palm Cat**
 Registration No: 24339
 Registration Expiry: 01/10/2018
 Registration Authority: AMSA
 Hull No: ABA-026
 Survey Status: USL Class 1D
 Max Persons: 303
 Length: 31.70 Metres (OA), 30.13 Metres (WL)
 Beam: 8.0 Metres
 Depth: 2.7 Metres (Moulded)
 Draft: 1.2 Metres
 Designer: One2three Naval Architects, Kogarah, NSW
 Builder's Name: Aluminium Boats Australia
 Place: Brisbane, Queensland
 Year Manufactured: 2008
 Date Launched/Commissioned: 08/2008
 Last Surveyed: 20/01/2014



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Vessel Construction

Type/Style: Multi Deck Passenger Ferry
Catamaran

Material: All Welded Aluminium Hulls and
Superstructure w/ 5 x Watertight Bulk Heads

Machinery

Main Engines: 2 x Caterpillar 3412E Marine
Diesels, Each Rated at 1200BHP/895BKW

Location: Port and Starboard

Engine Serial Nos: Port - NKS00922
Starboard - 9KS04466

Engine Hours: Port - 1473 ind hrs, Starboard -
16842 ind hrs



Gear Boxes: 2 X Twin Disc, Model No: MGX-
5599SC w/ 2.45:1 Reduction Ratio

BOM Nos: Port - 64752, Starboard - 44752



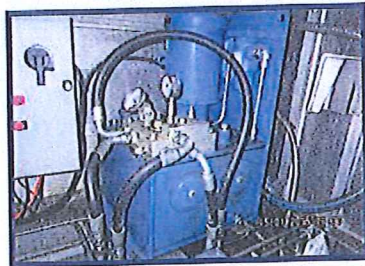
Auxiliary Machinery: Caterpillar C4.4 DITA 4
Cyl Turbo 100.6HP/75kW, Located Starboard,
Serial No: J1Z00189, 20525 ind hrs



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Refrigeration: Orford 2-Door Drinks Display Fridge, Orford 2-Door Under Bench Fridge, Commercial Compressor Forward of Port Fuel Tank for Main Air Conditioning Units, Split System Air Conditioning Units in Wheel House

Hydraulic Systems: 2 x Electro Hydraulic Systems in Aft Voids, One for Hydraulic Trim Tabs and One for Steering and Auto Pilot



Shafts: 2 x Stainless Steel Approx 150mm ϕ

Propellers: 2 x 5 Blade Bronze Alloy, 960mm ϕ x 1166mm Pitch

Exhaust: Wet, Trunked Via Side of Hull

Instruments/Alarms: Fire and Bilge Installed in Engine Room and Wheel House

Bilge Alarm: Installed in Engine Room and Wheel House w/ Float Switches Installed



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Electronic and Navigational Equipment

Chartplotter/Multicombo Unit: 2 x Furuno Navnet Systems Operating C-Map NT Max Charts



GPS: Furuno GP32 GPS/WAAS Navigator



Radar: Furuno, Integrated in Navnet System, w/ Open Array Scanner

Sounder: Furuno FCV-620 w/ Colour LCD Display

Auto Pilot: Furuno Navpilot w/ 2 x TMQ Rudder Angle Indicators



Compass: Plastimo Offshore Dampened

AIS: Class B Transponder Installed

VMS: N/A, GNSS Receiver Installed and Integrated in Navnet System

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

EMS: 2 x Caterpillar Multi Function w/ LCD Displays



Sonar: N/A

Radios and Communications

VHF: Icom IC-M304

Handheld: 1 x GME GX660, 2 x GME TX670, 2 x Digitech



MF/HF/SSB: N/A

Navtex Receiver: N/A

Satellite: DVB TV Receiver Unit in Bar

Searchlight: Installed

Intercom: Installed For Internal Communication

PA: TOA, Model: A-1724, w/ TOA CS304 Wide Range Speakers



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Electrical Installation

24V DC, 240AC, 415V and Shore Power Connector

Alternators: 2 x 24V DC Off Main Engines

Batteries: Starting = 2 x Banks of 2 x 12V DC Cells, House = 1 x Bank of 2 x 12V DC Cells, Emergency Radio = 1 x Bank of 1 x 12V DC Cell

Battery Charger: Automatic, Victron Energy Centaur 24V/40Amp



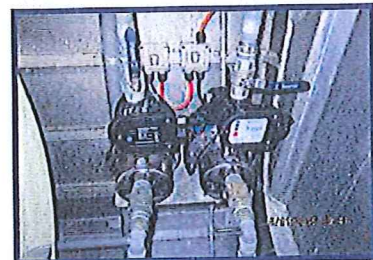
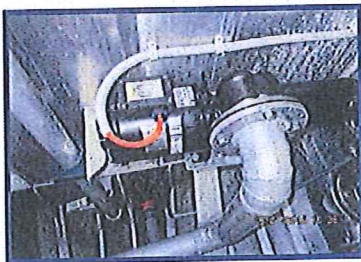
Pumps

Bilge: 2 x Mechanical Off Main Engines, Electric Submersible Pumps in Each Void

Fire: Mechanical Off Main Engines via Manifold

Deckwash: Shared w/ Fire Pumps

Freshwater/Macerator: Onga 240V Electric



Fuel Tanks

2 x 2400 Litre, 1 Each Port and Starboard

Fresh Water Tanks

1 x 1000 Litre Located Port Aft

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Other Tanks

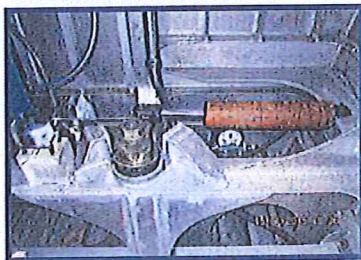
Sullage: 1 x 1000 Litre Located Starboard Aft



Steering Gear

Three Stations w/ Toggle Control, Hydraulic Power Assisted, Single Ram w/ Cross Bar to 2 Tiller Heads

Note: Stations Comprised of Main Helm and 2 x Wing Stations



Accommodation

Nil

Passenger Areas: The Cabin Arrangements are Designed for High Passenger Numbers, Main Deck is Fully Air Conditioned w/ 152 Evolution Velour Seats - Some Arranged w/ Island Tables Between, A Fully Stocked Bar w/ Refrigeration, POS System and Entertainment Controls Located Aft

Upper Deck is Arranged w/ 32 x Evolution Aluminium Individual Seats Outside and 40 x Evolution Velour Individual Seats in Air Conditioned Saloon Forward

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

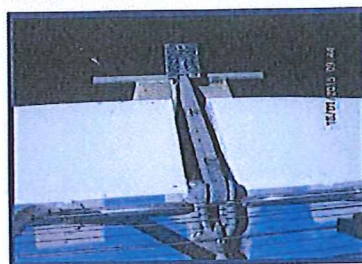
There is an Area on the Aft Upper Deck Suitable for Passengers Luggage, Bicycles etc

Wheel House: Located on Upper Deck w/ BE-GE Helm Chair, Fully Air Conditioned, Electronic Navigation and Communications Devices



Mooring Equipment

2 x 127kg Primary and 1 x 127kg Spare w/
70.0m x 14mm Short Link Chain
Windlass: Electric, Muir 4500



ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Fire Fighting Equipment

Kidde Fire Systems CO² Engine Smothering System

Fire Extinguishers, 7 x Foam/Dry Powder to Class Requirements

Fire Pump: Operated by Mechanical Pumps Off Main Engines

Fire Buckets: 2



Tender Vessel

Mac Boats, Model: 360, DOM: 18/10/2007, Serial No: 1239, No Outboard Fitted at Time of Inspection

Davit: Electric



Safety Equipment

EPIRB: Kannad Marine 406MHz, Serial No: BEED4344A-C0028D, Battery Expiry: 04/2020

Life Rafts: Starboard - Ferryman 65, Serial Nos: 41831002P8990 and 41831002P8992, Next Service Due: 02/2015 and 02/2015, Port - Ferryman 65, Serial Nos: 41831002P8991 and 41831002P8981, Next Service Due: 02/2014* and 02/2015

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

* Note: This Raft Indicates Past Due Service Date However This may Just be a Case of Human Error in Not Affixing New Label or it May Have Peeled Off

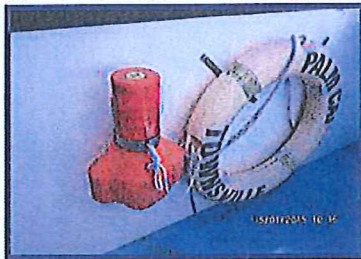
Carly Floats: 5 x 8 Person (40)

Life Rings/Buoys: 9, 2 w/ Smoke, 2 w/ Buoyant Lines and 4 x 750mm Standard Life Jackets (PFD's): 503, 203 w/ Lights, 300 w/ Whistles

Pyrotechnics: 3 x Parachute Rockets, 2 x Red Hand Flares, 1 x Orange Smoke Flare

Day Shapes: NUC (Not Under Command)

First Aid Kits



Documents Attached

Certificate of Survey and Operation

TOTAL \$3,300,000.00 \$3,700,000.00

ASSET NO.	QTY	DESCRIPTION	FAIR MARKET VALUE (RANGE)
-----------	-----	-------------	---------------------------

Comments:

Well constructed and designed vessel to operate high speed passenger services economically.

Since 2008 there has been a reduction in the numbers of locally built passenger ferries and in particular 30m vessels capable of carrying 300 passengers at speed in excess of 25 knots with motive power less than 750kW placing the MV Palm Cat in the highly sought after MED II/Fast Craft "Grandfathered" Vessel Class under the new AMSA regime, thus in the current market ensuring high demand and excellent resale.

Additional Photos: Please refer to the CD included, Photos/MV Palm Cat

