

**Media statement for immediate release**

**Statement from Worrells, Administrators of Kingstone Constructions**

Sydney, February 17, 2009: Administrators from solvency and forensic accountants Worrells today chaired a first meeting of creditors for Kingstone Constructions Pty Ltd ACN 003 933 104.

More than 100 creditors were present for an information update in Gosford, NSW, chaired by Worrells Partner Nick Malanos.

Mr Malanos told creditors:

- Kingstone Constructions has ceased trading and is under administration, with deficiencies of about \$3.5 million
- No rescue package is possible
- The company has about 250 known creditors, plus 35 homeowner customers
- The administration of the company is likely to progress to liquidation

"We recognise that this is a difficult time, not only for creditors but for the home owners who haven't had their contracts honoured, and will be doing everything possible to ensure that they have access to sound advice and information as we work through this Administration," Mr Malanos said.

Representatives from the Department of Fair Trading, and Vero, an insurance company specialising in home owners warranty insurance, attended the meeting to provide creditors with access to immediate advice on homes and contracts that have yet to be fulfilled.

Mr Malanos and partners Michael Hird and Chris Darin will continue to investigate the financial affairs of the business, and the possible reasons for its failure.

A second meeting of creditors will be held within four weeks. A detailed report will be prepared and sent to creditors before this meeting.

"Our role as Administrators is to maximise recoveries to creditors. However, at this stage it appears unlikely that there will be any dividends to unsecured creditors. We will continue to maintain regular communication with all creditors as the situation unfolds," Mr Malanos said.

Creditors have been individually contacted by Worrells, and any creditors who have not been contacted are invited to ring Worrells on (02) 9249 1200.

Mr Malanos advised home owner clients of Kingstone Constructions to contact Vero before making any decisions about their building contracts. Queries in the first instance relating to home owners warranty insurance should be forwarded to Vero's National Claims Manager, Warranty, Mr Neil Blount, on (02) 9978 2394.

Further information will be made available on the Worrells website [www.worrells.net.au](http://www.worrells.net.au)

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