

Chartered Accountants
Business Advisers and Consultants

Grant Thornton 

FACSIMILE

TO	DATE
	1 September 2004
COMPANY	FAX NUMBER
Australian Stock Exchange	1900 999 279
FROM	NUMBER OF PAGES
Mervyn J. Kitay	(including this page) 19
MATTER	
Advanced Energy Systems Limited (Administrator Appointed)	
Powersearch Limited (Administrator Appointed)	

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MESSAGE

CIRCULAR TO CREDITORS

31 August 2004

**ADVANCED ENERGY SYSTEMS LIMITED
(ADMINISTRATOR APPOINTED)
ACN: 066 908 530****Appointment**

On 30 August 2004 I accepted an appointment as administrator of the above company. The appointment was made pursuant to Section 436A of the Corporations Act 2001, following a resolution passed at a meeting of the company's board of directors.

An administrator is appointed to a company so as to enable the company's affairs to be administered in such a way that the best possible return is obtained for the company's creditors and, at the same time, maximising the chances of the company to continue its existence.

Meeting of Creditors

Attached is a formal notice of meeting of creditors which will be held:

Date: Monday, 6 September 2004

Time: 2:30 pm

Place: QV.1 Tower Theatre, Level 2, 250 St Georges Terrace, Perth WA


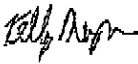
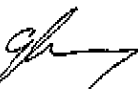
The convening of this initial meeting of creditors is a statutory requirement under the Corporations Act 2001. The scope of the meeting is limited to consideration of the necessity to appoint a committee of creditors, and consideration of the person who has been appointed administrator.

Despite the limited scope of the meeting's agenda, it will provide an opportunity to discuss generally the affairs of the company and the likely effects of my appointment. Creditors will NOT decide the company's future at this meeting as this decision will be made at a further meeting of creditors which will be held on or before 24 September 2004.

Effect of Appointment

The major effect of my appointment as administrator is to automatically create a moratorium which restricts the right of all creditors, secured and unsecured, to take action against the company to recover their debt until the conclusion of the administration. The moratorium came into affect as of 31 August 2004.

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Name:	Melanie Grohovaz	Signature:	
Name:	Kelly Meyn	Signature:	
Name:	Glen Kanevsky	Signature:	

Lease or Hire Purchase Agreements

Responsibility for liabilities under hire or lease agreements will not commence until after 6 September 2004, pursuant to Section 443B of the Corporations Act 2001. Further, pursuant to Section 440C of the Corporations Act 2001, **the lessor or owner of property in the control of the company is not able to take possession of the property without leave of the court or my written consent.** The urgent advice of lease and hire creditors, detailing the property subject to a relevant agreement would be appreciated.

Retention of Title

Creditors who consider their trading stock supplied to the company to be subject to a retention of title clause should advise the administrator **in writing** immediately, but in any event not later than 6 September 2004, in order for both the creditor and the administrator to deal with any such claim. Please note in this regard you will need to supply to me written details of any retention of title arrangements you seek to rely upon. This invitation is made without admission expressly or implied as to the status of any creditors claims. **To assist me in assessing any such claims I request that the enclosed questionnaire, together with copies of any supporting documents, be forwarded to my office by 6 September 2004.**

General

I also attach a proxy form in relation to the first meetings of creditors which should be used by creditors in the following circumstances:

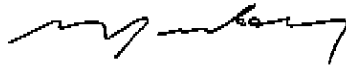
- a. Creditors who are unable to attend the meeting but wish to appoint someone to vote on their behalf.
- b. Representatives of creditor which are companies. In this case the creditor company should affix its common seal to the proxy form, or if required by the chairman of the meeting provide evidence that the person signing the proxy form is empowered to do so under the company's common seal.

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Also attached is in an informal Proof of Debt for voting purposes and it should be completed by all creditors.

Should you have any queries on this matter please contact Mr Glen Kanevsky or Mr Kelly Meyn of this office.

Yours faithfully
for and on behalf of Advanced Energy Systems Limited (Administrator Appointed)



Mervyn J. Kitay
Administrator

NOTE THIS ONLY APPLIES TO ASSETS HELD BY

**ADVANCED ENERGY SYSTEMS LIMITED (ADMINISTRATOR APPOINTED)
ACN: 066 908 530**

Name of Creditors:

Trading Name (if different from above):.....

Address:

.....

Telephone:..... **Fax:**

Contact Person:.....

Email:.....

In order to assist us in assessing your claim for the return of goods supplied subject to Retention of Title, please complete the following:

1. Provide details of goods supplied (which you claim are subject to retention of title) including adequate descriptions, serial numbers (if any), quantities and price.
2. Provide copies of the order(s) for goods supplied which are subject to your claim. If no written order was provided, please provide details of how the order was placed.
3. Provide signed copy of credit application and/or signed copy of your standard terms of condition. Please evidence the clause which reserves title to the goods to yourselves.
4. If you are unable to provide a copy of a credit application please provide details of when you commenced dealings with the company and when and how retention of title was incorporated in your terms and conditions of sale.
5. Provide a signed copy of any of stock count taken by you (or your agent), of your goods, stating the description, price and quantities.
6. Please advise whether any of these goods (as above) have been paid for and which remain unpaid.
7. Please advise if you act as Principal or Agent in your dealings with the debtor. If you act as Agent, advise details of the Principal.
8. Please advise if the goods you supplied are exclusive to you.
9. Please advise if you are party to a debt factoring agreement with a third party.
10. Please advise if you hold directors' guarantees.

Having completed the above, please return this questionnaire with supporting documentation to:

Grant Thornton
 PO Box P1213
 PERTH WA 6844
 Attention: Glen Kanevsky
 Fax No: (08) 9481 0152

FORM 529A

Paragraph 5.6.12(6)

CORPORATIONS ACT 2001

NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATIONADVANCED ENERGY SYSTEMS LIMITED
(ADMINISTRATOR APPOINTED)
ACN 066 908 530

1. On 30 August 2004 the company under section 436A appointed Mervyn Jonathan Kitay of Grant Thornton, Level 6, 256 St George's Terrace, PERTH WA 6000 as the Administrator of the company.
2. Notice is now given that a meeting of the creditors of the company will be held at the QV.1 Tower Theatre, 250 St Georges Terrace, Perth WA on 6 September 2004 at 2:30 pm.
3. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of creditors; and
 - b. if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - a. remove the Administrator from office; and
 - b. appoint someone else as Administrator of the company.

DATED this 31st day of August 2004.

Mervyn J. Kitay
Administrator

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

ADVANCED ENERGY SYSTEMS LIMITED
(ADMINISTRATOR APPOINTED)
ACN 066 908 530

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....
.....
.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....
.....
.....

Other information:

.....
.....

Signature of Creditor
(or person authorised by creditor)

Notes:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his or her claim has been admitted, wholly or in part, by the Administrator; or
- b. he or she has lodged with the Administrator particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Administrator.

FORM 532

Regulation 5.6.29

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY
CREDITORS MEETING

ADVANCED ENERGY SYSTEMS LIMITED
(ADMINISTRATOR APPOINTED)
ACN 066 908 530

*I/*We (1).....
of.....
a creditor of Advanced Energy Systems Limited, appoint (2)
.....
or in his or her absence
as *my/our *general/special proxy to vote at the meeting of creditors to be held on 6 September 2004, or at any adjournment of that meeting.(3)

- | | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 1. A committee of creditors be appointed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Mr/Mrs _____ be elected to the committee of creditors. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The Administrator be replaced | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

DATED this day of 2004.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

- * Strike out if inapplicable
- (1) If a firm, strike out "I" and set out the full name of the firm.
 - (2) Insert the name, address and description of the person appointed.
 - (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

Statement of Independence

Background of Administrator

Qualifications:

Mervyn Jonathan Kitay is an Official Liquidator.

Basis of Remuneration

The following is disclosed:

- Type of work to be undertaken by the Appointee and the Firm's staff
- Estimated breakdown of the broad activity phases
- Relevant experience of each person
- Number of hours charged by each person
- Hourly rate charged for each person
- Total remuneration claimed
- Basis of recovering disbursements

Prior Professional or Advisory Relationship

The Administrator considered the question of his independence prior to accepting appointment as Administrator. The Administrator first met with the company's directors/advisers on 30 August 2004. Prior to such meetings, and to the best of the Administrator's knowledge, no prior relationship existed with: -

- a) The directors and officers or their associated businesses;
- b) The company, holding or subsidiary companies within the meaning of Corporate Groups;
- c) Any dominant creditor, be it the secured lender, usually a financial institution, or dominant and critical trade supplier, in advising such parties concerning the company; and
- d) Any other prior professional or advisory relationship concerning the company, e.g. acting for employees or the dominant Union.

CIRCULAR TO CREDITORS

31 August 2004

**POWERSEARCH LIMITED
(ADMINISTRATOR APPOINTED)
ACN: 066 216 924****Appointment**

On 30 August 2004 I accepted an appointment as administrator of the above company. The appointment was made pursuant to Section 436A of the Corporations Act 2001, following a resolution passed at a meeting of the company's board of directors.

An administrator is appointed to a company so as to enable the company's affairs to be administered in such a way that the best possible return is obtained for the company's creditors and, at the same time, maximising the chances of the company to continue its existence.

Meeting of Creditors

Attached is a formal notice of meeting of creditors which will be held:

Date: Monday, 6 September 2004

Time: 2:00 pm

Place: QV.1 Tower Theatre, Level 2, 250 St Georges Terrace, Perth WA

The convening of this initial meeting of creditors is a statutory requirement under the Corporations Act 2001. The scope of the meeting is limited to consideration of the necessity to appoint a committee of creditors, and consideration of the person who has been appointed administrator.

Despite the limited scope of the meeting's agenda, it will provide an opportunity to discuss generally the affairs of the company and the likely effects of my appointment. Creditors will NOT decide the company's future at this meeting as this decision will be made at a further meeting of creditors which will be held on or before 24 September 2004.

Effect of Appointment

The major effect of my appointment as administrator is to automatically create a moratorium which restricts the right of all creditors, secured and unsecured, to take action against the company to recover their debt until the conclusion of the administration. The moratorium came into effect as of 31 August 2004.

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My role as administrator is to take control of the running of the company, conduct an investigation into the company's affairs and form an opinion about the company's future.

The findings of my investigation into the company's affairs will be disclosed to creditors in a report to be circularised at least five business days prior to the second creditors meeting. At this second meeting I will recommend whether it is in the creditors best interests that:

1. an arrangement between the creditors and the company be made; or
2. the administration should end; or
3. the company should be wound up.

The creditors are then required to decide by resolution which course of action they wish to be implemented.

Continued Trading

As a result of the appointment I advise that all trading accounts currently held with Advanced Energy Systems Limited should be closed. **However, I intend to continue trading the business.** In order to do so, I am seeking continued supplies/services on credit in the name of:

Powersearch Limited (Administrator Appointed)

The amounts incurred for such services/supplies will be regarded as Administrator's costs and expenses and will be repaid on normal credit terms from the assets of the company in priority to the claims of creditors existing at the date of my appointment.

Goods and services should only be supplied on the authority of a purchase order signed by myself or members of my staff, or designated employees whose names and signatures appear below:-


Name: Mervyn J. Kitay

Signature:



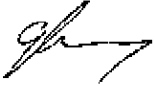


Name: Kelvin Davis

Signature:



- 3 -

Name:	Melanie Grohovaz	Signature:	
Name:	Kelly Meyn	Signature:	
Name:	Glen Kanevsky	Signature:	

Lease or Hire Purchase Agreements

Responsibility for liabilities under hire or lease agreements will not commence until after 6 September 2004, pursuant to Section 443B of the Corporations Act 2001. Further, pursuant to Section 440C of the Corporations Act 2001, **the lessor or owner of property in the control of the company is not able to take possession of the property without leave of the court or my written consent.** The urgent advice of lease and hire creditors, detailing the property subject to a relevant agreement would be appreciated.

Retention of Title

Creditors who consider their trading stock supplied to the company to be subject to a retention of title clause should advise the administrator **in writing** immediately, but in any event not later than 6 September 2004, in order for both the creditor and the administrator to deal with any such claim. Please note in this regard you will need to supply to me written details of any retention of title arrangements you seek to rely upon. This invitation is made without admission expressly or implied as to the status of any creditors claims. **To assist me in assessing any such claims I request that the enclosed questionnaire, together with copies of any supporting documents, be forwarded to my office by 6 September 2004.**

General

I also attach a proxy form in relation to the first meetings of creditors which should be used by creditors in the following circumstances:

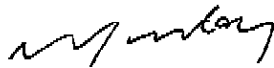
- a. Creditors who are unable to attend the meeting but wish to appoint someone to vote on their behalf.
- b. Representatives of creditor which are companies. In this case the creditor company should affix its common seal to the proxy form, or if required by the chairman of the meeting provide evidence that the person signing the proxy form is empowered to do so under the company's common seal.

- 4 -

Also attached is in an imformal Proof of Debt for voting purposes and it should be completed by all creditors.

Should you have any queries on this matter please contact Mr Glen Kanevsky or Mr Kelly Meyn of this office.

Yours faithfully
for and on behalf of Powersearch Limited (Administrator Appointed)



Mervyn J. Kitay
Administrator

**NOTE THIS ONLY APPLIES TO ASSETS HELD BY
POWERSEARCH LIMITED (ADMINISTRATOR APPOINTED)
ACN: 066 216 924**

Name of Creditors:
Trading Name (if different from above):.....
Address:
.....
Telephone:..... **Fax:**
Contact Person:.....
Email:.....

In order to assist us in assessing your claim for the return of goods supplied subject to Retention of Title, please complete the following:

1. Provide details of goods supplied (which you claim are subject to retention of title) including adequate descriptions, serial numbers (if any), quantities and price.
2. Provide copies of the order(s) for goods supplied which are subject to your claim. If no written order was provided, please provide details of how the order was placed.
3. Provide signed copy of credit application and/or signed copy of your standard terms of condition. Please evidence the clause which reserves title to the goods to yourselves.
4. If you are unable to provide a copy of a credit application please provide details of when you commenced dealings with the company and when and how retention of title was incorporated in your terms and conditions of sale.
5. Provide a signed copy of any of stock count taken by you (or your agent), of your goods, stating the description, price and quantities.
6. Please advise whether any of these goods (as above) have been paid for and which remain unpaid.
7. Please advise if you act as Principal or Agent in your dealings with the debtor. If you act as Agent, advise details of the Principal.
8. Please advise if the goods you supplied are exclusive to you.
9. Please advise if you are party to a debt factoring agreement with a third party.
10. Please advise if you hold directors' guarantees.

Having completed the above, please return this questionnaire with supporting documentation to:

Grant Thornton
PO Box F1213
PERTH WA 6844
Attention: Glen Kanevsky
Fax No: (08) 9481 0152

FORM 529A

Paragraph 5.6.12(6)

CORPORATIONS ACT 2001

NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATIONPOWERSEARCH LIMITED
(ADMINISTRATOR APPOINTED)
ACN 009 216 924

1. On 30 August 2004 the company under section 436A appointed Mervyn Jonathan Kitay of Grant Thornton, Level 6, 256 St George's Terrace, PERTH WA 6000 as the Administrator of the company.
2. Notice is now given that a meeting of the creditors of the company will be held at QV.1 Tower Theatre, 250 St Georges Terrace, Perth WA on 6 September 2004 at 2:00 pm.
3. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of creditors; and
 - b. if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - a. remove the Administrator from office; and
 - b. appoint someone else as Administrator of the company.

DATED this 31st day of August 2004.



Mervyn J. Kitay
Administrator

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

POWERSEARCH LIMITED
(ADMINISTRATOR APPOINTED)
ACN 009 216 924

Name of creditor:

Address of creditor:

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e. the nature of goods or services supplied and the period during which they were supplied):

.....
.....
.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....
.....
.....

Other information:

.....
.....
.....

Signature of Creditor
(or person authorised by creditor)

Notes:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his or her claim has been admitted, wholly or in part, by the Administrator; or
- b. he or she has lodged with the Administrator particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Administrator.

FORM 532

Regulation 5.6.29

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY
CREDITORS MEETING

POWERSEARCH LIMITED
(ADMINISTRATOR APPOINTED)
ACN 009 216 924

*I/*We (1).....
of.....
a creditor of Powersearch Limited, appoint (2)
.....
or in his or her absence
as *my/our *general/special proxy to vote at the meeting of creditors to be held on 6 September 2004, or at any
adjournment of that meeting.(3)

- | | For | Against | Abstain |
|---|-----|---------|---------|
| 1. A committee of creditors be appointed | | | |
| 2. Mr/Mrs _____ be elected to the committee of creditors. | | | |
| 3. The Administrator be replaced | | | |

DATED this day of 2004.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy
and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

-
- * Strike out if inapplicable
 - (1) If a firm, strike out "I" and set out the full name of the firm.
 - (2) Insert the name, address and description of the person appointed.
 - (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

Statement of Independence

Background of Administrator and Grant Thornton

Qualifications:

Mervyn Jonathan Kitay is an Official Liquidator.

Basis of Remuneration

The following is disclosed:

- Type of work to be undertaken by the Appointee and the Firm's staff
- Estimated breakdown of the broad activity phases
- Relevant experience of each person
- Number of hours charged by each person
- Hourly rate charged for each person
- Total remuneration claimed
- Basis of recovering disbursements

Prior Professional or Advisory Relationship

The Administrator considered the question of his independence prior to accepting appointment as Administrator. The Administrator first met with the company's directors/advisers on 30 August 2004. Prior to such meetings, and to the best of the Administrator's knowledge, no prior relationship existed with: -

- a) The directors and officers or their associated businesses;
- b) The company, holding or subsidiary companies within the meaning of Corporate Groups;
- c) Any dominant creditor, be it the secured lender, usually a financial institution, or dominant and critical trade supplier, in advising such parties concerning the company; and
- d) Any other prior professional or advisory relationship concerning the company, e.g. acting for employees or the dominant Union.