

Kresta Holdings Limited
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The Manager
Company Announcements Officer
Australian Securities Exchange Limited
Level 4, 20 Bridge St
SYDNEY NSW 2000

By ASX Online
Number of pages: 2
(including this page)

Dear Sir

RE: KRESTA HOLDINGS LIMITED GENERAL MEETING

Kresta Holdings Limited ("Kresta") has been notified a letter is being sent to shareholders of Kresta by independent director Mr Peter Hatfull with respect to the General Meeting called by Hunter Hall International Limited.

Certain facts have come to the attention of Kresta through that letter which should be brought to the attention of Kresta shareholders prior to the meeting.

Mr Hatfull said "I joined the Board of Kresta in July 2009 as a nominee of Hunter Hall and specifically at the request of Jack Lowenstein. Jack Lowenstein told me at that time that he had concerns about the value of Kresta's stock, the lack of systems and procedures and the flat performance of the company over a number of years. He asked if I could join the Board to evaluate management and make necessary changes."

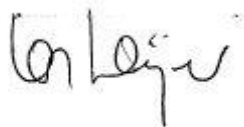
Mr Hatfull also said "His concerns were well founded. During my time as a director of Kresta the Board has pursued management for reports and information in order to properly assess the value of inventory, to attempt to install proper procedures and to get the management to think strategically. Progress has now been made in systems and in the strategic planning process, and as part of this exercise significant changes have been made to the management structure. This also resulted in a decision by the Board in early September 2010 to engage an independent expert to assess the value of inventory and to increase the provision for the net realisable value of inventory as at 30 June 2010 by \$5.8 million...."

Mr Hatfull has at all times taken his responsibilities as a independent director seriously with the intention at all times to act for all shareholders, large or small. Mr Hatfull said "Hunter Hall still has not given me, nor you as a shareholder, an explanation why I no longer have their support and why they wish to replace me with non executive directors of lesser experience. I am frustrated at the partial or incorrect information given to shareholders. An example of this is that the share price of Kresta immediately prior to my joining the Board was \$0.13c. The price currently, 18 months after joining and even following the inventory

write off, is \$0.32c. I have not overseen a reduction in share price as suggested by Hunter Hall."

Any queries relating to this matter should be directed to Ian Leijer on (08) 9249 0748.

Yours faithfully,
Kresta Holdings Limited

A handwritten signature in dark ink, appearing to read 'Ian Leijer', with a stylized flourish at the end.

Ian Leijer
Company Secretary