

Avatar Industries Pty Limited

ABN 68 008 742 390

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2 February 2010

The Company Secretary
Kresta Holdings Limited
389 Victoria Road
MALAGA WA 6090

BY FAX: 9249 7744

Dear Sir

RE: NOTICE OF INITIAL SUBSTANTIAL HOLDER

Please find enclosed Form 603 as required under the Corporations Act advising of initial substantial holding in Kresta Holdings Limited by Avatar Industries Pty Limited.

We assume you will release this to the Australian Securities Exchange.

Yours faithfully



IAN N TRAHAR
Director

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme
ACN/ARSNKresta Holdings Limited
008 675 803

1. Details of substantial holder (1)

Name

Avatar Industries Pty Ltd and each of its associates listed in Annexure 2

ACN/ARSN (if applicable)

008 742 390

The holder became a substantial holder on

29 / 01 / 2010

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	27 890,068	27,890,068	19.482%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Avatar Industries Pty Ltd	Beneficial Ownership	Ord 27,890,068

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Avatar Industries Pty Ltd	On market sellers	Avatar Industries Pty Ltd	Ord 27,890,068

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Avatar Industries Pty Ltd	Refer attached Annexure 1			

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Refer attached Annexure 2	Associates under S12(2)(a) of the Corporations Act

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Avatar Industries Pty Ltd	PO Box 7312, Cloisters Square Perth 6850
Refer attached Annexure 2	

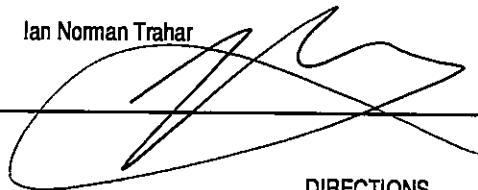
Signature

print name **Ian Norman Trahar**

capacity **Director**

sign here

date **02/02/2010**


DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Avatar Industries Pty Ltd

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Annexure 1

Holder of Relevant Interest	Date of Acquisition	Consideration \$ per share	Class of Shares	Number of Shares	Cumulative Total
Opening					
Avatar Industries Pty Ltd	28/09/2009	Balance	Ordinary	1,587,284	1,587,284
Avatar Industries Pty Ltd	15/10/2009	(0.180)	Ordinary	(100,000)	1,487,284
Avatar Industries Pty Ltd	29/01/2010	0.285	Ordinary	3,000	1,490,284
Avatar Industries Pty Ltd	29/01/2010	0.290	Ordinary	27,500	1,517,784
Avatar Industries Pty Ltd	29/01/2010	0.295	Ordinary	31,200	1,548,984
Avatar Industries Pty Ltd	29/01/2010	0.300	Ordinary	126,084	1,675,068
Avatar Industries Pty Ltd	29/01/2010	0.305	Ordinary	43,500	1,718,568
Avatar Industries Pty Ltd	29/01/2010	0.310	Ordinary	40,000	1,758,568
Avatar Industries Pty Ltd	29/01/2010	0.315	Ordinary	6,500	1,765,068
Avatar Industries Pty Ltd	29/01/2010	0.320	Ordinary	8,625,000	10,390,068
Avatar Industries Pty Ltd	29/01/2010	0.320	Ordinary	17,500,000	27,890,068
Total Holding @ 29 January 2010					<u>27,890,068</u>



Avatar Industries Pty Ltd

Kresta Holdings Limited

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Annexure 2

Associates

All companies are care of PO Box 7312, Cloisters Square Perth 6850

The Following are subsidiaries of Avatar Industries Pty Ltd:

Avatar Finance Pty Limited

Australian Consolidated Equities Limited

KLZ Pty Ltd

Level 2 Distribution Pty Ltd

Mysen Pty Ltd

KLZ Custodians Pty Ltd

KLZ Holdings (AHL) Pty Ltd

KLZ Australia Pty Ltd

ACE Drilling Investments Pty Ltd

ACE International Operations Pty Ltd

Arlec Australia Pty Ltd

Q1 Pacific Holdings Pty Ltd

**Avatar Industries Pty Ltd is ultimately controlled by Ian Norman Trahar
of 133 Forrest Street Peppermint Grove WA and its shares are held by:**

Gabor Holdings Pty Ltd atf The Tricorp Trust

Gersor Pty Ltd

Historical Holdings Pty Ltd

Gabor Investments Pty Ltd

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a final flourish.