



12 January 2007

The Secretary  
Gregory Australia Limited  
125-131 Cowpasture Road  
Wetherill Park NSW 2164

Dear Madam,

**Re: Notice of Intention to remove Auditor**

At the meeting of Board of Directors held on 14 December 2006, the Board resolved that BDO, the current auditors of Gregory Australia Limited be removed subject to the Shareholders' approval.

In accordance with ASIC requirements, the following Notice of Intention is submitted for resolution at the next Shareholders' meeting to be held in March 2007.

"I, Richard Sealy, Chairman of Gregory Australia Limited, on behalf of the Board of Directors propose that Gregory Australia Limited terminate the current auditors BDO following the half-yearly audit for the period ended 31 December 2006, by resolution at the next Shareholders' meeting to be held in March 2007."

Following the acceptance of this resolution, a new firm of auditors will be appointed for conducting audit for the financial year ending 30 June 2007 and for subsequent years.

Could you please ensure this Notice of Intention is formally forwarded to the relevant parties and forms part of the business of the Shareholders' meeting to be held in March 2007.

Yours faithfully

Richard Sealy  
Chairman  
Gregory Australia Limited