

Frequently Asked Questions for note holders of Gippsland Secured Investments Limited (Receivers and Managers Appointed) ACN 004 860 057 (“GSI” or “the Company”)

4 September 2013

Who was appointed, from which firm and when?

Adam Nikitins and Simon Cathro of EY were appointed as Receivers and Managers (“Receivers”) of GSI Ltd by The Trust Company (Nominees) Ltd (“the Trustee”) on 3 September 2013.

How and why were the Receivers appointed?

The appointment of Receivers and Managers was made by the Trustee in order to protect all note holder interests given the financial position of the Company. In doing so the Trustee has taken steps to ensure that all note holders will be treated equally in respect of their notes held with GSI.

The Receivers are currently undertaking an urgent appraisal of the financial position of GSI in order to report on the position to note holders and to determine the best course of action to realise the assets of GSI and return funds to note holders as quickly as possible.

For more general information about the Receivership process, please visit the website of the Australian Securities and Investments Commission: www.asic.gov.au.

What is the role of the Receivers?

The Receivers were appointed over the assets of GSI by the Trustee to act as an agent of the Company and protect the interests of note holders. The Receivers have taken possession of all of GSI's assets and are empowered to administer the property and manage the affairs of GSI.

Ultimately, the Receivers are responsible for:

- ▶ Collecting and selling assets that are subject to the Trustee's security in order to repay note holders. This may include collecting interest payments from the borrowers, taking possession and selling properties of defaulting borrowers, refinancing loans and pursuing guarantor recoveries.
- ▶ Making payments from the money that is collected in the order required by law (including distributions to note holders).
- ▶ Reporting to Australian Securities and Investments Commission, including in relation to the conduct of GSI prior to the Receivers' appointment, including for example any possible offences committed.

The Receivers will regularly provide information to update note holders on the status of the Receivership through announcements on the GSI website www.gsi.com.au and directly via email or post.

How long will the Receivership process take?

It is too early to determine how long the Receivership process will take. Note holders will be provided with further information throughout the process to keep them fully informed of the status of the Receivership. Note holders can make more specific enquiries using the details below.

What is the current status of my investment?

All interest payments and redemptions were frozen by GSI's directors from 19 July 2013. This means that no funds will be paid to note holders, including any interest or principal on investments, until distributions can be made to note holders by the Receivers.

The Receivers are presently calculating the value of note holders' investments to the date of their appointment and will provide those details as soon as possible.

When will I receive a return?

At this stage of the Receivership the timing and amount of any distribution is uncertain and will depend on future developments in the Receivership. The Receivers will be working to provide an initial distribution to note holders as soon as possible.

The Receivers will provide a more comprehensive report to note holders in the coming weeks to update investors on the financial position of GSI and the Receivership more generally.

Can we make redemption requests during the Receivership period?

No. Note holder redemptions will not be processed during the Receivership to ensure that all note holders are treated fairly and equally in accordance with the Trust Deed.

Redemption requests that were forwarded to GSI prior to the voluntary suspension at 9am on 19 July 2013, but were not completed by GSI, cannot now be completed following our appointment as Receivers.

However, the Receivers are conscious of the impact of their appointment on note holders and will be working towards making distributions as early as possible. The Receivers will also consider making part-distributions to note holders that are experiencing genuine hardship. A separate communication has been circulated in relation to hardship claims, alternatively note holders can contact the Receivers using the details described below for additional information.

When will we know how much we will receive?

The Receivers are constructing a comprehensive report which will set out the financial position of GSI and a range of returns that can be expected. At this early stage in the Receivership, the total return to note holders is estimated to be in excess of 80 cents in the dollar.

Updates will be posted on GSI's website to give an indication of the timing of the report however the Receivers request note holders' understanding that this information will take time to prepare.

The Receivers and Managers are also currently arranging information sessions for note holders in a number of locations in the Gippsland region within 6 weeks. The location and dates of these will be communicated to note holders shortly.

Where do I go for further information?

Note holders should access further information through one of the following:

- ▶ Visit the GSI website (www.gsi.com.au) where regular updates and information for note holders will be posted
- ▶ GSI telephone hotline: 1300 551 378
- ▶ Write to: Gippsland Secured Investments Limited
(Receivers and Managers Appointed)
C/- Ernst & Young
GPO Box 67
Melbourne VIC 3001
- ▶ Email: GSI@linkmarketservices.com.au