

TO THE NOTE HOLDER

7 August 2015

**Gippsland Secured Investments Limited
(Receivers and Managers Appointed)
ACN 004 860 057 ('GSI')**

Dear Note Holder

I refer to my appointment together with Simon Cathro as joint and several Receivers and Managers (**Receivers**) of GSI and to previous correspondence from me and The Trust Company (Nominees) Ltd (**Trustee**) as trustee of the notes issued by GSI.

Riviera Properties Limited ('Riviera')

All proceeds from the Riviera auctions have now been received, with the exception of one lot with settlement pending.

The Receivers continue to work with the Liquidator of Riviera to determine what, if any, additional realisations may be available for GSI's Note Holders.

Collateralised Debt Obligations

GSI's claim in the Lehman Brothers Australia liquidation was accepted in February 2015. Based on the Liquidators' guidance the Receivers expect a dividend to be paid in late 2015. The eventual quantum and timing of the receipt of the dividend is dependent on events outside the Receivers' control.

Other matters

There are a number of other matters being dealt with by the Receivers, including:

- Claims in a class action for Collateralised Debt Obligations that is separate to the Lehman Brothers Australia liquidation;
- Realisation of interests in unlisted companies; and
- Investigating mechanisms available to achieve the eventual dissolution of GSI.

Distribution to Note Holders

The next distribution is expected to be 1 cent in the dollar paid following the receipt of funds in the Lehman Brothers Australia liquidation, which will bring total returns in the Receivership to **89 cents in the dollar** of principal balances as at 19 July 2013 in line with previously communicated guidance.

Queries

The Trustee and the Receivers continue our commitment to open and transparent communications with Note Holders throughout the Receivership process and will endeavour to update you again when further information arises.

If you have any queries you can:

Visit the GSI website: www.gsi.com.au

Call the GSI hotline: 1300 551 378

Email: GSI@linkmarketservices.com.au

Yours faithfully



Adam Nikitins
Joint and Several Receiver and Manager
Gippsland Secured Investments Limited
(Receivers and Managers Appointed)