

16 January 2014

Dear Note holder

**Gippsland Secured Investments Limited (Receivers and managers appointed)
(ACN 004 860 057) (GSI)**

Trustee Remuneration update

Debenture holders will note the previous circular regarding trustee remuneration dated 18 December 2013 published on GSI's website at <http://www.gsi.com.au>.

The Receivers wish to advise the Trustee remuneration figure disclosed in the circular dated 18 December 2013 did not represent a calculation based on 2% of total note holder distributions plus GST and accordingly provide the following updated information.

The first interim distribution to debenture holders was made within 5 weeks of appointment of the receivers. The total amount distributed was \$21,302,386.32, which represents 15c in the dollar of note holders' principal investments.

On 12 December 2013, a committee meeting was held in Warragul between the committee of debenture holders and representatives of the Trustee and the Receivers. At that committee meeting, the payment of an amount of \$426,048 to the Trustee under the Agreement was discussed, representing 2% of the amount made available for distribution to debenture holders as the first interim distribution excluding GST.

That amount was then paid to the Trustee on 14 December 2013. That payment represents the Trustee's additional remuneration in respect of the period commencing on 3 September 2013 and ending on 30 November 2013.

The Receivers will continue to keep debenture holders informed as to the level of post-enforcement remuneration payable to the Trustee.

Yours sincerely



Adam Nikitins
Receiver and manager
Gippsland Secured Investments Limited
(Receivers and managers appointed)