

27 September 2013

To the Noteholder as addressed

Dear Noteholder

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

**Information circular to Noteholders – announcement of the first interim
distribution, Noteholder information sessions and Noteholder committee**

The Trust Company (Nominees) Limited (“Trustee”) is the Trustee of the notes issued by GSI. The Trustee appointed partners of EY as Receivers and Managers of GSI (“Receivers”) on 3 September 2013.

First interim distribution

We are pleased to announce that we will make an initial interim distribution of **15 cents in the dollar** to all Noteholders, calculated against the balance of your investment as at 19 July 2013.

We are pleased to be able to pay the first interim distribution within five weeks of our appointment of the Receivers. The distribution repays the available cash held by GSI prior to receivership, and seeks to alleviate the financial hardship faced by some Noteholders.

You should receive the first interim distribution by cheque during the **week beginning 7 October 2013**. Details of the calculation of your payment amount will accompany the cheque.

Future distributions

While the total returns for Noteholders remain inherently uncertain in the early stages of the receivership, the Receivers continue to expect that the total eventual return to Noteholders will be meaningful and exceed 80 cents in the dollar.

We note that recapitalisation remains a potential option for GSI and discussions on this are continuing with the Rescue Group. The amount and timing of any future distributions to Noteholders will be dependent on the resolution of this and other matters in the receivership.

We continue to work diligently to act in the best interests of Noteholders, while the Receivers’ priority remains to manage GSI’s assets in a manner that will maximise the financial returns to Noteholders in the most cost effective way.

Hardship situations

If you are experiencing additional financial hardship, after receiving payment for the first interim distribution, you can continue to make a claim for a partial early redemption of your investment.

If you believe that may apply to your circumstances, please refer to the GSI website (www.gsi.com.au) or contact the GSI Hotline for details about hardship applications.

Noteholder information sessions

We are pleased to announce that the Trustee and the Receivers will be holding Noteholder information sessions in the Gippsland region on **Wednesday, 9 October 2013**.

Purpose of the information sessions

The information sessions will be an opportunity for Noteholders to receive a briefing and ask questions about the receivership.

The information sessions will include:

- an account of the events leading up to the Trustee's appointment of the Receivers
- a report of the work done by the Trustee and the Receivers to date
- an update on the options and strategies being considered by the Trustee and the Receivers
- an update on the estimated total return to Noteholders

A written report from the Trustee and the Receivers covering these and other matters will be available to Noteholders prior to the information sessions and posted on GSI's website (www.gsi.com.au).

Please note there will be no formal resolutions passed at the information sessions and attendance by Noteholders is not compulsory.

The information sessions will also include a question and answer session at the end of the meeting. Given the number of Noteholders we expect to attend, we invite Noteholders to submit questions in advance of the information sessions. Noteholders wishing to submit a question should do so upon registration. Details of how to register are set out below. The Trustee and the Receivers will endeavour to answer as many questions as possible in the time available.

Details of the information sessions

The information sessions will be held at two locations, in Bairnsdale and Warragul. The format and information provided in each session will be the same.

Venue	Address	Session times
Riviera Christian Centre	103 Bairnsdale / Dargo Rd, Bairnsdale For directions: http://www.rivieracc.org.au	Session 1: 10:30am to 12:30pm Session 2: 6:30pm to 8:30pm
Danny's the venue (Warragul Harness Racing Club)	Logan Park, Howitt St (South Road), Warragul For directions: www.dannysthevenue.com.au	6:30pm to 8:30pm

We recommend that Noteholders arrive at the venue at least than 30 minutes before the session start time to arrange sign in and seating. Sign in will open 1 hour before the session start time.

Registration

Due to the limited availability of seating at each venue, Noteholders who plan to attend an information session are required to register their details via the GSI Hotline:

- Email: GSI@linkmarketservices.com.au
- Phone: **1300 551 378**

Following registration, Noteholders will receive written confirmation of the session and venue they have nominated.

Noteholders will need to bring this confirmation letter with them to access the meeting. Noteholders that have not registered will only be admitted to a session if there is excess capacity in the venue.

Webcast

For Noteholders who are unable to attend the information sessions, an audio recording and slide pack from the information sessions will be posted on GSI's website (www.gsi.com.au) by Friday, 11 October 2013.

Noteholder committee

Following the information sessions, the Trustee and the Receivers may establish a committee of Noteholders to consult directly with the Trustee and the Receivers during the course of the receivership ("**Committee**"). If constituted, the Committee will receive regular reporting from the Trustee and the Receivers, and have the opportunity to consult with the Trustee and the Receivers in relation to matters that affect the wider body of Noteholders. The Committee will not have any powers over GSI, the Trustee or the Receivers.

Members of the Committee must be available to attend Committee meetings in Bairnsdale approximately every six weeks (teleconference will be available for Noteholders not based in East Gippsland), and will be required to sign a confidentiality agreement.

We are now accepting applications from Noteholders to be appointed as potential members of the Committee. For the consideration of potential applicants and Noteholders generally, the proposed charter for the Committee will be posted on GSI's (www.gsi.com.au) by Wednesday, 2 October 2013.

If you wish to be considered to participate as a member of the Committee, if constituted, please provide the following details by email to GSI@linkmarketservices.com.au by close of business on **Wednesday, 16 October 2013**:

- Your name, address and contact details
- Details of your GSI account
- Your credentials for participating in the committee and your CV
- Details of any Noteholders supporting your application
- Any other information that may assist the Trustee and the Receivers in considering your application

Please note that to participate as a member of the Committee you must be a Noteholder or an authorised representative of a Noteholder.

It is proposed that the Committee consists of 6 to 10 members. If a greater number of applications are received than required for the Committee, the Trustee and the Receivers will select members with a view to forming a Committee that is representative of the Noteholder group as a whole, including geographically, taking into account the credentials submitted by applicants.

We will advise Noteholders if and when a Committee is formed. We confirm that all Noteholders will continue to receive regular reports on the progress of the receivership.

Queries

If you have any queries about this letter or any other matters, please contact us using one of the following methods:

- Visit the GSI website: www.gsi.com.au
- Call the GSI Hotline: **1300 551 378**
- Email: GSI@linkmarketservices.com.au

Yours faithfully

Rupert Smoker
Director
The Trust Company (Nominees) Limited