

22 February 2010

To the Lift Client as Addressed

Dear Sir/Madam

Lift Capital Partners Pty Ltd (In Liquidation) (Scheme Administrators Appointed)
ACN 111 015 500 ("Lift Capital")
Lift Capital Nominees No.1 Pty Ltd (In Liquidation) (Scheme Administrators Appointed)
ACN 112 913 532 ("Lift Nominees")
(Collectively "Lift" or "the Lift Companies")

Update to Lift Clients and Notification of Established Scheme Claims

We refer to the Scheme Meetings held on 22 December 2009 and our previous updates that are available on our website. Capitalised terms in this update have the same meaning as defined in our previous updates.

At the Scheme Meetings held in Sydney on 22 December 2009, the requisite majorities of creditors of Lift Capital and Lift Nominees passed resolutions agreeing to the proposed Schemes between creditors and Lift Capital and Lift Nominees.

On 8 February 2010, the Schemes were approved by the Federal Court. A more detailed update on the approval of the Schemes is available on our website.

The orders of the Court were lodged with the Australian Securities and Investments Commission and the Schemes became effective on 10 February 2010.

Notification of Established Scheme Claims

In accordance with Clause 8.1 of the Schemes, your claim against Lift in respect of the loss of your Mortgaged Securities that were sold by Merrill Lynch will be calculated by reference to the sale prices achieved by Merrill Lynch (calculated on a volume weighted average price basis) less any outstanding loans made to you by Lift as at 10 April 2008. A claim which is determined by the Scheme Administrators for distribution purposes is referred to as an Established Scheme Claim.

In accordance with Clause 8.4(b) of the Scheme, the Scheme Administrators are required to notify you of your Established Scheme Claim. The attached Lift Facility Statement is formal notification of your Established Scheme Claim calculated by the Scheme Administrators.

Your Lift Facility Statement includes some or all of the following information (depending on your individual circumstances):

- + the amount of your Established Scheme Claim, as calculated by the Scheme Administrators in accordance with clauses 8.1 to 8.4 of the Schemes;
- + where the Liquidators consider that you have a proprietary entitlement to any of the listed shares which form part of the Surplus Securities delivered to the Escrow Agent by Merrill Lynch and due to be released to the Liquidators on the Release Date, details of those listed shares which the Liquidators expect to make available to you in accordance with the terms of your Lift Facility

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Agreement. This information is contained in the 'Portfolio Details' section of your Lift Facility Statement. Any such securities are taken into account in calculating the value of your Established Scheme Claim; and

- + where the Liquidators consider that you have a proprietary entitlement to any part of the cash component of the Surplus Securities (including dividends), details of those amounts which the Liquidators expect to make available to you in accordance with the terms of your Lift Facility Agreement. Any such sums are also taken into account in establishing the value of your Established Scheme Claim.

Timing of return of Surplus Securities and distributions under the Schemes

The attached Lift Facility Statement has been prepared on the assumption that no appeal is lodged with the Court against the order of the Court approving the Schemes and that accordingly the Surplus Securities can be made available by the Liquidators to Lift Clients with proprietary claims from 12 March 2010. Subject to any appeal being lodged, the Scheme Administrators expect to be in a position to make a distribution in respect of Established Scheme Claims by the end of March 2010.

In the event that an appeal is lodged, the Surplus Securities will not be available to be released to the Liquidators until after any such appeal is dismissed by the Court. The return of the Surplus Securities to the relevant Lift Clients and the making of distributions to Lift Clients in respect of their Established Scheme Claims would be delayed, pending resolution of such an appeal. The Scheme Administrators have received an indication from the lawyers for the Famularo group of companies that they intend to lodge an appeal but to date no appeal has been lodged. The Scheme Administrators understand that any such appeal is required to be lodged by 1 March 2010.

If by reason of any Court appeal the availability of the Surplus Securities is delayed, then in accordance with Clause 8.4(d)(i) of the Schemes, the Scheme Administrators are entitled to make a further determination of the amount your Established Scheme Claim if our calculations require amendment. If this occurs, you will be notified in writing of your revised Established Scheme Claim.

Process to challenge the adjudication of the Established Scheme Claim

A timetable of the key Scheme milestones and requirements for approval of Established Scheme Claims is available on our website.

If you agree with our calculation of your Established Scheme Claim, you are not required to provide any further information to the Scheme Administrators.

If you do not agree with the determination of your Established Scheme Claim, you are required to notify the Scheme Administrators' office on the contact details provided below:

Leah Diprose
McGrathNicol
Level 31, 60 Margaret Street
Sydney NSW 2000
liftcapital@mcgrathnicol.com
Tel: +61 2 9248 9927
Fax: + 61 2 9338 2699

If you do not agree with the determination of your Established Scheme Claims, you have a period of 10 Business Days from the date on which you receive this letter (or are deemed to have received this letter) to reach an agreement with the Scheme Administrators as to the amount of your Established Scheme Claim, otherwise the Scheme Administrators will make an adjudication of your Established Scheme Claim.

If the amount of your Established Scheme Claim is not agreed with the Scheme Administrators within that period, you have a further period of 21 days to bring a court proceeding challenging the determination of the amount of your Established Scheme Claim under section 1321 of the *Corporations Act 2001*. In the event of an appeal being lodged by the Famularo group of companies against the orders made on 8 February 2010 approving the Schemes, the Scheme Administrators would not seek to argue that a challenge to the determination of an Established Scheme Claim was brought out of time if such a challenge was brought within 21 days after the dismissal of any appeal against the approval of the Schemes.

For the avoidance of doubt, notwithstanding any challenge or appeal, the amount of your claim shall not exceed the amount you are entitled to claim pursuant to clauses 8.1 to 8.4 of the Schemes.

Should you have any queries regarding this correspondence, please contact Leah Diprose on the details provided above.

Yours faithfully

Lift Capital Partners Pty Limited (In Liquidation) (Scheme Administrators Appointed)

Lift Capital Nominees No.1 Pty Limited (In Liquidation) (Scheme Administrators Appointed)

J D Hayes
Liquidator
Scheme Administrator

Enclosures:
Lift Facility Statement