

25 October 2012

Receivers and Managers appointed to Banksia Securities Limited (“BSL”)

The Trust Company (Nominees) Limited (“the Trustee”) has today appointed Tony McGrath, Joseph Hayes, Matthew Caddy and Robert Kirman of McGrathNicol as Receivers and Managers of BSL. The Trustee is the secured creditor of BSL.

The Trustee made the appointment of Receivers and Managers following a request of BSL’s Board.

BSL owes approximately \$660 million to investors and advanced these funds to borrowers primarily to finance real property purchases. BSL holds first ranking real property mortgages to secure its advances.

Control of the business and the assets of BSL rests with the Receivers and Managers who will be working in close consultation with the Trustee to ensure the interests of debenture holders are being protected.

Interest payments and redemptions have been frozen as at 25 October 2012.

One of the Receivers, Tony McGrath, said today, “We are in the process of conducting an urgent review of BSL’s financial position, loan book and underlying security properties. Our primary concern is to ensure the interests of debenture holders are being protected. In this regard, we will be working closely with the Trustee to ensure debenture holders receive regular communication and BSL’s assets are managed in a manner to maximise returns”.

David Grbin, Group Executive General Manager Corporate Client Services at The Trust Company Limited, on behalf of the Trustee, said today “The Trustee has acted on the Board of BSL’s request to appoint Receivers and Managers. We will focus our attention on ensuring debenture holders are treated fairly and equally. We will communicate with debenture holders openly and will act in their best interests throughout the receivership”.

Regular updates will be provided to debenture holders as the receivership progresses.

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