



McGrathNicol

6 April 2017

To the creditor/noteholder as addressed

McGrathNicol  
Partnership

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Dear Sir / Madam

**PrimeSpace Property Investment Ltd (In Liquidation)**  
**ACN 107 345 317 ("PPIL")**  
**Update to creditors and noteholders**

I refer to my previous circular dated 24 March 2017 which included information regarding PPIL's potential claim against its former lawyers for losses suffered due to deficiencies in the PAPF Convertible Note Subscription Agreement ("the Subscription Agreement").

The liquidators are in a position to commence proceedings in relation to the claim, but do not intend to take any further steps in those proceedings until the finalisation of funding arrangements.

To date I have received expressions of interest from five creditors and have executed confidentiality agreements with three of those creditors. Discussions with creditors to date have not resulted in any current proposals from creditors to fund the matter. I have, however, received two non-binding, indicative offers from litigation funders.

Discussions with the litigation funders are ongoing and in absence of proposals being received from creditors, I intend to apply to the Court for approval to enter into a litigation funding agreement so that the liquidators may further pursue the claim.

Should any creditor wish to discuss this matter or remain interested in funding the proposed litigation, please contact either Chris Johnson of my staff on (02) 9248 9903 or Jessie Maguire of my staff on (02) 9338 2604 as soon as possible and by no later than **Wednesday, 12 April 2017**.

Yours faithfully

PrimeSpace Property Investment Limited (In Liquidation)

Shaun Fraser

*Joint and Several Liquidator*

D18-170406-PRIMPRO02-Circular Update re directions application-PD (with JWS mark ups)

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