

Dear Investor,

As advised earlier this month the Board has resolved to set aside funds usually paid as distributions to provide cover (provisioning) for potential losses if loan security properties had to be sold in today's depressed real estate market.

Therefore the monthly income distribution rate on all investment accounts will be temporarily reduced to 2.50%pa for a period of 6 months. This action is effective from 1st September 2011.

To assist investor cash flow during this time we intend to repay each investor 4% of their capital. The return of capital will be conducted by way of a compulsory Withdrawal Offer.

The Withdrawal Offer opens today and will close at:-

3.00pm (NSW time) on Wednesday 21st September 2011.

So that all investors are treated equally all investors will receive 4% of their investment balance after the offer closes. We ask that all investors return the attached withdrawal forms with their current account details. Investors who do not return the withdrawal form will have a form submitted by us on their behalf and will still receive the 4% capital payment via a cheque sent to their postal address.

While all investors must participate in this offer, investors who wish to reinvest the amount they receive may do so by calling into our offices in Lismore or Ballina **after** they receive their capital payment.



Scott Collis
Chief Executive Officer
26th August 2011

Periodic Withdrawal Offer

The Offer

The Board considers that it is in the best interests of all investors that a withdrawal offer equal to 4% of investment balances as at 21st September 2011 be paid.

This offer will remain open until **3.00pm (NSW time) on Wednesday 21st September 2011.**

How does it work?

All investors in East Coast Advantage AND East Coast Premium Choice must participate.

Investors should complete the attached form and submit it to us by no later than **3.00pm (NSW time) on Wednesday 21st September 2011.** Fax Requests will not be accepted.

Investors who do not return the withdrawal form by 3.00pm on 21 September 2011 will have a withdrawal offer form lodged by us on their behalf and receive the 4% capital payment via a cheque sent to their postal address.

All investors will receive 4% of their investment balance after the closing date of the offer.

Examples:

- Mrs. Smith has an investment of \$100,000. She lodges a withdrawal request for \$4,000. Mrs. Smith receives \$4000.
- Mr. Jones has an investment of \$100,000. He lodges a withdrawal request for \$50,000. The Maximum available is 4% of investment balances. Mr. Jones receives \$4000.
- Ms Brown has an investment of \$100,000. He does not lodge a withdrawal request. All investors must participate. Ms Brown receives \$4000.

