



GOWINGS

Investing Together for a Secure Future

ANNOUNCEMENT TO THE MARKET

"Likely substantial recovery of CDO Coolangatta Notes"

Dear Shareholder,

In 2007 Gowings invested \$5,000,000 in a series of Collateralised Debt Obligations (CDO's) via Grange Securities Ltd. Grange was subsequently acquired by Lehman Brothers Australia, which then collapsed and is now in liquidation. In light of this situation and in the wake of the global financial crisis, Gowings wrote the carrying amount of this investment down to nil in 2010.

There have been ongoing negotiations with the liquidators of Lehman Bros Holdings Inc in the USA for the return of the funds invested by Gowings. This culminated in a series of note holder meetings held this past month, supported by Gowings in which note holders voted in favour of accepting an agreement to sell the underlying collateral supporting the CDO's and return a significant majority of the proceeds to note holders, including Gowings.

Whilst the exact quantum of the return cannot as yet be determined, it appears likely to be a significant percentage of the original investment, and, the funds are expected to be received by Gowings before the end of March 2013.

Yours sincerely,

John Gowing

Dated: 8 February 2013

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