

CIRCULAR TO DEBENTURE HOLDERS

3 July 2018

Dear Debenture Holder,

Eurofinance Capital Limited (Receivers & Managers Appointed) (the Company) ACN 101 785 282

I refer to my initial correspondence to debenture holders dated 10 November 2017.

As you are aware, David John Frank Lombe and I were appointed Joint and Several Receivers and Managers (**the Receivers**) of the Company on 7 November 2017 pursuant to a First Ranking Debenture Stock Trust Deed and Company Charge both dated 6 September 2002 created by the Company in favour of The Trust Company (Nominees) Limited (formerly known as Permanent Nominees (Aust) Limited).

The Receivers are currently in the process of realising the assets of the Company. An update on the progress of the asset realisations to date is as follows:

Cash at Bank on Appointment

Upon our appointment we took control of the Company's bank account which had a balance of \$107,189.03.

ATO Tax Refund

We have received a tax refund totalling \$4,521.00.

Lots 3, 4, 11 and 12 Old Ferry Road, Banora Point NSW 2486 (Banora Property)

- Lot 3 was sold for \$198,000 and settled on 25 June 2018;
- Lot 4 was sold for \$198,000 and settled on 14 May 2018;
- Lot 11 was sold for \$220,000 and settled on 8 June 2018; and
- Lot 12 was sold for \$260,000 and settled on 19 December 2017.

11-25 Carmody Street, Warwick QLD 4370 (Warwick Property)

- We have now commenced an Expressions of Interest sale and marketing campaign for the Warwick Property which we estimate will be completed by 31 October 2018.

Other Actions

The Receivers are currently conducting an investigation into payments made by the Company toward the development and construction of a house on Lot 7, Banora Property which is owned by Claire Jones and Scott Punch.

We are also investigating unpaid Company share capital to determine whether these amounts may be recoverable.

Distribution to Debenture Holders

We advise a first and interim dividend of 8 cents in the dollar on a remaining balance of \$5,151,997 owed to debenture holders will be made immediately. We will make a second and final distribution to debenture holders following the sale of the Warwick Property and recovery of funds used for the development and construction of the house on Lot 7, Banora Property.

We will write to debenture holders again in due course to provide an update on our investigations and the debt and asset position of the Company.

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Should you have any further queries in relation to the process described above, please contact Jack McGrath of my office on (02) 8260 4867 or by email at jackmcgrath@deloitte.com.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Vaughan Neil Strawbridge', with a small dot at the end of the signature.

Vaughan Neil Strawbridge
Joint Receiver and Manager