



ANGAS SECURITIES LIMITED ABN 50 091 942 728
AUSTRALIAN FINANCIAL SERVICES LICENCE NO. 232 479

6 July 2016

CLARIFICATION – ASSET REALISATION PROGRAM

Angas Securities has been engaged in a process to “run off” of its legacy debenture business to repay all debentures since approval of an extraordinary resolution of its debenture holders at a meeting held on 10th August 2015. The Federal Court approved the run off and issued a direction to The Trust Company (“Trustee”) that the implementation of the Run-Off orders made by the Court accords with the Trustee’s duties.

Since August 2015, Angas’ Board and Management has conducted the realisation of debenture funded assets in consultation with a Loans Realisation Committee (“LRC”), which comprises an independent chairman, a representative of the Trustee and Angas’ independent director.

To date Angas Securities under the auspices of the LRC has successfully sold 38 properties from July 2015 to April 2016. During that period it has received 40 additional partial or full loan discharges. In doing so, Angas Securities has achieved realisations on average at greater than book value. Progressive distributions to debenture holders represent 34% of loan principal to date in addition to interest paid by Angas Securities each month.

Article in the Advertiser newspaper – 5 July 2016

One asset to be realised in the run-off is an interest in Hindmarsh Precinct Developments Pty Ltd (“HPD”), which owns commercial land adjacent to the Adelaide Entertainment Centre at Lot 101 Adam Street, Hindmarsh.

Angas has contracted to sell its investment in HPD at a price greater than book value. The settlement of this transaction has not occurred because the Trustee has refused to release a security interest it holds over the asset.

Angas has initiated legal proceedings in the Supreme Court of South Australia seeking an order directing the Trustee to release the asset so the proceeds of the sale can be paid to debenture holders.

Angas is willing for the sale proceeds to be paid into Court pending resolution of the matter so long as the funds form part of the distributions to debenture investors.

The Trustee wants the proceeds to be held in the Trust Account of the purchaser’s solicitors to be applied at the direction of the Trustee in its sole discretion.

An article in Adelaide’s “The Advertiser” newspaper published on 5th July 2016, in relation to the action in the Supreme Court, stated that the Trustee was seeking a guarantee from Angas that the entire proceeds will be passed on to investors. The article is not correct. Angas has requested that the entire proceeds be passed on to debenture holders as part of the run off.

The Supreme Court proceedings are listed for further directions on 8 July 2016 at 10am.

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Article in the Australian newspaper – 5 July 2016

Angas Securities is aware that an article by Anthony Klan was published in the Australian newspaper both in its digital and printed media on 5 July 2016. In that article, comments and views are attributed to the Trustee. The article includes a comment that it appears likely that the Trustee will seek to block Angas Securities' attempts to extend the period of the Run-Off.

Angas Securities has not been informed by the Trustee that this is its position.

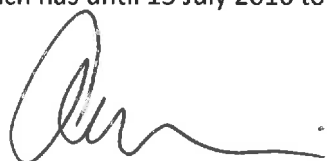
To the contrary, the Federal Court has relevantly ordered that:

1. Angas Securities file and serve its application seeking orders to extend and amend the terms of the Run-Off by 14 June 2016.
2. Angas Securities prepare a draft updated explanatory statement to debenture holders which discloses material information necessary for debenture holders to vote at a meeting to be held on 11 August 2016, to be sent to the Trustee and ASIC by 4pm on 17 June 2016.
3. The Trustee and Angas Securities are to consult in good faith with each other and ASIC in relation to the draft updated explanatory statement and Angas Securities is to provide ASIC and the Trustee with any information and/or documents as may be reasonably necessary for that purpose.
4. ASIC and the Trustee are to file and serve any application by 15 July 2016.
5. The proceeding be listed for further hearing on 22 July 2016 during which the Court will hear and determine ASL's application and any application which may be made by the Trustee or ASIC, including whether it is appropriate to approve the form of updated explanatory statement to be issued by ASL to its debenture holders and make orders that the explanatory statement be communicated to debenture holders by 26 July 2016 and a meeting of debenture holders be convened on 11 August 2016.

Angas Securities filed its application on 15 June 2016 and provided its draft explanatory statement to ASIC and the Trustee on 17 June 2016.

The process of consulting with ASIC and the Trustee in relation to the draft explanatory statement is ongoing. Angas has provided information and documents in response to requests from ASIC and the Trustee.

Neither ASIC nor the Trustee has filed any application yet pursuant to the Court's orders, although each has until 15 July 2016 to do so.



Andrew Luckhurst-Smith
Executive Chairman
ANGAS SECURITIES LTD