

ASX RELEASE

3 FEBRUARY 2016

Market Update

Ask Funding Limited (ASX: AKF) ("the Company") provides the following trading update to the Market.

Financial Risk Management – Credit Risk

In the notes to the Financial Statements forming part of the Company's FY15 Annual Report (pages 8 and 9) reference was made to a Single Matrimonial Loan in Western Australia (security held Mortgage, Caveat and Guarantees from borrower and related parties) with a net carrying value at 30 June 2015 of \$2.0M

On 14 May 2015 the Company settled a legal dispute with the borrower of this Single Matrimonial Loan and two guarantors on the following basis:

- That the borrower and the guarantors agreed to pay to the Company the sum of \$2M on or before 15th January 2016;
- That in the event that this sum was not paid the borrower and the guarantors consented to judgment being entered against them in favour of the Company for \$2.5M; and
- The security granted in favour of the Company by the borrower and the guarantors remain in place

The borrower and guarantors failed to pay the sum of \$2M to the Company on or before 15th January 2016.

As a result of the \$2M not having been paid on or before 15th January 2016 the Company has now entered judgment against the borrower and the guarantors in the Supreme Court of Western Australia for the sum of \$2.5M. The Company is currently exploring the avenues available to it to satisfy this judgment.

The net carrying value of this loan as at 30th June 2015 was \$2.0M and this figure remains the current net carrying value.

FOR FURTHER INFORMATION PLEASE CONTACT:

Gabriel Radzynski
Director
Tel: 02 8014 1188
Fax: 02 8084 9918

Mark Licciardo
Company Secretary
Mertons Corporate Services
T: 03 8689 9997
F: 03 9602 4709