



Compass Hotel Group Ltd

ABN 18 127 909 835

Corporate Office

Compass House
PO Box 2065
WARWICK WA 6025
Telephone 618) 9247 7220
Facsimile 618) 9448 7955

www.compasshotel.com.au

Primary Compass Ltd

ABN 98 129 159 182
AFSL 323380
as Responsible Entity of
Compass Hotel Group Trust
ABN 72 922 408 903

2 October 2009

Company Announcement Office
Australian Stock Exchange Limited
Level 4 Stock Exchange Ltd
20 Bridge Street
SYDNEY 2000

Market Update and Appointment of Company's Adviser

Corporate Developments

The two boards of the entities comprising the Compass Hotel Group are overseeing governance and compliance matters as well as reviewing and selecting appropriately qualified and experienced parties who can join the board of the Company and add value to the development of future opportunities for the group.

The Group remains under trading suspension whilst the annual accounts (4E) are finalised and submitted and whilst financing and recapitalising discussions are completed.

The Group is pleased to announce the appointment of BBY Limited ("BBY") to act as the Group's adviser to assist in relation to the selection of appropriate parties and the recapitalisation options available.

A structured identification and selection process for suitable entity is well progressed. There are a number of interested parties that the Group has been in discussion with, all of whom have been identified as having the pre-requisite industry experience, operational management expertise and capital capacity to assist Compass in its future growth.

Timing for the appointment of the incoming party, recapitalisation of the Group and lifting of the suspension of the Group's stapled securities will be closely co-ordinated by the current interim board with the advice of BBY, with the intention to have resolutions for all matters as soon as practical. The market will be informed as relevant stages are completed.

In addition, it should be clarified that contrary to several recent reports, Compass is not currently offering for sale any of its core assets (pubs).

Operational Developments

The Compass boards are pleased with the performance of its operations this financial year as management continues to maximize revenue opportunities and implement further operational efficiencies to heighten operating performance.

Incremental revenue gains against expected forecasts since 1 July 2009 have contributed to improved financial profit performance.

A handwritten signature in black ink, appearing to read 'Roland Hill', with a horizontal line extending to the right.

Roland Hill
Director