



17 June 2009

The Manager
ASX limited
20 Bridge Street
Sydney NSW 2000

ASX Release - Rubicon America Trust (ASX: RAT)

Notification to ASIC - Rubicon Asset Management Limited (RAML) Australian Financial Services Licence (AFSL) No. 220481

As a consequence of previously announced issues and in accordance with its obligations under section 912D of the *Corporations Act 2001 (Cth)*, on 15 June 2009 RAML reported to ASIC that it has become aware that the following significant breaches of its AFSL are likely to occur (**Breaches**):

- (a) breach of the requirement to maintain \$5 million in net tangible assets as set out in condition 9 of RAML's AFSL, in or about August 2009;
- (b) breach of the ability to pay all debts as and when they become due and payable as set out in condition 8(a) of RAML's AFSL, in or about August 2009; and
- (c) breach of the cash needs requirement on a contingency based projection basis as set out in condition 8(d)(i) of RAML's AFSL, as RAML may not have sufficient financial resources to meet its liabilities over the next 3 months.

The Breaches are likely to be significant because they may impact RAML's ability to operate as the responsible entity of Rubicon America Trust (**RAT**), Rubicon Japan Trust (**RJT**) and Rubicon Europe Trust Group (**LPTs**) and they also adversely affect RAML's solvency.

RAML became aware that the Breaches are likely to occur after the considering the impact of receipt, on 11 June 2009, of a demand on an unsecured guarantee given by RAML in its capacity as responsible entity of RAT, which guarantees amounts owing by Rubicon Finance America II LLC to certain noteholders. This demand was announced to the ASX on Friday 12 June 2009.

The delivery of this demand may have the result that a condition to the withdrawal of funds from a tax reserve maintained by Rubicon US REIT with the approval of its lenders cannot be satisfied. That tax reserve was established to reserve against a potential RAT tax liability of approximately \$11 million that will be payable if RAML receives a negative ruling from the ATO on a request for private ruling that is currently being considered by the ATO. If the ATO ruling is negative and those tax reserve funds are not able to be withdrawn, RAML will not have sufficient funds available to pay the RAT tax liability. If the ATO provides a positive ruling, there should not be any RAT tax liability.

In addition, RAML will be obliged to pay an RJT tax liability of approximately \$9 million in or around May 2010. If the restructure of the senior debt facilities referred to in previous announcements made in relation to RJT on 31 March 2009, 30 April 2009 and 2 June 2009 are not completed, RAML will not have sufficient funds to pay the RJT tax liability. Although discussions are continuing between Allco Real Estate Management KK as asset manager and the lenders in Japan, it is unlikely that the restructure of the senior debt facilities in Japan will be successfully completed.



Although the Breaches have not occurred as at the date of this announcement, RAML is of the view that it is likely they will occur. The likelihood of the Breaches occurring and the time at which they occur is dependent on, among other things, the success of the initiatives RAML has been implementing to stabilise the LPTs. RAML is continuing to pursue these initiatives and is exploring other options to avoid (or postpone) the occurrence of the Breaches and will keep the market informed. However, there can be no assurance that any of those initiatives or other options will be successful.

RAML requests that the suspension of the quotation of the units in RAT continue.