

16 February 2010

ASX RELEASE

Everest Babcock & Brown Income Fund - Litigation

We refer to the release made on 3 December 2009 in relation to a claim by LJK Nominees Pty Ltd (**LJK**) relating to LJK's investment in the Everest Babcock & Brown Income Fund (**EBBIF**). EBBIF is a registered managed investment scheme that is currently being wound up. The responsible entity of EBBIF is Everest Capital Limited (**ECL**), a subsidiary of Everest Financial Group Limited (**EFG**).

LJK has made further allegations in a draft amended statement of claim against both ECL and Mr Jeremy Reid. ECL is considering both the merits of the draft amendments and of the original claim and has not yet formed a view as to whether and to what extent the claims have merit. Accordingly, EFG has not yet determined to what extent LJK's claims may have an adverse impact on EFG.

The matter is listed for a further directions hearing on 25 February 2010. EFG will continue to inform the market of any developments in accordance with its obligations under the Listing Rules.

Ends.

For further information please visit our website www.everest.com.au or contact:

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