

11 November 2010

ASX RELEASE

Market Update

Litigation

The board of directors of Everest Financial Group Limited (**EFG**) has approved of its subsidiary, Everest Capital Limited (**ECL**), entering into a settlement of the Federal Court litigation between ECL, Mr Jeremy Reid, LJK Nominees Pty Ltd (**LJK**), BT Securities Limited and BT (Queensland) Pty Ltd.

The dispute has been resolved on confidential terms without any party admitting liability. ECL paid net \$1 million towards the settlement.

Transition of Funds to One Investment Group

As at the beginning of November 2010, ECL had transitioned over half of its trustee, responsible entity and management functions in respect of various investment trusts to One Investment Group. It is expected that all transitions to One Investment Group will be completed by the end of November 2010.

Return of Capital

Post settlement of the litigation which has occurred, EFG group will have approximately \$19.0 million in cash deposits. This is equal to approximately 7.5 cents per share.

The board of EFG is pleased to advise shareholders that it intends to issue a Notice of Meeting shortly for an extraordinary general meeting to be held in December to approve an initial return of capital of between 5 cents and 5.75 cents per share to shareholders. The exact amount of the initial capital return will depend on the level of capital required to be retained in ECL for any remaining licensing requirements and other ongoing administrative expenses.

Further information will be provided with the Notice of Meeting to be sent to shareholders this week.

Ends.

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

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