

13 January 2011

ASX RELEASE

Market Update

The board of Everest Financial Group Limited (**EFG**) advises that it intends issuing a notice of meeting shortly for a general meeting of shareholders to be held late next month to approve a return of capital of \$0.04 per share to shareholders.

In November 2010, the board announced a proposed return of capital to shareholders in an amount of between \$0.05 and \$0.0575 per share. That return of capital was proposed to be approved by shareholders at a meeting scheduled to take place in December 2010 and a notice convening that meeting was issued by EFG and lodged on the ASX company announcements platform on 12 November 2010.

Subsequent to the issue of that notice of meeting (and as previously announced to the market) EFG's subsidiary, Everest Capital Limited (**ECL**) received a notice from ASIC requiring it to produce documents in connection with investigations being undertaken by ASIC. In addition, ECL was also served with a statement of claim by Bernard and Maurice Stang in relation to certain investments which they made some years ago in various funds operated and managed by ECL. In late December, significant amendments to the Stangs' claim were made. Following a review of the Stangs' claim, ECL has indicated to EFG that it intends to vigorously defend this claim.

In light of these developments, the Board has formed the view that EFG should proceed to return \$0.04 per share to shareholders. Further information on the proposed capital return will be provided with the notice of meeting and explanatory statement to be sent to shareholders shortly.

EFG will continue to monitor its cash requirements having regard to ongoing claims, insurance coverage and other circumstances, with a view to returning further capital to shareholders at the earliest opportunity.

Ends.

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

Michael Sutherland
Company Secretary
Phone: (02) 8001 9100