

17 February 2011

Attention: Ms Suzanna Dabski
Senior Advisor, Listing (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

By email

Dear Ms Dabski

Everest Financial Group Limited (Company)

We refer to your letter to the Company dated 16 February 2011 (**Letter**) regarding the Appendix 3X Initial Directors' Interest Notice (**Appendix 3X**) lodged by the Company on 15 February 2011 in connection with Mr Michael Sutherland's appointment as a director of the Company on 25 November 2010 .

Using you numbering, we respond to your questions as follows:

1. The Appendix 3X was not lodged within time frame prescribed by Listing Rule 3.18A.1 as a result of administrative oversight. In this regard, the Company notes that:
 - a. Mr Sutherland's appointment as a director of the Company was disclosed to the market by way of an ASX announcement on 25 November 2010;
 - b. Mr Sutherland held no shares in the Company at the time of his appointment (and accordingly any Appendix 3X lodged at that time would have shown a nil return) ; and
 - c. full details of all directors shareholdings in the Company were disclosed in the notice of meeting lodged with the ASX on 18 January 2011. That notice of meeting disclosed that Mr Sutherland would be issued with shares in the Company prior to the date set for the relevant shareholder meeting convened by the notice of meeting (namely 24 February 2011); and
 - d. the Appendix 3X lodged with the ASX on 15 February 2011 contained details of the shares in the Company issued to Mr Sutherland in February 2011 (as envisaged by the notice of meeting referred to above).
2. The Company has in place a continuous disclosure policy with which its personnel are required to comply (**Policy**).



3. The Company considers that the Policy and implementation by the Company is adequate to ensure the Company's continued compliance with continuous disclosure obligations under ASX Listing Rules.

Yours faithfully

Michael Sutherland, Director
for and on behalf of
Everest Financial Group Limited



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16 February 2011

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Everest Financial Group Limited
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By Email

Dear Michael,

Everest Financial Group (the "Group")

We refer to the following:

1. The Appendix 3X lodged by the Group with ASX Limited ("ASX") on 15 February 2011 confirming the appointment of Mr Michael Sutherland as a director of the Group, effective 25 November 2010 (the "Appendix 3X").

2. Listing rule 3.19A.1 which requires an entity to tell ASX the following:

The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3X indicated that the director was appointed on 25 November 2010 it appears that the Appendix 3X should have been lodged with ASX by 2 December 2010. As the Appendix 3X was



lodged on 15 February 2011 it appears that the Group may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Group of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Group make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3X was lodged late.
2. What arrangements does the Group have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Group intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at suzanna.dabski@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.D.T.) on Monday, 21 February 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Suzanna Dabski
Senior Adviser, Listings (Sydney)