

29 April 2011

ASX RELEASE

Notice of Annual General Meeting

AGM

Everest Financial Group Limited (**Company**) will hold its 2011 Annual General Meeting on Monday 30 May 2011 in the Prince Albert Room, Sir Stamford Hotel, Circular Quay, 93 Macquarie Street, Sydney, NSW at 11.00am (the **AGM**).

The Notice of Meeting convening the AGM, accompanying Chairman's Letter, Explanatory Statement and Proxy Form for the AGM (**Meeting Documents**) will be mailed to shareholders today. Copies of these documents follow this announcement and are also available on the Everest website at www.everest.com.au.

In addition to the usual business to be conducted at the AGM, shareholders will also be asked at the AGM to consider and if thought fit, pass resolutions to:

- change the Company's auditors;
- approve the de-listing of the Company; and
- approve the Company undertaking an equal access buy-back of up to 10 million shares at a price of 12.5 cents per share (on a post share consolidation basis).

Further details of these proposals and other items of business for the Company's AGM are set out in the Meeting Documents.

Minimum Holding Buy Back

The Company has also today instituted a buy back of ordinary shares for shareholders who hold less than a marketable parcels of shares (Minimum Holding Buy Back). Details of the Minimum Holding Buy Back are described in the Meeting Documents and in a separate announcement posted on the ASX company announcement's platform today.

Please read the Meeting Documents

Before making any decision relating to the resolutions proposed at the upcoming AGM or a decision to participate in the Minimum Holding Buy Back, the Board strongly encourages you to read the Meeting Documents carefully and in full and to seek advice from your financial and taxation adviser as to the impact of the arrangements described therein on your personal circumstances.

Ends.

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

Greg Martin
Chairman
Phone: (02) 8001 9100



NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

Notice of annual general meeting and explanatory statement for Everest Financial Group Limited
(ABN 42 112 480 145)

Date of meeting:

Monday, 30 May 2011

Time of meeting:

11.00 am

Place of Meeting:

Prince Albert Room, Sir Stamford Hotel, Circular Quay, 93 Macquarie Street, Sydney, NSW 2000

IMPORTANT NOTICE

This is an important document. Please read it carefully and in its entirety. If you do not understand it, you should consult your stockbroker, solicitor, accountant or other professional adviser without delay. If you are unable to attend the Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions.

Chairman's Letter

29 April 2011

Dear Shareholder

The Annual General Meeting

Everest Financial Group Limited (the **Company**) invites you to attend its annual general meeting to take place on 30 May 2011. The purpose of the meeting is to:

1. Receive and consider the financial report of the Company and its controlled entities for financial year ended 31 December 2010, and the related directors' report and auditor's report (**Annual Report**);
2. Consider and, if thought fit, pass resolutions to:
 - adopt the remuneration report, as set out in the directors' report for the Company and its controlled entities for financial year ended 31 December 2010;
 - re-elect Michael Sutherland as a director of the Company;
 - change the Company's auditors;
 - approve the de-listing of the Company; and
 - approve the Company undertaking an equal access buy back of up to 10 million shares at a price of 12.5 cents per share (on a post share consolidation basis).

Annual Report

The Corporations Act 2001 (Cth) (**Corporations Act**) requires the Annual Report to be received and considered at the annual general meeting. Neither the Corporations Act nor the Company's constitution requires a vote of the shareholders on the Company's Annual Report, however, shareholders will be given the opportunity at the annual general meeting to ask questions about or make comments on the management of the Company. A copy of the Annual Report has been mailed to shareholders together with the notice of meeting and accompanying explanatory statement.

Remuneration report

The Corporations Act requires that, at a listed company's annual general meeting, a resolution for the adoption of the remuneration report of the Company be put to non-binding shareholder vote. The remuneration report of the Company is set out on pages 11-18 of the Annual Report.

Director Election

Michael Sutherland was appointed by the directors as a director on 25 November 2010. Accordingly, he is required to retire from office at this meeting and, being eligible, offers himself for re-election.

Change of Auditors

Resolutions for the removal of the incumbent auditor (Ernst & Young) and appointment of a replacement auditor (RSM Bird Cameron Partners) will be put to Shareholders at the meeting. The change of auditors is expected to result in cost savings for the Company. Further detail on the change of auditors is contained in the accompanying explanatory statement.

Unmarketable Parcel Buy Back

Having regard to the administrative and registry costs incurred by the Company in managing small holdings, the Company proposes to conduct a buy back of small holdings constituting less than a marketable parcel of shares at a post-consolidation price of 12.5 cents per share in accordance with the ASX Listing Rules and the Company's constitution.

The minimum holding buy back does not require shareholder approval and is proposed to take place irrespective of whether the other proposals discussed in the accompanying notice of meeting and explanatory statement are approved by shareholders.

Information contained in the accompanying explanatory statement relates to, among other things, whether or not shareholders should remain as shareholders in the Company following its de-listing. This information will also be relevant for shareholders determining whether or not they wish to participate in the minimum holding buy back or retain their shares in the Company. Accordingly, those shareholders are encouraged to read the accompanying documents in full.

Delisting

On 28 June 2010, Everest Financial Group Limited (the **Company**) announced it intended to wind down its operations with a view to returning capital to shareholders. Following that decision, the Company and its subsidiaries commenced scaling back their operations. As part of that process, the Company has, among other things, undertaken a wind down and transfer of its trustee, responsible entity and management responsibilities. That process is near complete and the Board anticipates that it will conclude in the coming months. The Company has also recently completed a capital return to all shareholders of 4 cents per share (pre the share consolidation undertaken earlier this year).

Having regard to the wind down of the Company's activities, the ongoing requirements for listing, the costs associated with remaining listed and after carefully considering various alternatives, the Board has determined to put a resolution to shareholders at the annual general meeting to de-list the Company's securities from quotation on the ASX. The ASX has approved the Company's de-listing application on certain conditions, including that the de-listing is approved by an ordinary resolution of shareholders..

Equal Access Buy Back

In view of the impact which de-listing the Company would have on the Company and its shareholders, the Board has determined that shareholders should be given an opportunity to exit all (or, in the event of a scale back) part of their investment in the Company prior to proposed de-listing. Accordingly the Board has also determined to put a resolution to shareholders at the annual general meeting which, if approved, would allow the Company to undertake an equal access buy back of up to 10 million shares (comprising approximately 40% of the entire issued capital of the Company) at a post-consolidation price of 12.5 cents per share. The resolution to approve the equal access buy back is conditional on shareholders approving the de-listing. Further details of the proposed de-listing and equal access buy back are contained in the accompanying Notice of Meeting and Explanatory Statement.

Before making any decision relating to the resolutions proposed at the upcoming meeting, the Board strongly encourages you to read the Notice of Meeting and accompanying Explanatory Statement carefully and in full and to seek advice from your financial and taxation adviser as to the impact of the proposed resolutions on your personal circumstances.

Yours faithfully,



Greg Martin
Chairman
Everest Financial Group Limited

Notice of Meeting

Everest Financial Group Limited (ABN 42 112 480 145) (**Company**) gives notice (**Notice or Notice of Meeting**) that an annual general meeting of members of the Company will be held:

at 11.00 am
on Monday, 30 May 2011
at Prince Albert Room, Sir Stamford Hotel, Circular Quay, 93 Macquarie Street, Sydney, NSW 2000

(the **Meeting**).

BUSINESS OF THE MEETING

ITEM 1: ANNUAL REPORT

To receive and consider the financial report of the Company and its controlled entities for the financial year ended 31 December 2010, and the related Directors' report and auditor's report.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the remuneration report, as set out in the Directors' report for the Company and its controlled entities for the financial year ended 31 December 2010, be adopted."

Majority required: Section 250R(2) of the Corporations Act provides that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the vote. Resolution 1 is an ordinary resolution. As an ordinary resolution, Resolution 1 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders who are entitled to vote on Resolution 1 are cast in favour of Resolution 1.

Nature of Resolution 1: Under section 250R(3) of the Corporations Act, the resolution of the Shareholders that the remuneration report of the Company be adopted is advisory only and does not bind the Company or its Directors.

Voting exclusions: No voting exclusions apply to Resolution 1.

RESOLUTION 2: RE-ELECTION OF MICHAEL SUTHERLAND AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Michael Sutherland be re-elected as a director of the Company”

Majority required: Resolution 2 is an ordinary resolution. As an ordinary resolution, Resolution 2 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders who are entitled to vote on Resolution 2 are cast in favour of Resolution 2.

Voting exclusions: No voting exclusions apply to Resolution 2.

RESOLUTION 3: REMOVAL OF INCUMBENT AUDITOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to section 329(1) of the Corporations Act 2001 (Cth), Ernst & Young be removed from office as auditor of the Company and its controlled entities, effective from the close of the meeting.”

Majority required: Section 329(1) of the Corporations Act 2001 (Cth) provides that an auditor may be removed from office by resolution of a company in general meeting, provided that certain notice requirements have been met. Resolution 3 is an ordinary resolution. As an ordinary resolution, Resolution 3 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders who are entitled to vote on Resolution 3 are cast in favour of Resolution 3.

Voting exclusions: No voting exclusions apply to Resolution 3.

RESOLUTION 4: APPOINTMENT OF NEW AUDITOR

To consider, and if thought fit, to pass the following resolution as an special resolution:

“That, conditional on the approval of Resolution 3, pursuant to section 327D(2) of the Corporations Act 2001 (Cth), RSM Bird Cameron Partners, being qualified to act as auditor and having given its consent to act, be appointed as auditor of the Company and its controlled entities, effective from the close of the meeting, and be paid the usual and proper professional fees as remuneration for so acting.”

Majority required: Section 327D(2) of the Corporations Act 2001 (Cth) provides that a company may at a general meeting by special resolution immediately appoint an individual, firm or company as auditor of the company, providing certain notification requirements have been met. Resolution 4 is accordingly a special resolution. As a special resolution, Resolution 4 will be passed if at least 75% of the votes cast by Shareholders entitled to vote on Resolution 4 are cast in favour of Resolution 4.

Voting exclusions: No voting exclusions apply to Resolution 3.

Resolution 4 conditional: Resolution 4 is conditional on the approval of Resolution 3. If Resolution 3 is not passed, Resolution 4 will not be put to Shareholder vote.

RESOLUTION 5: DE-LISTING

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That the Company be removed from the official list of the ASX on a date to be decided by ASX (being not earlier than one month after this Resolution is passed) and that the directors of the Company be authorised to do all things reasonably necessary or desirable to give effect to the de-listing of the Company from the ASX.”

Majority required: Resolution 5 is an ordinary resolution. As an ordinary resolution, Resolution 5 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders who are entitled to vote on Resolution 5 are cast in favour of Resolution 5.

Voting exclusions: No voting exclusions apply to Resolution 5.

RESOLUTION 6: EQUAL ACCESS BUY BACK

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, conditional on approval of Resolution 5, in accordance with section 257C(1) of the Corporations Act 2001 (Cth) and for all other purposes, the shareholders of the Company authorise the Company to undertake an equal access buy back of up to 10 million of its ordinary shares at a price of 12.5 cents per share, in accordance with the ASX Listing Rules and the terms detailed in the explanatory statement which accompanies this notice of meeting.”

Majority required: Section 257C(1) of the Corporations Act 2001 (Cth) provides that, in relation to an equal access scheme, the terms of the buy back agreement must be approved before it is entered into by a resolution passed in general meeting of the company (or the agreement must be conditional on such approval). Accordingly Resolution 6 is proposed as an ordinary resolution. As an ordinary resolution, Resolution 6 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders who are entitled to vote on Resolution 6 are cast in favour of Resolution 6.

Voting exclusions: No voting exclusions apply to Resolution 6.

Resolution 6 is conditional: Resolution 6 is conditional on the approval of Resolution 5. In the event that Resolution 5 is not approved, Resolution 6 will not be put to Shareholder vote.

**By order of the board of
EVEREST FINANCIAL GROUP LIMITED**

Date 29 April 2011

Signed



Michael Sutherland, Director and company secretary of
Everest Financial Group Limited

How to vote

Eligibility to vote

For the purposes of the Meeting, a Shareholder will be entitled to vote at the Meeting if they are recorded on the Company's register of Shareholders at 7.00pm on Saturday 28 May 2011 (the **Voting Entitlement Date**). Accordingly, Share transfers registered after the Voting Entitlement Date will be disregarded in determining entitlements to attend and vote at the meeting.

Voting in person

If you are proposing to attend the Meeting and vote, there is no need for you to take any further action at this time.

Voting by corporate representative

Body corporate Shareholders should complete a "*Corporate Letter of Representation*" to enable a person to attend the Meeting on their behalf. A form of this certificate may be obtained from the Registrar by calling **1800 336 109** (in Australia) or **+61 2 8280 7691** (from overseas).

Voting by proxy

If you are not attending the Meeting and you wish to vote you must complete and lodge the enclosed Proxy Form. Any Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote on their behalf. If two proxies are appointed, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If two proxies are appointed and no proportion or number is specified, each proxy may exercise half of the votes. A proxy need not be a Shareholder. The Proxy Form contains voting instructions and other important information which you should read carefully.

To be effective, the Company must receive Proxy Forms (duly completed and with any necessary documentation) at least 48 hours prior to the Meeting, that is, by 11.00am on Saturday 28 May 2011. Proxy Forms may be returned by any of the following means:

- **On line** in the manner set out in the Proxy Form OR
- **By mailing** it to the Registrar, Link Market Services Limited, using the reply paid envelope enclosed with this Notice of Meeting OR

Locked Bag A14
Sydney South
Sydney NSW 1235
AUSTRALIA

- **By faxing** it to:
02 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia) OR
- **By hand delivering** it (during business hours, Monday to Friday only) to:
Level 12
680 George Street
Sydney NSW 2000
AUSTRALIA

Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if the Shareholder is a body corporate, by two directors or by a director and secretary, or if the Shareholder is a proprietary company that has a sole director who is also the sole secretary (or has no secretary), by that director, or under hand of its attorney or duly authorised officer. If a proxy is signed by a Shareholder attorney, the power of attorney must have been previously noted by the Registrar or a certified copy thereof must also be received by 11.00am on Saturday 28 May 2011.

Explanatory Statement accompanying the Notice of Meeting

This Explanatory Statement has been prepared to assist Shareholders in understanding the Resolutions to be put at the Meeting. You are encouraged to consider this Explanatory Statement carefully. If you are in doubt as to how to deal with this Explanatory Statement, you should consult your legal, financial or other professional adviser as soon as possible.

This Explanatory Statement is not intended to provide financial or tax advice and has been prepared without taking into account the personal circumstances of any person. Each Shareholder should obtain their own independent professional advice before making any decisions regarding the content of this Explanatory Statement or the Notice of Meeting or how to vote on any Resolution.

1. GENERAL

This Explanatory Statement and all attachments to it are important documents. They should be read carefully and in their entirety. If you have any questions regarding the matters set out in this Explanatory Statement or the Notice of Meeting, please contact your financial adviser or other professional adviser.

This Explanatory Statement and the accompanying Notice of Meeting are each dated 29 April 2011.

2. DEFINITIONS & INTERPRETATION

Capitalised words and expressions used in the Notice of Meeting and Explanatory Statement are defined throughout the Notice of Meeting and Explanatory Statement and/or in the Glossary in section 15 of the Explanatory Statement.

Unless otherwise stated, all references to sums of money, \$ and **dollars** are to Australian currency and all references to time are to Sydney time.

3. PURPOSE OF THIS EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to:

- (a) explain the effect and implications of:
 - (i) the business to be conducted at the Meeting, including the Resolutions proposed in the Notice of Meeting;
 - (ii) the de-listing of the Company's securities that would be effected if Resolution 5 is approved (**De-listing**); and
 - (iii) the offer to buy back Shares which would be made to Shareholders if Resolution 5 and Resolution 6 are both approved (**Equal Access Buy Back**); and
- (b) provide such information as prescribed in:
 - (i) the Corporations Act (including under sections 257C(2) and 257G of the Corporations Act);
 - (ii) ASIC Regulatory Guide 110; and
 - (iii) the Listing Rules (including Listing Rules 7.20 and 7.22),

or as is otherwise, in the opinion of the Directors, material to the decision of Shareholders in deciding whether to approve the Resolutions, except for information which would be unreasonable to require the Company to disclose because it has previously disclosed that

information to Shareholders.

4. **ITEM 1 – THE ANNUAL REPORT**

The Corporations Act requires:

- (a) the Directors' report and auditor's report; and
- (b) the annual financial report, including the financial statements of the Company for the year ended 31 December 2010,

(together the **Annual Report**) to be laid before the annual general meeting of the Company. A copy of the Annual Report has been dispatched to Shareholders and may also be downloaded from the Company's website at www.everest.com.au.

Neither the Corporations Act nor the Company's constitution requires a vote of the Shareholders on the Company's financial report or the associated Directors' report and auditor's report. However, Shareholders will be given ample opportunity to ask questions about or make comments on the management of the Company, including raising questions or comments on the financial reports, at the Meeting.

The financial report for consideration at the meeting will be the full financial report. In accordance with section 250T of the Corporations Act, a reasonable opportunity will be given to Shareholders as a whole at the Meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to the auditor in relation to the content of the auditor's report and the conduct of its audit of the financial report in accordance with section 250PA of the Corporations Act. Written questions to the auditor are required to be given to the Company no later than the fifth business day before the day of the meeting.

5. **RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

(a) **The remuneration report**

Section 250R(2) of the Corporations Act provides that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the vote.

The remuneration report of the Company, which forms part of the Directors' report forming part of the Annual Report, is set out on pages 11 - 18 of the Annual Report.

The remuneration report sets out the Company's remuneration policy and reports the remuneration arrangements in place for senior executives and Directors, including non-executive Directors.

Under the Corporations Act, the resolution of the Shareholders that the remuneration report of the Company be adopted is advisory only and does not bind the Company or its Directors. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices of the Company.

In accordance with section 250SA of the Corporations Act, a reasonable opportunity for the members as a whole to ask questions about or make comments on the remuneration report will be provided to Shareholders at the Meeting.

(b) **Board recommendation**

The Directors recommend that Shareholders vote **in favour** of Resolution 1.

The Directors advise that they intend to vote all Shares controlled by them as at the date of the Meeting **in favour** of Resolution 1.

6. **RESOLUTION 2 – RE-ELECTION OF MICHAEL SUTHERLAND AS A DIRECTOR**

(a) **Requirement for re-election**

Under clause 19.4 of the Company's constitution and ASX Listing Rule 14.4, any Director (except a managing Director) appointed by the Directors to fill a casual vacancy on the Board must retire from office, but is eligible for re-election, at the next annual general meeting following his or her appointment. Additionally, under clause 20.2 of the Company's constitution at least 1 director of the Company is required to retire from office at each annual general meeting (unless there has already been an election of Directors earlier that year). A director who is so required to retire will be eligible for re-election.

Michael Sutherland was appointed by the Directors as a Director of the Company on 25 November 2010. Accordingly, he is required by clause 19.4 of the Company's constitution and ASX Listing Rule 14.4 to retire from office at this meeting and, being eligible, offers himself for re-election. Mr Sutherland's retirement also meets the requirements of clause 20.2 of the of the Company's constitution.

(b) **Re-election of Mr Sutherland**

Michael Sutherland joined the Company in December 2009 and is responsible for all legal, compliance, transactional and company secretarial matters relating to the Everest Group of companies and funds. Michael has over 18 years direct experience in the financial services industry including broad based financial services and corporate/commercial experience as a senior in-house corporate solicitor/manager with ASX top 100 listed companies, unlisted retail and wholesale fund managers, hedge funds and boutique fund managers including AMP Capital Investors, ABN AMRO, Absolute Capital, Perpetual Limited and ANZ Funds Management.

Mr Sutherland has worked extensively and closely with senior management and boards on commercial, legal, strategic and regulatory/compliance issues within the financial services sector. He has extensive experience in dealing with various financial services regulators and investors in sensitive areas including freezing of funds due to liquidity constraints, restructuring funds, closing funds (including termination of registered funds), staged redemptions and wind down of funds, liquidation of corporate responsible entities, and finalising strategies with regulators as a result of the GFC impacts.

(c) **Board recommendation**

The Directors (other than Michael Sutherland) recommend that Shareholders vote **in favour** of Resolution 2.

The Directors advise that they intend to vote all Shares controlled by them as at the date of the Meeting **in favour** of Resolution 2.

7. **RESOLUTION 3 & RESOLUTION 4 – CHANGE OF THE COMPANY'S AUDITOR**

(a) **Background**

On 12 April 2011 the Company received a notice of intention from Redleaf Group Pty Limited, a Shareholder holding more than 5% of ordinary Shares on issue in the Company, to convene a general meeting of the Company to consider and, if thought fit, pass the resolution that Ernst & Young be removed as the auditors of the Company and its controlled entities, together with a nomination from Redleaf Group

Pty Limited that RSM Bird Cameron Partners to be appointed as auditor of the Company and its controlled entities (**Auditor Notices**). A copy of the Auditor Notices are annexed to this Explanatory Statement and have been provided to Ernst & Young and RSM Bird Cameron and lodged with ASIC. RSM Bird Cameron Partners has provided the Company with its consent in writing to act in this role.

Having regard to the foregoing, Resolution 3 and Resolution 4 have been respectively proposed to remove Ernst & Young as auditors of the Company and its controlled entities and appoint RSM Bird Cameron Partners.

RSM Bird Cameron Partners is one of the top ten accounting firms in Australia, operating in 28 locations throughout Australia. It has 75 directors, 29 principals and over 800 staff nationally.

The change of auditors is expected to result in cost savings for the Company. In view of this, the Board supports the recommendation for Ernst and Young to be removed as auditor and RSM Bird Cameron Partners to be appointed as auditor for the Company and its controlled entities.

(b) **Conditionality**

Resolution 4 for the appointment of RSM Bird Cameron Partners is conditional on the passage of Resolution 3 for the removal of Ernst & Young. If Resolution 3 is not passed, Resolution 4 will not be put to Shareholder vote.

(c) **If Resolutions 3 and 4 are or are not passed**

If Resolution 3 **is passed**, Ernst & Young will be removed as auditor on and from the close of the Meeting. If Resolution 3 is not passed, Ernst & Young will remain the Company's auditor.

If Resolution 3 and Resolution 4 **are passed**, RSM Bird Cameron Partners will be appointed as auditor of the Company on and from the close of the Meeting.

If Resolution 3 **is passed** but Resolution 4 **is not passed**, the Company would have no incumbent auditor. In this case:

- (i) the Company would be obliged under section 327E the Corporations Act to notify ASIC of the failure to appoint a replacement auditor;
- (ii) ASIC may appoint an auditor to the Company in accordance with its powers to do so under the Corporations Act; and
- (iii) the Company would have the ability under section 327D(3) of the Corporations Act to adjourn that part of the Meeting and may, at the adjourned Meeting, by ordinary resolution appoint an individual, firm or company as auditor of the Company if:
 - a Shareholder gives the Company notice of the nomination of the individual, firm or company for appointment as auditor; and
 - the Company receives the notice at least 14 clear days before the day to which the Meeting is adjourned.

(d) **Approval requirements for Resolution 3**

Section 329(1) of the Corporations Act provides that an auditor may be removed from office by resolution of a company in general meeting, provided that certain notice requirements in section 329(1A) of the Corporations Act have been met.

Section 329(1A) of the Corporations Act provides that notice of intention to move the resolution must be given to a company at least 2 months before the relevant meeting is held, however, if the company calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than 2 months after notice of intention is given. The Auditor Notices were received by the Company on 12 April 2011, following which the Company convened a general meeting as described in the Notice of Meeting. Accordingly, the Meeting may pass Resolution 3 to remove the incumbent auditors even though the Meeting is held less than 2 months after Auditor Notices were given.

Resolution 3 is an ordinary resolution. As an ordinary resolution, Resolution 3 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders who are entitled to vote on Resolution 3 are cast in favour of Resolution 3.

(e) **Approval requirements for Resolution 4**

Section 327D(2) of the Corporations Act provides that a company may at a general meeting by special resolution immediately appoint an individual, firm or company as auditor of the company, if a copy of the notice of nomination has been sent to the individual, firm or company in accordance with section 328B(3). Section 328B(3) of the Corporations Act requires that where a member gives a nomination of an individual, firm or company for appointment as auditor of the company, the notice must be sent to:

- (i) each individual, firm or company nominated;
- (ii) each auditor of the Company; and
- (iii) each person entitled to receive notice of general meetings of the company.

Under section 328B(4) of the Corporations Act such notice must be sent not less than 7 days before the meeting or at the time notice of the meeting is given.

The Auditor Notices have been provided as an annexure to this Explanatory Statement for this purpose and have also been provided to each other person referred to in section 328B(3) of the Corporations Act at the time prescribed by section 328B(4) of the Corporations Act.

Resolution 4 is accordingly proposed a special resolution. As a special resolution, Resolution 4 will be passed if at least 75% of the votes cast by Shareholders entitled to vote on Resolution 4 are cast in favour of Resolution 4.

(f) **Board recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 3 and Resolution 4.

The Directors advise that they intend to vote all Shares controlled by them as at the date of the Meeting in favour of Resolution 3 and Resolution 4.

8. **TIMETABLE FOR THE PROPOSED DE-LISTING AND EQUAL ACCESS BUY BACK**

The indicative timetable for the De-listing and Equal Access Buy Back is proposed to be as set out below. Subject to law, the Company reserves the right to amend this indicative timetable without prior notice to Shareholders.

Event	Date
Despatch of Notice of Meeting	29 April 2011
Date of Meeting	30 May 2011
<i>Assuming the De-listing and the Equal Access Buy Back are both approved at the Meeting</i>	
Company announces to ASX that Shareholders have approved the De-listing and Equal Access Buy Back (as relevant)	30 May 2011
Ex-Entitlement Date – Shares acquired on or after this date will not confer an entitlement to participate in the Equal Access Buy Back	9 June 2011
Record Date – members register as at 7.00pm to determine Shareholders eligible to participate in the Equal Access Buy Back	16 June 2011
Open Date - Company sends personalised Application Forms to holders of Shares as at the Record Date and the Equal Access Buy Back offer opens	21 June 2011
Closing Date – Submission of Applications under the Equal Access Buy Back must be received by no later than 7.00pm	7 July 2011
Equal Access Buy Back Date – the date on which Shares accepted under the Equal Access Buy Back are cancelled	8 July 2011
Payment Date – date on which the proceeds of the Equal Access Buy Back are proposed to be distributed to participants	12 July 2011
De-listing Date - date on which De-listing is expected to take effect.	18 July 2011, subject to confirmation by the ASX

Assuming that Resolution 5 and Resolution 6 are approved by shareholders, the De-listing is proposed to occur following completion of the Equal Access Buy Back. The De-listing Date remains at the discretion of the ASX. If Resolution 5 is approved by shareholders and the De-listing is approved by the ASX but Resolution 6 is not approved, the Company may liaise with the ASX to bring the De-listing forward.

As mentioned above, the timetable in this section is indicative only and may change. Pursuant to Listing Rule 3.20, the Company must give the ASX not less than 7 business days notice of a proposed record date or change to a proposed record date and must inform the ASX immediately once it decides a record date or changes a record date. The Company must also inform Shareholders of any changes to the indicative timetable referred to above by market announcement made via the ASX's company announcements platform. Details of any changes to the proposed timetable for the De-listing, the Equal Access Buy Back and/or the Minimum Holding Buy Back are also proposed to be posted on the Company's website at www.everest.com.au.

9. **BACKGROUND TO THE DE-LISTING AND EQUAL ACCESS BUY BACK**

(a) **Wind down of activities**

On 28 June 2010, the Company announced it intended to wind down its operations including the activities of its subsidiaries as responsible entity, trustee and manager of its underlying investment funds with a view to returning capital to Shareholders. That decision was made following a strategic review of the Company's business undertaken to consider and assess the multiple alternatives to maximise value for Shareholders.

Following that decision, the Company and its subsidiaries (**Everest Group**) commenced scaling back their operations, including but not limited to:

- (i) entering into and implementing arrangements with financial services firm One Investment Group Pty Limited and certain of its subsidiaries (**OIG Group**) to transfer the trustee, responsible entity and management responsibilities in respect of various investment trusts managed by the Everest Group to members of the OIG Group, subject to the satisfaction of certain conditions (including all requisite unitholder approvals and third party consents); and
- (ii) undertaking a distribution of capital to Shareholders in the amount of 4 cents per Share (pre the Share consolidation undertaken earlier this year); and
- (iii) ongoing management of litigation and investigations (including the Stang claim and investigations by the ASIC, details of which have been previously disclosed to the market and are discussed in more detail in section 13) affecting Everest Capital Limited (**ECL**), a wholly owned subsidiary of the EFG Group.

The Board anticipates that the remainder of the trustee, responsible entity and management functions carried out by the Everest Group will be transitioned to OIG in the coming months.

(b) **Ongoing requirements for listing**

Chapter 12 of the Listing Rules sets out the ongoing requirements for listed entities. These include:

- (i) **Level of operations:** The level of the entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing (Listing Rule 12.1).
- (ii) **Financial condition:** The entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing (Listing Rule 12.2).
- (iii) **Level of spread:** After admission, a company must maintain a level of spread in its shareholding structure that the ASX considers is sufficient to ensure that there is an orderly and liquid market in the company's securities (Listing Rule 12.4). Listing Rule 12.4 also prescribes that where an entity does not achieve sufficient spread in its shareholdings within 3 months of notice from the ASX, the ASX may suspend quotation of the entity's securities.
- (iv) **Appropriate structure and operations:** An entity's structure and operations must be appropriate for a listed entity (Listing Rule 12.5).

Additionally, Listing Rule 12.3 provides that if half or more of an entity's total assets is cash or in a form readily convertible to cash, ASX may suspend quotation of the entity's securities until it invests those assets or uses them for the entity's business.

Listing Rule 17.12 provides that the ASX may remove an entity from the official list if, in the ASX's opinion, any of the following applies:

- (A) the entity is unable or to unwilling to comply with or breaks a Listing Rule;
- (B) the entity has no quoted securities; or
- (C) it is appropriate for some other reason.

As at the date of this Notice of Meeting and Explanatory Statement:

- more than half of the assets of the Company and its Group comprises cash; and
- the majority of the Everest Group's fund management activities have been transferred to OIG Group.

In view of the wind down of the Everest Group's activities and its current shareholding structure, the Board is concerned that the Company may not meet some or all ongoing requirements for continued listing. Accordingly the Board has determined that Resolution 5 should be put to Shareholders.

(c) **Application to de-list the Company**

- (i) Having regard to the above, on 15 April 2011, the Company made an application to the ASX under Listing Rule 17.11 for its securities to be de-listed. As announced to the market on 21 April 2011, the ASX has granted approval for the De-listing, subject to the following two conditions:
 - (A) the De-listing be approved by an ordinary resolution of Shareholders; and
 - (B) the conditions to the ASX's approval being released to the market.

Accordingly, Resolution 5 is being put to Shareholders as an ordinary resolution. Details concerning Resolution 5 are set out in section 10. The conditions of the ASX's approval for the De-listing were released to the market on 21 April 2011.

(d) **The Equal Access Buy Back**

Having regard to the impact which De-listing (if approved) would have on EFG (this is discussed in detail in sections 10(e) and 13), the Board considers that Shareholders should be afforded the opportunity to either remain as Shareholders of EFG following its De-listing or to exit their investment in the Company in whole or (in the case of a scale back applying) in part. Accordingly, the Board has determined to put Resolution 6 to Shareholders which, if approved, would give Shareholders the ability to sell up to 10 million Shares (comprising in aggregate approximately 40% of the entire issued capital of the Company) back to the Company at 12.5 cents per Share (post consolidation) (**Buy Back Price**).

Under the Equal Access Buy Back, Shareholders would be able to elect whether to sell back some or all of their Shares to the Company. The Company has received letters of intent from its major Shareholders (who hold in aggregate approximately 60% of the entire issued capital of the Company) that they do not intend to participate in the Equal Access Buy Back. On that basis and in the event the Equal Access Buy Back is approved, all Shareholders who elect to participate in the Equal Access Buy Back should have 100% of their Shares bought back and no scale back of entitlements would be required.

In the event that:

- (i) any major Shareholder revokes its intention not to participate in the Equal Access Buy Back and does participate in the Equal Access Buy Back; and
- (ii) the Company receives Applications in excess of the maximum number of Shares it has offered to buy back under the Equal Access Buy Back,

the number of Shares bought back from each Shareholder who has accepted the Equal Access Buy Back in respect of some or all its Shares will be reduced by the same proportion to ensure that the Company does not buy back in excess of 10 million Shares in aggregate under the Equal Access Buy Back. The scale back will be applied to the number of Shares which each accepting Shareholder has elected to sell back to the Company. If a scale back results in there being less than a whole number of Shares which would be bought back from a Shareholder, the number of Shares bought back from that Shareholder will be rounded down to the nearest whole number of Shares.

Details of the Equal Access Buy Back and Resolution 6 are set out in section 11. Details of how to participate in the Equal Access Buy Back (if Resolution 5 and Resolution 6 are approved) is set out in section 12.

(e) **The Minimum Holding Buy Back**

On 18 April 2011, the Company had approximately 1,400 Shareholders who held parcels of Share parcels valued at less than \$500 based on the highest Share price on 18 April 2011 and are accordingly deemed to be holders of less than a marketable parcel of Shares for the purposes of the Listing Rules.

The Company incurs additional administrative and registry costs on account of these small holdings. To assist in reducing the large number of Shareholders and the administrative costs to the Company which are incurred as a result of it, the Company is undertaking a buy back of all Share parcels comprising less than a marketable parcel at the Buy Back Price per Share in accordance with its constitution, the Listing Rules and the Corporations Act (the **Minimum Holding Buy Back**). The Minimum Holding Buy Back is to be funded by the Company's existing cash.

The Minimum Holding Buy Back does not require Shareholder approval and will take place irrespective of the De-listing and the Equal Access Buy Back. The Minimum Holding Buy Back has been offered under the terms of a separate letter sent at the same time as the Notice of Meeting (**Buy Back Letter**) to all Shareholders holding less than a marketable parcel of Shares on the record date for the Minimum Holding Buy Back announced to the market (**Minimum Holding Record Date**). The Minimum Holding Buy Back Letter was also released to the market by an announcement made via the ASX's company announcements platform on 29 April 2011.

If you have received a Buy Back Letter with this Notice of Meeting and accompanying Explanatory Statement, this means that you were the holder of less than marketable parcel of Shares as at the Minimum Holding Record Date. It may be

that the value of holdings may increase in value during the period following the Minimum Holding Record Date, either because of the acquisition of further Shares or because the Share price increases. Accordingly, eligibility to participate in the Minimum Holding Buy Back will be reassessed at the time specified in the Buy Back Letter (**Retest Time**). If any Shareholder who received a Buy Back Letter still holds less than a marketable parcel of Shares at the Retest Time, then (unless a Retention Notice has been lodged by the time required in the Buy Back Letter and regardless of the holding of Shares at any other time), those Shares will be bought back. If, however, a Shareholder who received a Buy Back Letter no longer holds less than a marketable parcel of Shares on the Retest Time, then the Shares of that Shareholder will not be bought back under the Minimum Holding Buy Back, even if a Retention Form has not been lodged.

Each Shareholder who has been sent a Buy Back Letter will be informed of the outcome of the Minimum Holding Buy Back on their Shares in accordance with the Buy Back Letter. No scale back applies to the Minimum Holding Buy Back.

If you have not received a Buy Back Letter with this Notice of Meeting and accompanying Explanatory Statement then you held a marketable parcel of Shares (for the purposes of the Company's constitution and the Listing Rules) as at the Minimum Holding Buy Back Date and accordingly the Minimum Holding Buy Back does not apply to your Shares.

The Minimum Holding Buy Back will be completed on a date (prior to the Record Date for the Equal Access Buy Back (the **Minimum Holding Buy Back Date**). Accordingly, Shareholders to whom the Minimum Holding Buy Back applies (as described above) and who do not lodge a Retention Notice in respect of the Minimum Holding Buy Back prior to the closing date for the lodgement of Retention Notices (as described in the Buy Back Letter) will have their Shares bought back under the Minimum Holding Buy Back and accordingly will not hold any Shares on the Record Date and not be eligible to participate in the Equal Access Buy Back.

As described in the Buy Back Letter, Shareholders who hold less than a marketable parcel of Shares who:

- (i) **do not wish to remain as Shareholders** and wish instead to sell their Shares back to the Company should do nothing, in which case their Shares will (subject to them also comprising less than a marketable parcel as at the Minimum Holding Buy Back Date) be bought back under the Minimum Holding Buy Back;
- (ii) **who do want to remain as Shareholders** in the Company must:
 - lodge a Retention Notice by the time required in the Buy Back Letter; and
 - not participate the Equal Access Buy Back.

Shareholders holding Shares comprising less than a marketable parcel as at the Minimum Holding Record Date but which Shares do not comprise less than a marketable parcel as at the Retest Time would still hold Shares in the Company as at the Record Date and so would be eligible to participate in the Equal Access Buy Back. Considerations that apply to remaining as a Shareholder in the Company after De-Listing, (whether as a result of lodging a Retention Notice in respect of the Minimum Holding Buy Back or not participating in the Equal Access Buy Back) are discussed in section 10, 11 and 13.

10. RESOLUTION 5 – DE-LISTING

(a) Application for De-listing

An entity may either be removed from the official list by the ASX or it may request for quotation of its securities to be ended by making an official request to the ASX.

On 15 April 2011, the Company made an application to the ASX under Listing Rule 17.11 for the ASX to end quotation of the Company's securities (that is, for the Company to be "de-listed"). As announced to the market on 21 April 2011, the ASX has granted approval for the De-listing, subject to the following two conditions:

- (i) the De-listing be approved by an ordinary resolution of Shareholders; and
- (ii) the conditions to the ASX's approval being released to the market.

(b) **Reasons for De-listing**

The Board believes that the De-listing is appropriate for the following reasons:

- (i) subject to the Company qualifying as an "unlisted disclosing entity" under section 675 of the Corporations Act (discussed below in this section):
 - there are cost savings for the Everest Group to operate as an un-listed public company without the need to comply with ongoing continuous disclosure or listed company reporting requirements. The Board estimates these savings to be approximately \$340,000 per annum; and
 - the Company would be able to assess it's future in a private forum and in the event it wishes to rebuild the business, can conduct itself in a private way;
- (ii) the Board is concerned that the Company may not meet some or all ongoing requirements for continued listing on the ASX. Following De-listing, the Company would no longer be subject to the Listing Rules or required to conduct its affairs in accordance with the Listing Rules;
- (iii) the trading history of the Company shows little volume trading in Shares on the ASX and long periods of little to no trading; and
- (iv) given the current spread of shareholdings in the Company, it is unlikely that the spread of Shareholders or trading volumes will increase.

(c) **What approvals are required for the De-listing?**

(i) **ASX requirements**

The De-listing is conditional on the ASX's approval and compliance with the conditions which the ASX has imposed as part of its approval. Details of the ASX's approval for the De-listing and conditions attaching to that approval are described in section 10(a). The ASX's conditions include that the De-listing is approved by an ordinary resolution of Shareholders.

Accordingly, Resolution 5 is being put to Shareholders as an ordinary resolution. Resolution 5 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders at the meeting who are entitled to vote on Resolution 5 are cast in favour of Resolution 5.

(ii) **Other requirements**

There are no other approval requirements under the Corporations Act in relation to the proposed De-listing.

(d) **Timing of the De-listing**

The exact date for De-listing would be determined by the ASX. To enable Shareholders in the Company the ability to exit their investment in the Company through either the Equal Access Buy Back (subject to any scale back) or the Minimum Holding Buy Back, the Company has proposed that the De-Listing will take place following the conclusion of both Buy Backs.

If Resolution 5 is approved but Resolution 6 is not approved, the Company may liaise with the ASX to bring the De-listing forward.

The Company will keep Shareholders informed of the date of the De-listing and any changes to the proposed timetable as described in section 8.

(e) **Effect of the De-listing**

(i) **Effect on Share numbers and Share capital**

The Company has 25,143,824 Shares on issue as at the date of the accompanying Notice of Meeting. There are no other classes of shares on issue in the Company other than the Shares and all Shares are fully paid. The De-listing will, of itself have no impact on the number of Shares. If approved, the Company will continue to have 25,143,824 Shares on issue.

Notwithstanding the above, in the event that Resolution 6 is passed, the number of Shares on issue in the Company will be reduced in the manner set out in section 11(k)(i) of this Explanatory Statement. Irrespective of whether Resolution 5 or Resolution 6 are passed, the Company's Share capital will be reduced as a result of the Minimum Holding Buy Back, as discussed in section 11(k)(i).

(ii) **Effect of the De-listing on Options**

The Company has 110,000 unquoted options on issue (**Options**). The Options have been issued at various exercise prices and on various terms to participants in the Company's employee option plan. Other than the Options, there are no options, other convertible instruments or incentive plans which have been issued by the Company. The De-listing will, of itself have no impact on the number of Options or their exercise terms. If approved, the Company will continue to have 110,000 Options on issue.

(iii) **Effect on the assets and liabilities of the Company**

The Directors consider that the De-listing will not adversely affect the Company's capacity to meet its existing and anticipated obligations and pay its debts as and when due. As discussed above, the Directors believe that De-listing will afford certain cost savings to the Company.

Notwithstanding the above, in the event that Resolution 6 is passed, the Company's cash assets will be reduced in the manner set out in section 11(k)(iii) of this Explanatory Statement.

Irrespective of whether Resolution 5 or Resolution 6 are passed, the Company's cash would also be reduced as a result of implementing the Minimum Holding Buy Back. Based on the number of Shares which comprised less than a marketable parcel of Shares as at 18 April 2011, it is expected that the Company's cash would be reduced by approximately \$84,000 as a result of implementing the Minimum Holding Buy Back, assuming 100% participation. The actual amount by which the Company's cash would be reduced as a result of the Minimum Holding Buy Back will ultimately depend on the number of Shares which comprise less than a marketable parcel on the Minimum Holding Record Date, the extent to which

those Shares continue to comprise less than a marketable parcel at the Retest Time and the extent to which Retention Notices are lodged prior to the closing date for the Minimum Holding Buy Back.

(iv) **Effect on control of the Company**

In view of the fact that the De-listing does not result in the cancellation or transfer of any Shares, it would (all other matters being equal) not impact the control of the Company.

Notwithstanding the above, in the event that Resolution 6 is passed, the number of Shares on issue in the Company will be reduced and may impact on control of the Company in the manner set out in section 11(k)(iv) of this Explanatory Statement.

Irrespective of whether Resolution 5 or Resolution 6 are passed, the Company's Share capital will be reduced as a result of the Minimum Holding Buy Back. Based on the number of Shares which comprised less than a marketable parcel of Shares as at 18 April 2011, it is expected that the Company's Share capital will be reduced by approximately 700,000 Shares as a result of implementing the Minimum Holding Buy Back, assuming 100% participation. The actual amount by which the Company's Share capital would be reduced as a result of the Minimum Holding Buy Back will ultimately depend on the same factors as identified in section 10(e)(iii), above.

(v) **Effect of the De-listing on creditors**

Having regard to the Company's current, anticipated and contingent financial requirements, the Directors have assessed that the De-listing will not adversely impact the rights of the Company's creditors or the ability of the Company to pay its debts as and when they fall due. As discussed above, the Directors believe that De-listing will afford certain cost savings to the Company.

(vi) **Effect of the De-listing on Shareholders**

Shareholders should consult their own tax advisor for specific taxation advice in connection with the De-listing in order to assess the impact on their own particular circumstances.

(vii) **Effect on Share trading**

De-listing will result in the Company's Shares being removed from quotation on the ASX. If De-listing takes place:

- (A) Shareholders would continue to hold their Shares (subject to disposing of them by way of transfer or through participation in the Equal Access Buy Back (if approved) or the Minimum Holding Buy Back);
- (B) Shareholders will no longer be able to effect trades of Shares on the ASX through their broker; and
- (C) Share prices and trading history for the Company will not be published on the ASX website and the prices for the Company's Shares will no longer be reported in newspapers or stock ticker services.

In general, shares which are not available for trading on a stock exchange may be less liquid than shares which are available for trading on a stock exchange. If the Company's Shares are removed from the official list, it may be more difficult for a Shareholder to dispose of their Shares and/or find a

purchaser for their Shares. However, based on the last 6 months of trading, the Shares have, in any case, been relatively illiquid, with little significant on market trading activity.

(viii) **No longer a disclosing entity**

Generally speaking, the disclosure requirements under the Listing Rules would no longer apply to a company post-delisting. However, if a company qualifies as an "unlisted disclosing entity" under section 675 of the Corporations Act it may nevertheless need to comply with certain disclosure requirements. A company may be classified as an "unlisted disclosing entity" in various circumstances, including if it has 100 or more members holding securities as a result of issues under a disclosure document. Depending on the take up of the Buy Backs, the Company may qualify as an "unlisted disclosing entity" for the purposes of the Corporations Act. In this case, the disclosure requirements pursuant to section 675 would apply to the Company post De-listing until such time as it was no longer an "unlisted disclosing entity" under section 675 of the Corporations Act.

(ix) **Tax implications of the De-listing**

Shareholders should consult their own tax advisor for specific taxation advice in connection with the De-listing in order to assess the impact on their own particular circumstances.

(x) **Implications of the De-listing and further considerations**

Further details of the effect and implications of the De-listing, including further considerations to take into account in the context of the proposed Equal Access Buy Back are set out in detail in section 13.

The Board strongly advises that Shareholders read section 13 in full and seek legal and financial advice in connection with the impact of Resolution 5.

(f) **What if Resolution 5 is or is not passed?**

If Resolution 5 **is not passed**, then:

- (i) unless a subsequent proposed de-listing is approved by Shareholders or the ASX determines that the Company's securities should no longer be listed, the Company's securities would remain listed on the ASX; and
- (ii) Resolution 6 would not be put to Shareholders and the Equal Access Buy Back would not take place.

If Resolution 5 **is passed**, then:

- (i) the Company's Shares would be removed from quotation on the ASX; and
- (ii) Resolution 6 would be put to Shareholders.

Irrespective of whether Resolution 5 is passed, the Minimum Holding Buy back will take place.

(g) **Board recommendation**

The Board believes that the De-listing is appropriate for the reasons set out in section 10(b), above.

In view of the fact that the impact of the Minimum Holding Buy Back, the Equal Access Buy Back and the De-listing will be different for different Shareholders, the Directors make no general recommendation in connection with Resolution 5.

Shareholders may wish to vote against Resolution 5 for the De-listing if they believe that the Company should remain listed on the ASX.

The Directors advise that they intend to vote all Shares controlled by them as at the date of the Meeting **in favour** of Resolution 5.

11. **RESOLUTION 6 – EQUAL ACCESS BUY BACK**

(a) **What is a buy back?**

Under a buy back, a company buys its own shares back from shareholders who elect to participate in the buy back offer. Shareholders may elect to participate in the buy back at their discretion. The shares bought back are cancelled, which reduces the total amount of shares which the company has on issue by the number of shares bought back.

(b) **What is an equal access scheme?**

An equal access scheme is a type of buy back. Section 257B(2) of the Corporations Act prescribes that, in an equal access scheme:

- (i) the offers under the scheme must relate only to ordinary shares;
- (ii) the offers must be made to every person who holds ordinary shares to buy back the same percentage of their ordinary shares;
- (iii) all of those persons must have a reasonable opportunity to accept the offers made to them;
- (iv) buy-back agreements must not be entered into until a specified time for acceptances of offers has closed; and
- (v) the terms of all the offers must be the same.

The Equal Access Buy Back is an equal access scheme for the purposes of the Corporations Act.

(c) **Overview of the Equal Access Buy Back**

Resolution 6 seeks Shareholder approval to reduce the share capital of the Company by up to 10 million Shares (comprising in aggregate approximately 40% of the entire issued capital of the Company) on an equal access basis at the Buy Back Price (the **Equal Access Buy Back**).

If the Equal Access Buy Back is approved, the Company will invite Shareholders to sell some or all of their Shares back to the Company at the Buy Back Price. All Shares bought back under the Equal Access Buy Back would be cancelled. Participation in the Equal Access Buy Back is completely voluntary and Shareholders can elect whether to sell some, all or none of their Shares under the Equal Access Buy Back.

A Shareholder who does not wish to participate in the Equal Access Buy Back does not need to do anything – the number of Shares held by such persons would remain the same but their percentage holding in the Company would increase if the other Shareholders elect to participate.

Shareholders may continue to sell their Shares on market, unless and until they make an Application under the Equal Access Buy Back. It is possible that Shares may trade on market above the Buy Back Price from time to time.

The Ex-Entitlement Date for the Equal Access Buy Back is 9 June 2011. Shares acquired after the Ex-Entitlement Date will not confer any entitlement to participate in the Equal Access Buy Back.

Shareholders should consult their own tax advisor for specific taxation advice in connection with participation in the Equal Access Buy Back in order to assess the impact on their own particular circumstances.

Further details of the terms of the Equal Access Buy Back and how to participate in it (if Resolution 5 and Resolution 6 are approved) are set out in section 12.

(d) **Why is Resolution 6 conditional?**

Having regard to the impact which De-listing (if approved by Shareholders) would have on EFG (this is discussed in detail in sections 10(e) and 13), the Board considers that Shareholders should be afforded the opportunity to either remain as Shareholders of EFG following its De-listing or to exit their investment in the Company in whole or (where a scale back applies) in part. The Equal Access Buy Back (which would take place if Resolution 6 is approved) has been proposed for this purpose and accordingly is only proposed to go ahead in the event that the De-listing is approved by Shareholders.

(e) **What approvals are required for the Equal Access Buy Back?**

(i) **Corporations Act**

The Corporations Act allows a company to buy back up to 10% of the minimum number of Shares on issue at any time during the last 12 months without seeking approval of its shareholders. If a company wishes to buy back a greater number of shares by way of an equal access buy back, it must seek shareholder approval.

Section 257C(1) requires that the terms of the buy back agreement be approved by an ordinary resolution passed at a general meeting of the company before the agreement is entered into or the agreement must be conditional on such an approval.

Accordingly, Resolution 6 has been proposed for this purpose and will be approved if more than 50% of the total number of votes that are validly cast on Resolution 6 are in favour of it.

It is important to note **that a Shareholder who votes in favour of Resolution 6 does not have to participate in the Equal Access Buy Back**. Participation in the Equal Access Buy Back is voluntary and in the discretion of Shareholders.

The terms constituting the buy back agreement on which Shares would be acquired under the Equal Access Buy Back are set out in this Explanatory Statement, including in particular sections 11 and 12.

(ii) **Listing Rules**

Listing Rule 7.18 provides that if an entity seeks to reorganise its capital in any way, it must consult with the ASX to ensure an orderly market is maintained in its securities. The Company has consulted with the ASX in

connection with the Equal Access Buy Back and the Minimum Holding Buy Back as required by the Listing Rules.

(f) **Intentions of substantial Shareholders and potential scale back**

The Equal Access Buy Back only relates to 10 million Shares (comprising in aggregate approximately 40% of the entire issued capital of the Company). However, the Company has received notices of intention (the **Notices of Intention**) from major Shareholders holding in aggregate approximately 60% of the entire issued capital of the Company) to the effect that they:

- (i) intend to approve both Resolution 5 and Resolution 6;
- (ii) but do not intend to participate in the Equal Access Buy Back.

Assuming that that the Notices of Intention are not revoked and that the major Shareholders who served those Notices of Intention do not participate in the Equal Access Buy Back, Shareholders who elect to participate in the Equal Access Buy Back should have all Shares the subject of their Application bought back.

However, in the event that:

- any major Shareholder revokes its intention not to participate in the Equal Access Buy Back and does participate in the Equal Access Buy Back; and
- the Company receives Applications in excess of the maximum number of Shares it has offered to buy back under the Equal Access Buy Back,

the number of Shares bought back from each Shareholder who has accepted the Equal Access Buy Back in respect of some or all of their Shares will be reduced by the same proportion to ensure that the Company does not buy back in excess of 10 million Shares in aggregate under the Equal Access Buy Back. The percentage scale back will operate on the number of Shares in respect of which a Shareholder has lodged Applications under the Equal Access Buy Back. If a scale back results in there being less than a whole number of Shares which would be bought back from a Shareholder, the number of Shares bought back from that Shareholder will be rounded down to the nearest whole number of Shares.

(g) **Who can participate in the Equal Access Buy Back?**

The Equal Access Buy Back is open to all Shareholders who hold Shares on the Record Date.

(h) **The Buy Back Price**

The Board determined the Buy Back Price of 12.5 per Share (on a post consolidation basis) by reference to the available cash balance less ongoing operational costs and the potential costs and liabilities in connection with known matters.

The Buy Back Price is also equivalent to the price per Share (on a pre-consolidation basis) at which Wingate Direct Investments Pty Limited, a former substantial Shareholder in the Company, disposed of its Shares on 16 March 2011.

The volume weighted average price per Share for the period from 1 January 2011 to 3 April 2011 (being the date immediately preceding the announcement on the ASX of the proposed De-listing and Buy Backs) was 11.77 cents per Share.

Having regard to the above, the Directors consider the Buy Back Price to be a fair and reasonable price for those Shareholders who wish to exit their investment in the Company.

(i) **Timing of the Equal Access Buy Back**

The Equal Access Buy Back, if approved, is proposed to open on 21 June 2011 and to close on 7 July 2011. Shares bought back in the Equal Access Buy Back are proposed to be cancelled on 8 July 2011 and Shareholders who elect to participate in the Equal Access Buy Back are expected to receive payment in respect of their Shares on 12 July 2011).

The indicative timetable for the Equal Access Buy Back is set out in section 8. Subject to law, the Company reserves the right to amend this indicative timetable without prior notice to Shareholders.

(j) **How will the Equal Access Buy Back be funded?**

The Equal Access Buy Back will be funded by the Company's existing cash reserves.

(k) **Effect of the Equal Access Buy Back**

The sections below address the effect of the Equal Access Buy Back on the Company in the event that Resolution 5 and Resolution 6 are approved. Where relevant, reference to the impact of the Minimum Holding Buy Back has also been included.

(i) **Effect on Share numbers and Share capital**

The Company has 25,143,824 Shares on issue as at the date of the accompanying Notice of Meeting. If the Equal Access Buy Back is approved, then the Company will, as part of the Equal Access Buy Back offer to buy back up to 10 million Shares, comprising up to approximately 40% of the Company's issued capital. The Equal Access Buy Back may therefore reduce the number of Shares on issue in the Company from 25,143,824 to as little as 15,143,824. The precise number of Shares which are cancelled as part of the Equal Access Buy Back will, however, depend on the extent to which Shareholders accept the Equal Access Buy Back.

In addition, the Minimum Holding Buy Back is expected to reduce the number of Shares on issue in the Company. Based on the number of Shares which comprised less than a marketable parcel of Shares as at 18 April 2011, it is expected that the Company's Share capital will be reduced by approximately 700,000 Shares as a result of implementing the Minimum Holding Buy Back, assuming 100% participation. The precise number of Shares that will be cancelled as part of the Minimum Holding Buy Back will depend on the number of Shareholders holding less than a marketable parcel of Shares on the Minimum Holding Record Date, the extent to which Shareholders holding less than a marketable parcel of Shares as at the Minimum Holding Record Date continue to hold less than a marketable parcel of Shares as at the Retest Time and the extent to which Retention Notices are lodged.

The number of Shares that will remain on issue in the Company assuming 100% participation in the Minimum Holding Buy Back (assuming that the Share parcels comprising less than a marketable parcel as at the Minimum Holding Record Date is similar to those as at 18 April 2011) and 100% participation in the Equal Access Scheme is expected to be approximately 14,500,000.

(ii) **Effect of the Equal Access Buy Back on Options**

Listing Rule 7.22.4 provides that in a reduction of capital by the cancellation of paid up capital that is lost, the number of options on issue and the exercise price of each option must remain unchanged. The Equal Access Buy Back will, of itself have no impact on the number of Options or their exercise terms.

(iii) **Effect on the assets and liabilities of the Company**

If the Equal Access Buy Back is, then the Company will, under the Equal Access Buy Back offer to buy back up to 10 million Shares at the Buy Back Price (12.5 cents per Share on a post share consolidation basis). The Company's cash assets would decrease to the extent that Shareholders elect to participate in the Equal Access Buy Back. The maximum decrease in the Company's cash assets (assuming 100% take up of the Equal Access Buy Back) would be \$1,250,000 (excluding costs). If less than 100% of Shareholders participate in the Equal Access Buy Back in respect of less than all of their Shares, the decrease in the Company's would be less.

In addition, the Company's cash assets will also decrease to the extent that Shareholders elect to participate in the Mimimum Holding Buy Back. The effect of the Minimum Holding Buy back on the Company's cash is described in section 10(e)(iii).

As described in section 9(e), Shareholders holding less than a marketable parcel of Shares as at the Minimum Holding Record Date may not (as a result of acquiring more Shares or variation in the Share price) hold less than a marketable parcel of Shares at the Retest Time. A Shareholder who received a Buy Back Letter but no longer holds less than a marketable parcel of Shares as at the Retest Time would not have their Shares bought back. Accordingly, the decrease in the Company's cash assets as a result of the implementation of the Minimum Holding Buy Back would be less than stated above.

Notwithstanding the reduction in cash, the Board considers that neither the Minimum Holding Buy Back nor the Equal Access Buy Back will adversely affect the Company's capacity to meet its existing and anticipated obligations and pay its debts as and when due.

(iv) **Effect on control of the Company**

The Equal Access Buy Back would, if approved and to the extent that Shareholders participate in it, result in the cancellation of Shares in the Company and likely therefore to impact the control of the Company. Similarly, the Minimum Holding Buy Back would also result in the cancellation of Shares and likely impact the control of the Company. The extent of any impact will depend on the level of participation in the Minimum Holding Buy Back and/or the Equal Access Buy Back, as relevant.

The number of Shares held by a Shareholder who does not participate in the Minimum Holding Buy Back or the Equal Access Buy Back would remain the same, but their percentage holding in the Company would increase following the Minimum Holding Buy Back and Equal Access Buy Back based on the extent to which other Shareholders elect to participate.

Shareholders should also note that if there is significant participation in the Minimum Holding Buy Back and Equal Access Buy Back (if approved) this will lead to the cancellation of a large number of Shares and consequently a further increase in of the voting proportion of the Company's substantial Shareholders (who have indicated their intention not to participate in the Equal Access Buy Back as described above).

(v) **Effect of the Equal Access Buy Back on creditors**

Having regard to the Company's current, anticipated and contingent financial requirements, the Board has assessed that neither the Minimum Holding Buy Back nor the Equal Access Buy Back will adversely impact the rights of the Company's creditors or the ability of the Company to pay its debts as and when they fall due.

(vi) **Effect of the Equal Access Buy Back on Shareholders**

Shareholders should consult their own tax advisor for specific taxation advice in connection with the Minimum Holding Buy Back and the Equal Access Buy Back in order to assess the impact on their own particular circumstances.

(vii) **Takeovers Code**

The Company would cease to be subject to the Takeovers Code if its membership falls to below 50 Shareholders as a result of take up of the Equal Access Buy Back and/or the Minimum Holding Buy Back.

(viii) **Implications of the Equal Access Buy Back and further considerations**

Further details of the effect and implications of the Equal Access Buy Back, including in the context of the proposed De-listing and Minimum Holding Buy Back) are set out in detail in section 13.

The Board strongly advises that Shareholders read this Explanatory Statement, in particular section 13, in full and seek legal and financial advice in connection with the impact of the Resolutions.

(I) **What if Resolution 6 is or is not passed?**

If Resolution 5 is not passed, then Resolution 6 will not be put to Shareholders.

If Resolution 5 is passed but Resolution 6 **is not passed**, then:

- the De-listing would proceed to take place;
- the Equal Access Buy Back would not take place; and
- unless Shareholders otherwise dispose of their Shares (for instance by way of transfer or, in the case of Shareholders holding less than a marketable parcel of Shares, through the Minimum Holding Buy Back), they would continue to hold Shares in the Company following its De-listing. In this case, Shareholders' attention is drawn to the implications of holding Shares in the de-listed Company, as discussed in sections 10(e) and 13.

If Resolution 5 and Resolution 6 **are passed**, then:

- the Company would be de-listed; and
- the Equal Access Buy Back would take place giving Shareholders the opportunity to have some or (in the case of a scale back) part of their Shares bought back at the Buy Back Price prior to De-listing taking place. Details of how to participate in the Equal Access Buy Back (if Resolution 5 and Resolution 6 are approved) are set out in section 12. The terms of the Buy Back Documents constitute the buy back agreement terms on which the Shares of Shareholders would be acquired under the Equal Access Buy Back.

Irrespective of whether Resolution 5 and/or Resolution 6 are passed, the Minimum Holding Buy back will take place.

(m) **Board recommendation**

Having regard to the impact that De-listing (if approved by Shareholders) would have on the Company (this is discussed in detail in sections 10(e) and 13), the Board considers that Shareholders should be afforded the opportunity to either remain as Shareholders of the Company following its De-listing or to exit their investment in whole or in part (subject to any scale back) by participating in Equal Access Buy Back.

In view of the fact that the impact of the Minimum Holding Buy Back (if applicable), the Equal Access Buy Back and the De-listing will be different for different Shareholders, the Directors make no general recommendation in connection with Resolution 6.

In this regard and in light of the circumstances discussed in section 13, however, Directors consider that minority Shareholders may wish to exit their investment in whole or part prior to De-listing and may wish to vote in favour of Resolution 6 and participate in the Minimum Holding Buy Back or the Equal Access Buy Back.

The Directors advise that they intend to vote all Shares controlled by them as at the date of the Meeting **in favour** of Resolution 6.

In the event that Resolution 5 and Resolution 6 are approved:

- (i) Mr Greg Martin and Mr Michael Sutherland have indicated their intention not to participate in the Equal Access Buy Back in respect of all Shares controlled by them at the Record Date; and
- (ii) Ms Marea Laszok (who, as at the date of this Explanatory Statement controls less than a marketable parcel of Shares through her holding in Laszok Nominees Pty Limited) intends to procure that Laszok Nominees Pty Limited participates in the Minimum Holding Buy Back or (if it holds a marketable parcel of Shares at the Retest Time), to procure that Laszok Nominees Pty Limited participates in the Equal Access Buy Back.

Voting in favour of the Resolution 6 does not require you to sell your Shares to the Company under the Equal Access Buy Back. Participation in the Equal Access Buy Back, if it is approved, is entirely voluntary.

The Board strongly advises that all Shareholders read this Explanatory Statement in full and seek legal and financial advice in connection with the impact of the Resolutions on their personal circumstances.

12. **THE EQUAL ACCESS BUY BACK OFFER**

(a) **Purpose of this section**

This section explains to Shareholders how to participate in the Equal Access Buy Back in the event that Resolution 5 and Resolution 6 are approved at the Meeting. Accordingly, this information may be relevant to Shareholders in deciding whether or not to approve the Equal Access Buy Back.

The Buy Back Documents comprise all the terms on which the Shares would be acquired under the Equal Access Buy Back if the Equal Access Buy Back is approved by Shareholders.

The Board strongly advises that all Shareholders read the Buy Back Documents in full and seek legal and financial advice in connection with the impact of the Resolutions on their personal circumstances.

(b) **Eligibility to participate**

The Equal Access Buy Back is open to all Shareholders who hold Shares on the Record Date.

(c) **Overview of the buy back procedure**

In the event that Resolution 5 and Resolution 6 are approved at the Meeting, the Equal Access Buy Back will be implemented as follows:

- (i) Shareholders who hold Shares on the Record Date (expected to be 16 June 2011) will be sent a personalised Application Form to participate in the Equal Access Buy Back. Application Forms will be dispatched to Shareholders by post on the Open Date (expected to be 21 June 2011).
- (ii) The Equal Access Buy Back will be open to Shareholders from the Open Date until the Closing Date (expected to be 7 July 2011) (the **Buy Back Period**). The Company may extend the Buy Back Period, but does not presently intend to. If the Closing Date is changed, the change will be announced to the ASX.
- (iii) At any time during the Buy Back Period, a Shareholder can submit an Application Form to accepting the Equal Access Buy Back in respect of some or all of their Shares. Trustees or nominees who hold a parcel of Shares on account of more than one beneficial holder will be able to accept the Equal Access Buy Back in whole or in part on behalf of some or all underlying beneficial holders on whose behalf they hold Shares. Arrangements relating to instructions between registered Shareholders and underlying beneficiaries on whose behalf Shares are held are matters to be determined between the relevant trustee/nominees and beneficiaries. The Company will only accept and process Acceptance Forms lodged by registered Shareholders and will not engage in correspondence with underlying beneficial owners. An Application Form can be revoked by lodging a Withdrawal Form in the manner specified below.
- (iv) Notwithstanding the submission of an Application Form prior to the Closing Date, no agreement to buy back Shares under the Equal Access Buy Back is formed and Applications are conditional in all respects until the 7.00pm on the Closing Date.
- (v) All Shares for which a valid Application Form has been received and accepted by the Company before the Closing Date (and in respect of which no Withdrawal Form has been lodged) will, subject to the application of any scale back (discussed at section 11(f) and below), be cancelled on the Equal Access Buy Back Date (expected to be 8 July 2011).
- (vi) Proceeds of the Equal Access Buy Back are expected to be distributed to participants on the Payment Date (expected to be 12 July 2011).

The timetable for the Equal Access Buy Back set out above and in section 8 is indicative. Subject to law, the Company reserves the right to amend this indicative timetable without prior notice to Shareholders.

(d) **How to participate in the Equal Access Buy Back**

If you **do not wish to participate** in the Equal Access Buy Back, you do not need to do anything.

If you **do wish to participate** in the Equal Access Buy Back, you must submit an Application Form prior to the Closing Date.

(e) **How to submit an Application Form**

If you have an Issuer Sponsored Holding, you can accept and participate in the Equal Access Buy Back by completing and submitting an Application Form to the address provided on the Application Form so that it is received by no later than 7.00pm (Sydney time) on the Closing Date.

If you have a CHESS Holding, you will need to contact your market participant (usually your broker) in sufficient time to allow your market participant to process your Application Form and submit it to the address provided on the Application Form so that it is received by no later than 7.00pm (Sydney time) on the Closing Date.

An Application Form will not be effective unless received prior to 7.00pm (Sydney time) on the Closing Date

(f) **Can I withdraw a submitted Application Form?**

If you have an Issuer Sponsored Holding, you can withdraw an Application Form you have submitted by completing and submitting a Withdrawal Form to the address provided in the Withdrawal Form so that it is received by no later than 7.00pm (Sydney time) on the Closing Date. If you have a CHESS Holding, you will need to contact your market participant (usually your broker) in sufficient time for your market participant to process a your Withdrawal Form and submit it to the address provided on the Withdrawal Form so that it is received by no later than 7.00pm (Sydney time) on the Closing Date.

A Withdrawal Form will not be effective unless received prior to 7.00pm (Sydney time) on the Closing Date.

The effect of submitting a Withdrawal Form will be to revoke your previously submitted Application Form in its entirety. Unless a subsequent Application Form is lodged, a Shareholder who submits a Withdrawal Form is electing not to participate in the Equal Access Buy Back.

A Withdrawal Form will be provided to Shareholders on request by calling the Registrar on **1800 336 109** (in Australia) or **+61 2 8280 7691** (from overseas).

(g) **Effect of submitting an Application Form under the Equal Access Buy Back**

The effect of submitting an Application Form (that has not been revoked by lodgement of a Withdrawal Form) before 7.00pm (Sydney time) on the Closing Date is as follows:

- (i) Submission of a duly completed Application Form constitutes acceptance of the Company's offer to buy back the Shares you have nominated in your Application Form under the Equal Access Buy Back on the terms set out in the Buy Back Documents (**Application**).
- (ii) Submission of an Application Form does not, of itself, constitute a binding contract for the sale of Shares. Notwithstanding the submission of an Application Form prior to the Closing Date, no agreement to buy back Shares under the Equal Access Buy Back is formed and Applications are conditional in all respects until the 7.00pm on the Closing Date.
- (iii) If you have lodged a duly completed Application Form prior to the Closing Date, then at 7.00pm on the Closing Date a binding contract is formed between you and the Company for you to sell and the Company to buy back the number of Shares you have nominated in your Application Form on the

terms and conditions set out in the Buy Back Documents, including the terms and conditions set out in this section.

- (iv) By submitting an Application Form (whether by returning an Application Form to the Registrar if you have an Issuer Sponsored Holding, or, if you have a CHES holding, by instructing your market participant), you:
- (A) agree to the terms and conditions set out in the Buy Back Documents;
 - (B) agree to sell to the Company on the Equal Access Buy Back Date all Shares you have nominated in your Application Form (subject to any scale back as described in the Buy Back Documents);
 - (C) agree that, providing no duly completed Withdrawal Form has been lodged in respect of those Shares prior to the Closing Date, at 7.00pm on the Closing Date a binding contract is formed between you and the Company for you to sell and the Company to buy back all the Shares which you have nominated in your Application Form on the terms and conditions set out in the Buy Back Documents, including the terms and conditions set out in this section;
 - (D) agree that the Company may amend the timetable for the Equal Access Buy Back (including the Record Date, Open Date, Closing Date, Equal Access Buy Back Date and/or Payment Date) as permitted by law and as described in the Explanatory Statement;
 - (E) waive any requirement to receive further notice or communication from the Company of its acceptance or rejection of any Application submitted by you;
 - (F) warrant to the Company that at all times after your Application is made, you:
 - (1) are the registered holder of not less than the number of Shares in respect of which you have accepted the Equal Access Buy Back and that all such Shares are fully paid up, free from any mortgage, charge, lien or other encumbrance (whether legal or equitable) and from any third-party rights and otherwise able to be sold freely by you; and
 - (2) will not convert your Shares in respect of which you have accepted the Equal Access Buy Back from an Issuer Sponsored Holding to a CHES Holding (or vice versa) prior to the Equal Access Buy Back Date (for example if you change your HIN or market participant (usually your broker).
 - (G) warrant that you are a person to whom the Equal Access Buy Back invitation may lawfully be made, are not a US Person and can receive the proceeds of the sale of the Shares you have nominated in your Application;
 - (H) if you are a trustee or nominee having accepted the Equal Access Buy Back on behalf of some or all underlying beneficial holders on whose behalf you hold Shares, you warrant that such acceptances have been duly made in accordance with the instructions of the beneficial holder and/or the applicable trust or nominee arrangements and that acceptance of the Equal Access Buy Back on behalf of underlying beneficial holders does not constitute a breach of trust, contract or any applicable law;

- (I) authorise the Company (and its officers, agents, contractors or advisers) to correct any error in or omission from your Application Form and/or Withdrawal Form, and to insert any missing details therein;
- (J) undertake not to sell or offer to sell any Shares in respect of which you have submitted an Application to any other person if, as a result, you will at any time after you submit your Application until the Equal Access Buy Back Date hold fewer Shares than have nominated to be bought back on your Application Form;
- (K) acknowledge that neither the Company nor any other party involved in the Equal Access Buy Back has provided you with financial product advice, or any securities recommendation, or has any obligation to provide this advice or recommendation, concerning your decision to participate in the Equal Access Buy Back;
- (L) authorise the Company to make payment to you in respect of the buy back of the Shares you have nominated on your Application Form under the Equal Access Buy Back:
- (1) by cheque mailed to your address shown on the Company's Share register at 7.00pm (Sydney time) on the Closing Date, if you do not have a valid direct credit authority in place before the date; or
 - (2) by direct credit to your nominated account if you:
 - have an existing direct credit authority for the payment of dividends. By submitting your Application Form, you authorise the Company to pay your Buy Back proceeds to that nominated account; or
 - submit to the Registrar by 7:00pm (Sydney time) on the Closing Date a completed direct credit authority form notifying the Company of your new account details.
- You can obtain a direct credit authority form by calling the Registrar on 1800 336 109 (in Australia) or +61 2 8280 7691 (from overseas). If you complete and submit a direct credit authority form, you acknowledge that your nominated bank account details in that form will be taken to be your nominated bank account for future payments (including dividends) by the Company to you,
- and, in each case, you will be taken to have accepted the risk associated with the payment;
- (M) agree that damages is not an adequate remedy for breach of the covenants, undertakings, agreements, representations and warranties given by you in favour of the Company under the Buy Back Documents;
- (N) undertake that if you breach any of the covenants, undertakings, agreements, representations or warranties under the Buy Back Documents you will indemnify the Company for all its costs or losses arising from the breach; and

- (O) agreement that any obligation of the Company to buy back Shares nominated by you in your Application Form is conditional on your compliance with the covenants, undertakings, agreements, representations and warranties in and otherwise subject to the Buy Back Documents.

You will be taken to have submitted an Application when the Registrar receives your validly signed and completed Application Form if you have an Issuer Sponsored Holding or, if you have a CHESS Holding, your Application is processed by your market participant through CHESS.

(h) **Potential scale back**

The Equal Access Buy Back only relates to 10 million Shares (comprising in aggregate approximately 40% of the entire issued capital of the Company). However, the Company has received notices of intention (the **Notices of Intention**) from major Shareholders holding in aggregate approximately 60% of the entire issued capital of the Company) to the effect that they:

- (i) intend to approve both Resolution 5 and Resolution 6;
- (ii) but do not intend to participate in the Equal Access Buy Back.

Assuming that that the Notices of Intention are not revoked and that the major Shareholders who served those Notices of Intention do not participate in the Equal Access Buy Back, Shareholders who elect to participate in the Equal Access Buy Back should have all of the Shares in respect of which they have lodged a valid Application Form bought back.

However, in the event that:

- any major Shareholder revokes its intention not to participate in the Equal Access Buy Back and does participate in the Equal Access Buy Back; and
- the Company receives Applications in excess of the maximum number of Shares it has offered to buy back under the Equal Access Buy Back,

the number of Shares bought back from each Shareholder who has accepted the Equal Access Buy Back in respect of some or all of its Shares will be reduced by the same proportion to ensure that the Company does not buy back in excess of 10 million Shares in aggregate under the Equal Access Buy Back. The scale back will be applied to the number of Shares which each accepting Shareholder has elected to sell back to the Company. If a scale back results in there being less than a whole number of Shares which would be bought back from a Shareholder, the number of Shares bought back from that Shareholder will be rounded down to the nearest whole number of Shares.

By making an Application, Shareholders acknowledge and agree that any requirement for the Company to buy back Shares under the Equal Access Buy Back Scheme is subject to the application of any scale back in the circumstances described above.

(i) **When and how will payments be made under the Equal Access Buy Back?**

Payments will be made on the Payment Date in accordance with section 12(g)(iv)(L) of this Explanatory Statement.

(j) **Can I trade my Shares after submitting an Application Form?**

By submitting an Application Form, you are warranting to the Company that at all times after your Application is made, you are the registered holder of not less than

the number which you have nominated in your Application Form to sell back to the Company and that all such Shares are fully paid up, free from any mortgage, charge, lien or other encumbrance (whether legal or equitable) and from any third-party rights and otherwise able to be sold freely by you.

Accordingly, once you have submitted an Application Form in respect of some or all of your Shares, you should not sell or offer to sell those Shares before the Equal Access Buy Back Date unless you lodge a Withdrawal Notice revoking your Application in accordance with section 12(f). If you have submitted an Application, your Shares will be placed in a “*subposition*” in the Company’s Share register. You will not be able to deal with those Shares until they have been released from the subposition. For the Shares to be released from that subposition you must withdraw your Application by lodging a Withdrawal Form in accordance with the procedures set out in section 12(f). Accordingly, if you wish to sell any of the Shares in respect of which you have submitted an Application, you must withdraw your Application before so doing.

In addition, you may not convert the Shares the subject of your Application Form from an Issuer Sponsored Holding to a CHESS Holding (or vice versa) prior to the Equal Access Buy Back Date (for example if you change your HIN or market participant (usually your broker).

Lodgement of a Withdrawal Form may not take immediate effect. You should take this into consideration if you wish to sell any of your Shares in respect of which you have submitted an Application. If you agree to sell any Shares the subject of your Application after you submit an Application, the Company may, in its absolute discretion:

- reject your Application in its entirety; or
- treat the Application either as if it had not been lodged or as if you had offered the number of Shares held by you at the Closing Date.

(k) Shares held by trustees and nominees

Trustees and nominees who hold Shares should inform the beneficial owners of the Shares about the Equal Access Buy Back.

Trustees and nominees who hold Shares on behalf of more than one beneficial owner should aggregate all requests to participate in the Equal Access Buy Back received from beneficial owners and lodge one Acceptance Form in respect of those acceptances. It is the responsibility of the trustee or nominee to aggregate requests to participate from underlying beneficial holders. The Company will not engage in correspondence with underlying beneficial owners

(l) Company’s right to accept or reject Application Forms

At any time, the Company may, in its discretion and to the extent permitted by law:

- (A) accept or reject any Application or Application Form, whether or not it complies with the Buy Back Documents;
- (B) accept or reject an Application not made on the terms and condition set out in or submitted in accordance with the Buy Back Documents.

(m) Tax implications

Shareholders should consult their own tax advisor for specific taxation advice in connection with the Equal Access Buy Back in order to assess the impact on their own particular circumstances.

(n) **No obligation to sell**

Shareholders are not required to participate in the Equal Access Buy Back, if approved. Participation is entirely voluntary.

The Board strongly advises that all Shareholders read the Buy Back Documents in full and seek legal and financial advice in connection with the impact of participation in the Equal Access Buy Back on their personal circumstances.

13. **FURTHER CONSIDERATIONS AND RISK FACTORS**

(a) **Overview**

In the event that Resolution 5 is approved, the Company's Shares will be De-listed. If Resolution 6 (which is conditional on the passage of Resolution 5) is approved, Shareholders will be given an opportunity to exit their investment in the Company in whole or in part (subject to scale back) via the Buy Backs prior to the Company's De-listing.

The Minimum Holding Buy Back does not require Shareholder approval and will take place irrespective of the approval of Resolution 5 and/or Resolution 6. Shareholders who are holders of less than a marketable parcel of Shares on the Minimum Holding Record Date and at the Retest Time will have their Shares automatically bought back on the Minimum Holding Buy Back Date under the Minimum Holding Buy Back, unless they submit a Retention Notice on the date specified in the Buy Back Letter.

Accordingly, and assuming Resolution 5 and Resolution 6 are passed, Shareholders will need to consider whether or not they wish to remain as Shareholders following De-listing.

This section provides Shareholders with additional information (including advantages and disadvantages of remaining as a Shareholder of the Company) to assist Shareholders to determine whether or not to approve the Resolutions and participate in the Minimum Holding Buy Back or Equal Access Buy Back (as relevant).

(b) **Current status of the Company's activities**

On 28 June 2010, the Company announced it intended to wind down its operations including the activities of its subsidiaries as responsible entity, trustee and manager of its underlying investment funds (**Fund Management Activities**) with a view to returning capital to Shareholders. That decision was made following a strategic review of the Company's business undertaken to consider and assess the multiple alternatives to maximise value for Shareholders. Following that decision, the Everest Group commenced scaling back their operations, including but not limited to the following:

- entering into and implementing arrangements with OIG Group to transfer the trustee, responsible entity and management responsibilities in respect of various investment trusts managed by the Everest Group to members of the OIG Group, subject to the satisfaction of certain conditions (including all requisite unitholder approvals and third party consents);
- as part of these arrangements, a number of employees of ECL have been transferred to the OIG Group. Some of these employees have been seconded back to ECL so that it can continue to perform and otherwise satisfy its obligations pending the transition of the balance of its Fund Management Activities;

- undertaking a distribution of capital to Shareholders in the amount of 4 cents per Share (on a pre-consolidation basis); and
- ongoing management of litigation and investigations, including the Stang claim and investigations by the ASIC. Details of these matters have been previously disclosed to the market and are discussed in more detail below in section 13(e), below.

As at the date of the accompanying Notice of Meeting, the activities of the Everest Group comprise the following:

- (A) Limited Fund Management Activities being carried on through ECL comprising:
- (1) acting as trustee and manager of the Everest Global Growth Fund;
 - (2) acting as trustee of the Everest Leveraged Global Growth Fund - this fund is scheduled to terminate prior to the Meeting; and
 - (3) 100% ownership of Everest Capital Management Limited, a company incorporated in the British Virgin Islands. ECL is currently awaiting regulatory approval from the British Virgin Islands regulatory authorities to enable Everest Capital Management Limited to be transferred to the OIG Group.

In carrying out these limited activities, ECL relies on personnel supplied to it by OIG Group pursuant to the secondment arrangement described above. ECL also pays a percentage of its fees earned in relation to the remaining funds to the OIG Group in consideration for the provision of such personnel. The Board anticipates that the remainder of trustee, responsible entity and management functions carried out by the Everest Group and, as described above, will be transitioned to the OIG Group in the coming months.

- (B) Ongoing management of litigation and investigations by ECL (including the Stang claim and investigations by the ASIC, details of which have been previously disclosed to the market and which are discussed in further detail in section 13(e) below).

(c) **The Company's proposed activities**

The Company proposes to continue to manage ongoing litigation and investigations. Until these issues are resolved, the Company will not be in a position to undertake any further activities.

To the extent it has financial capacity to do so, the Company may look for new investment/business opportunities in the future. The Board envisages that any such new investments would be undertaken by the Company through newly formed subsidiaries rather than through ECL.

Alternatively, if the Company does not have available resources to pursue new investment/business opportunities (or if it becomes insolvent), the Company would be wound up after all obligations and liabilities have been met.

Having regard to the uncertainty surrounding the impact of current litigation and investigations involving ECL, it is unclear whether the Company would have any surplus funds available (to be applied to new investments or for distribution to the Company's Shareholders on winding up) following conclusion of such litigation and investigations.

The nature and timing of any further distributions to Shareholders, new investments and/or wind down is currently unknown.

(d) **The Company's financial position**

As at the date of this Explanatory Statement the Company has approximately \$9 million in available cash.

Available cash assets following the Minimum Holding Buy Back and the Equal Access Buy Back (assuming 100% participation in each Buy Back (save in respect of those Shareholders who have provided Notices of Intention) and assuming that the number of Shares comprising unmarketable parcels on the Minimum Holding Record Date is similar to that as at 18 April 2011) is expected to be approximately \$7,666,000 (before costs).

The Board estimates the potential costs and liabilities in connection with known matters could be up to \$5.5 million, however there is no certainty whatsoever that it will not be more (or less) than this amount.

(e) **Overview of claims and litigation affecting the Everest Group**

(i) **Stang claim**

As announced to the market on 9 December 2010, ECL was served with a statement of claim by Bernard and Maurice Stang in relation to certain investments which they made in the Everest Absolute Return Fund and the Everest Global Growth Fund in about June and July 2003 respectively. The relief sought by the plaintiffs includes declarations that ECL is bound to guarantee the capital and performance of investments in those funds and claims for damages for breach of guarantee and alleged misleading and deceptive conduct.

In late December 2010, significant amendments to the Stangs' claim were made. Further particulars of the separate claims for damages were also given.

ECL has indicated that it intends to vigorously defend the claim made by the Stangs and filed a defence to the Stangs' amended claim in early March 2011.

Although the Stangs' claim is expected to be heard on an expedited basis, the timing for final resolution of the claim remains uncertain and could take up to 12 months to resolve.

There is a significant risk that the Company will be forced to incur significant legal costs in connection with defending the Stang claim. Whether or not the costs of the Stang claim will be covered under ECL's insurance policies is unclear. To date ECL's insurers have reserved their rights and not accepted liability in connection with indemnifying ECL in connection with the Stang claim.

(ii) **ASIC investigation**

On 19 November 2010 (and as previously disclosed to the market) ECL received a notice from ASIC requesting certain documents in relation to an investigation by ASIC into suspected contraventions of the Corporations Act by various directors and officers of ECL in affording discretionary redemptions to members of the Everest Babcock and Brown Income Fund.

The outcome of the ASIC investigation including:

- its probable duration;
- whether ASIC will choose to pursue the investigation and/or commence proceedings against ECL and/or any of its current or former officers or other staff;
- the likely costs to be incurred by ECL in relation to the investigation; and
- the likelihood of an adverse finding being made against ECL and/or its current or former officers and staff,

is currently unknown. Relevantly and notwithstanding the absence of any adverse finding being made by ASIC against ECL and/or any of its officers or staff, ECL will remain responsible for its own costs and certain costs of its current and former officers and staff in connection with the ASIC investigation. There is a significant risk that the Company will be forced to incur significant legal costs in connection with the ASIC investigation.

ECL's insurers have denied liability in respect of the ASIC investigation conducted to date.

(iii) **Other potential claims**

It is possible that other claims or investigations may be made or undertaken against or in relation to the Company and/or its subsidiaries in connection with the Everest Group's fund management activities. To the extent that any such claims are not covered by the Everest Group's insurance policies, litigation and the cost of responding to threats of legal action or further investigation are likely to have an adverse impact on the financial position of the Company.

(f) **Factors relevant to remaining as a Shareholder or exiting your investment in the Company**

Having regard to, among other things, the wind down of the Company's activities and the uncertainty surrounding existing litigation and investigations affecting the Everest Group, the Directors are of the view that the following considerations are relevant factors for Shareholders to assess when determining whether or not to approve the Resolutions and (assuming the Resolutions are approved) whether or not to remain a Shareholder in the Company (whether though participating on one of the Buy Backs or otherwise):

(i) **Shares may be worth more than Buy Back Price or may be worth nothing:** Having regard to the uncertainty surrounding the impact of current litigation and investigations in ECL, it is unclear whether the Company would have any surplus funds available (to be applied to new investments or for distribution to the Company's Shareholders on winding up) following conclusion of such litigation and investigations. Factors bearing on this matter include:

- whether or not the Resolutions are approved;
- the extent to which Shareholders participate in the Equal Access Buy Back and the Minimum Holding Buy Back;
- the duration and outcome of existing litigation and investigations, discussed above;

- whether any new claim, litigation or investigations arise; and
- whether existing or future litigation will be covered under the Everest Group's insurance policies.

Following conclusion of current litigation and investigations it may be that the Company's Shares are worth more than the Buy Back Price per Share.

(ii) Alternatively, it may be that the Company's cash assets following conclusion of current litigation and investigations are zero and that Shares in the Company are valued at nil or less than the Buy Back Price.

(iii) **Illiquidity:** De-listing will result in the Company's Shares being removed from quotation on the ASX. If De-listing takes place:

- Shareholders would continue to hold their Shares (although they may dispose of them by way of transfer or through participation in the Equal Access Buy Back (if approved) or the Minimum Holding Buy Back, if applicable);
- Shareholders will no longer be able to effect trades of Shares on the ASX through their broker – instead Shareholders would need to effect paper transfers of Shares and lodge these at the Company's offices; and
- Share prices and trading history for the Company will not be published on the ASX website and the prices for the Company's Shares will no longer be reported in newspapers or stock ticker services.

In general, shares which are not available for trading on a stock exchange may be less liquid than shares which are available for trading on a stock exchange. If the Company's Shares are removed from the official list, it may be more difficult for a Shareholder, in particular a minority Shareholder, to dispose of their Shares and/or find a purchaser for their Shares. Accordingly, there is no certainty that there will be a market for the Company's Shares following De-listing and regarding when or how Shareholders will be able to exit their investment post De-listing. However, based on the last 6 months of trading, the Shares have, in any case, been relatively illiquid, with little significant on market trading activity.

(iv) **Concentration of voting power:** Equal Access Buy Back (if approved) and the Minimum Holding Buy Back will, to the extent Shareholders participate in them, result in the cancellation of Shares in the Company and accordingly is likely to impact the control of the Company. The extent of any impact will depend on the level of participation in the Minimum Holding Buy Back and/or the Equal Access Buy Back, as relevant.

Accordingly, the number of Shares held by a Shareholder who does not participate in the Minimum Holding Buy Back or the Equal Access Buy Back would remain the same, but their percentage holding in the Company may increase (perhaps significantly) following the Minimum Holding Buy Back and Equal Access Buy Back if other Shareholders elect to participate.

In addition, Shareholders should also note that if there is significant participation in the Minimum Holding Buy Back and Equal Access Buy Back (if approved) this will lead to the cancellation of a large number of Shares and consequently a further increase in of the voting proportion of existing substantial Shareholders holding in aggregate approximately 60% of all

Shares, who have indicated their intention not to participate in the Equal Access Buy Back.

However, it is noted that the substantial Shareholders referred to above already hold approximately 60% of all Shares and so already exercise effective control of the Company.

- (v) **Timing uncertain:** Having regard to the uncertainty surrounding the impact of current litigation and investigations in ECL, it is unclear when the Company will be in a position to know whether it proposes to wind up, look for new investment opportunities and/or return capital to Shareholders.
- (vi) **Exposure to litigation:** It is possible that other claims or investigations may be made or undertaken against or in relation to the Company and/or its subsidiaries in connection with the Everest Group's fund management activities. To the extent that any such claims are not covered by the Everest Group's insurance policies, litigation and the cost of responding to threats of legal action or investigation are likely to have an adverse impact on the financial position of the Company. The Everest Group may incur significant legal costs in defending future litigation.
- (vii) **Buy Back Price:** Shareholders who exit their investment through one of the Buy Backs would receive the Buy Back Price per Share. The Board determined the Buy Back Price of 12.5 per Share (on a post consolidation basis) by reference to the available cash balance less ongoing operational costs and the potential costs and liabilities in connection with known matters. The Buy Back Price of 12.5 cents per Share (on a post consolidation basis) is also equivalent to the price per Share (on a pre-consolidation basis) at which Wingate Direct Investments Pty Limited, a former substantial Shareholder in the Company, disposed of its Shares on 16 March 2011. The volume weighted average price per Share for the period from 1 January 2011 to 3 April 2011 (being the date immediately preceding the announcement on the ASX of the proposed De-listing and Buy Backs) was 11.77 cents per Share. Having regard to the above, The Directors consider the Buy Back Price is a fair and reasonable price for those Shareholders who wish to exit their investment in the Company. Shareholders may be able to sell their Shares in the market at a price which is higher than the Buy Back Price and/or with a tax outcome which is more favourable to them than participating in a Buy Back. See section 13(f)(xi) below.
- (viii) **No further risk:** Shareholders who choose to exit their investment in the Company (whether through participating in a Buy Back or otherwise) will have no further risks or exposure in connection with holding Shares.
- (ix) **No further benefits:** Shareholders who choose to exit their investment in the Company (whether through participating in a Buy Back or otherwise) will have no right to any future income of the Company.
- (x) **Disclosure and compliance:** Generally speaking, the disclosure requirements under the Listing Rules would no longer apply to a company post-delisting. However, if a company qualifies as an "unlisted disclosing entity" under section 675 of the Corporations Act it may nevertheless need to comply with certain disclosure requirements. A company may be classified as an "unlisted disclosing entity" in various circumstances, including if it has 100 or more members holding securities as a result of issues under a disclosure document. Depending on the take up of the Buy Backs, the Company may qualify as an "unlisted disclosing entity" for the purposes of the Corporations Act. In this case, the disclosure requirements pursuant to section 675 would apply to the Company post De-listing until such time as it

was no longer an "unlisted disclosing entity" under section 675 of the Corporations Act.

If the Company's membership falls below 50 Shareholders as a result of participation in the Buy Backs, it would not longer be subject to the Takeovers Code.

- (xi) **Tax benefits:** There may be individual tax benefits of participating or not participating in a Buy Back. Shareholders should consult their own tax advisor for specific taxation advice in connection with the De-listing and the Buy Backs in order to assess the impact on their own particular circumstances.
- (xii) **Scale back:** In the event that any major Shareholder revokes its intention not to participate in the Equal Access Buy Back, the number of Shares bought back from each Shareholder who has accepted the Equal Access Buy Back in respect of all its Shares will be reduced by the same proportion to ensure that the Company does not buy back in excess of 10 million Shares in aggregate under the Equal Access Buy Back. Where a scale back applies, Shareholders who participate in the Buy Back may be left with a less than a marketable parcel of Shares.
- (xiii) **Value of listed shell:** In the event that the De-listing is not approved and Company elects not to undertake any new business following conclusion of current litigation and investigations affecting the Everest Group, there may be residual value in the Company as a listed shell company. If all claims, investigations and other outstanding and/or contingent liabilities of the Everest Group are resolved, the Board anticipates the value of the Company as a listed shell company may be in the region of \$250,000 - \$500,000.

14. ADDITIONAL INFORMATION

(a) Director's interests

As at the date of the accompanying Notice of Meeting, the following Directors of the Company have an interest in the proposed Resolutions as they or their associates are Shareholders:

Director	Number of shares in the Company
Mr Greg Martin	300,278 ¹
Mr Michael Sutherland	138,112
Ms Marea Laszok	222 ²

(b) Lodgement

In accordance with section 257E of the Corporations Act, copies of the accompanying Notice of Meeting, Explanatory Statement, its annexures and Proxy Form have been lodged with ASIC.

As required by the Listing Rules, the Company has consulted with the ASX in connection with the reorganisation of its capital described in the Notice of Meeting

¹ The Shares are held by Jamoca Pty Limited as trustee for the Martin Family Trust. Mr Martin has the power to control the voting rights and disposal of the equity holding of Jamoca Pty Limited.

² The Shares are held by Laszok Nominees Pty Limited. Ms Laszok has the power to control the voting rights and disposal of the equity holding of Laszok Nominees Pty Limited.

and Explanatory Statement. A copy of this Notice of Meeting and this Explanatory Statement has also been provided to the ASX in accordance with the Listing Rules.

Neither ASIC nor the ASX nor any of their respective officers takes any responsibility for the contents of this Notice of Meeting and Explanatory Statement.

(c) **Forward looking statements**

Certain statements contained in this Explanatory Statement, including statements in section 13, may constitute 'forward looking statements' for the purposes of applicable securities laws. The Company undertakes no obligation to revise the forward looking statements included in this Explanatory Statement to reflect any future events or circumstances. The Company's actual financial performance could differ materially from the outcomes anticipated or expressed in or implied by these forward looking statements. Factors which could cause or contribute to such differences include the number of Shares bought back under the Buy Backs, the outcome of current or future litigation or investigations relating to the Everest Group and general economic and trading conditions affecting the Everest Group. Further information relating to the Everest Group can be found at www.everest.com.au.

(d) **Applicable law**

This Explanatory Statement and the Buy Back Documents are governed by the laws applicable in New South Wales.

15. **GLOSSARY**

Unless the context otherwise requires, capitalised words and expressions used in the Notice of Meeting and Explanatory Statement have the following meanings:

Annual Report	the meaning given in section 4 of the Explanatory Statement;
Application	an application by a Shareholder to participate in the Equal Access Buy Back in respect of some or all of their Shares, made under a valid Application Form;
Application Form	the form to be lodged by an Shareholder to sell Shares to the Company under the Equal Access Buy Back, which form will be despatched to Shareholders as described in the Explanatory Statement;
ASIC	the Australian Securities and Investments Commission;
ASX	ASX Limited ABN 98 008 624 691;
Auditor Notices	the meaning given in section 7(a) of the Explanatory Statement;
Board	the board of Directors of the Company;
Buy Back Documents	the Notice of Meeting, Explanatory Statement, the Application Form and (if applicable, the Withdrawal Form);
Buy Back Letter	the meaning given to it in section 9(e) of the Explanatory Statement;

Buy Back Period	the meaning given to it in section 12(c) of the Explanatory Statement;
Buy Back Price	12.5 cents per Share;
Buy Backs	the Equal Access Buy Back and the Minimum Holding Buy Back and Buy Back refers to any one of them as the context requires;
Equal Access Buy Back	the meaning given in section 3 of the Explanatory Statement;
Closing Date	the meaning given in section 8 of the Explanatory Statement;
Company	Everest Financial Group Limited ABN 42 112 480 145;
Corporations Act	Corporations Act 2001 (Cth);
De-Listing	the meaning given in section 3 of the Explanatory Statement;
De-listing Date	the meaning given in section 8 of the Explanatory Statement;
Director	a director of the Company;
Everest Group	the meaning given in section 9(a) of the Explanatory Statement;
Ex-Entitlement Date	the meaning given in section 8 of the Explanatory Statement;
Explanatory Statement	the explanatory statement comprising part of this document, as defined in the Notice of Meeting;
Fund Management Activities	the meaning given in section 13(b) of the Explanatory Statement;
Meeting	the meaning given in the Notice of Meeting;
Minimum Holding Buy Back	the meaning given in section 9(e) of the Explanatory Statement;
Minimum Holding Buy Back Date	the meaning given to it in section 9(e) of the Explanatory Statement;
Minimum Holding Record Date	the meaning given to it in section 9(e) of the Explanatory Statement;
Notice of Meeting	the notice of meeting attached to and forming part of this document;
Notices of Intention	the meaning given in section 11(f) of the Explanatory Statement;
Listing Rules	the listing rules of ASX;
Open Date	the meaning given in section 8 of the Explanatory Statement;

Option	the meaning given in section 10(e) of the Explanatory Statement;
Payment Date	the meaning given in section 8 of the Explanatory Statement;
Proxy Form	the proxy form relating to the Meeting in the form attached to this Explanatory Statement and accompanying Notice of Meeting;
Record Date	the meaning given in section 8 of the Explanatory Statement;
Registrar	Link Market Services Limited;
Resolution 1	the resolution proposed to adopt the remuneration report, as set out in the Notice of Meeting;
Resolution 2	the resolution proposed to approve the re-election of Michael Sutherland as a director, as set out in the Notice of Meeting;
Resolution 3	the resolution proposed to remove the incumbent auditor of the Company, as set out in the Notice of Meeting;
Resolution 4	the resolution proposed to appoint a new auditor for the Company, as set out in the Notice of Meeting;
Resolution 5	the resolution proposed to approve the De-listing, as set out in the Notice of Meeting;
Resolution 6	the resolution proposed to approve the Equal Access Buy Back, as set out in the Notice of Meeting;
Resolutions	Resolution 1, Resolution 2, Resolution 3, Resolution 4, Resolution 5 and Resolution 6 and Resolution is a reference to any one of them as the context requires;
Retention Notice	a notice (in the form annexed to the Buy Back Letter) from a Shareholder holding less than a marketable parcel of Shares that they wish to retain their Shares;
Retest Time	the meaning given to it in section 9(e) of the Explanatory Statement;
Share	a fully paid ordinary share in the capital of the Company and Shares will be construed accordingly;
Shareholder	the registered holder of a Share;
US Person	the meaning given by Regulation S under the United States Securities Act 1933;
Voting Entitlement Date	the meaning given in the section headed "How to Vote" forming part of the Notice of Meeting; and

Withdrawal Form

the form of that name provided by the Registrar on request by a Shareholder and which is used to withdraw or amend a previously submitted Application.

Further Information

If you have any queries in relation to the proposed meeting or the matters set out in this Notice of Meeting, please call Director and company secretary of the Company, Michael Sutherland, on 02 8001 9100.

Annexure – Auditor Notices

Board of Directors
Everest Financial Group Limited
Level 35, AMP Centre
50 Bridge Street
SYDNEY NSW 2000

12 April 2011

Dear Directors,

I, Redleaf Group Pty Limited (ACN 133 794 975), c/-Level 35, AMP Centre, 50 Bridge Street, Sydney NSW 2000, being a member of Everest Financial Group Limited (EFG) and holding more than 5% of shares in EFG, request that a general meeting of the Company be held at the first available time, in any event no later than 2 months from the date of this notice, to consider and, if thought fit, pass resolutions that:

- (a) Ernst & Young be removed as auditor of EFG and its controlled entities; and
- (b) RSM Bird Cameron Partners be appointed as the new auditor of EFG and its controlled entities.

Furthermore, for the purposes of Section 328B(1) of the Corporations Act 2001, I hereby give you notice of the nomination of RSM Bird Cameron Partners, of Level 12, 60 Castlereagh Street, Sydney NSW 2000, as auditor of EFG and its controlled entities.

Yours faithfully,



Jeremy Reid
Director

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Everest Financial Group Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf on each of the resolutions below and any other motion or resolution in accordance with the following instructions (or if no instructions are nominated as my proxy thinks fit) at the Annual General Meeting of the Company to be held at 11:00am on Monday, 30 May 2011, in the Prince Albert Room, Sir Stamford Hotel Circular Quay, 93 Macquarie Street, Sydney NSW 2000 and at any adjournment or postponement of the meeting. If no preference is specified in this proxy form, the Chairman intends to vote **IN FAVOUR** of all resolutions.


Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an X

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 4 Appointment of new auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 To re-elect Michael Sutherland as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 To approve the De-listing of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Removal of incumbent auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 To approve the Equal Access Buy Back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under power of attorney, you must lodge the power of attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to this form when you return it.

Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by **11:00am on Saturday, 28 May 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE > www.investorcentre.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Everest Financial Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.