



Imperial Pacific Limited

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING – 21 OCTOBER 2011

We estimate Imperial Pacific's unaudited net tangible assets at market value are presently in the order of \$3.8 million, or **\$1.31** per Ordinary Share after payment of the recent dividend.

On behalf of the Directors I welcome you here today. May I introduce members of our immediate team, Directors John Plummer and Rob Chenery and Company Secretary Rob Pettener.

As shareholders will be aware, 2011 saw the sale of the majority of our investment in MainstreamBPO Pty Limited and the build up of over \$1.5 million on deposit. We did spend a lot of time on London City's situation with Penrice Soda Holdings, however had a successful win in the Federal Court by getting access to Penrice documents.

Again a small operating loss was incurred, this time due to reduced results from the 29% owned London City Equities which had experienced some abnormal litigation costs

The Board has recommended and recently paid a fully franked dividend of 5.0 cents per share. We estimate Imperial Pacific's unaudited net tangible assets at market value are presently in the order of \$3.8 million, or **\$1.31** per Ordinary Share after payment of the recent dividend.

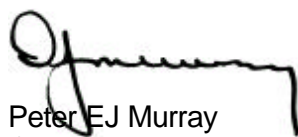
Belmont's focus on financial services has continued through the fund management activities of its AFS Licensed subsidiary, **Imperial Pacific Asset Management** Pty Limited and through its key investment in **London City Equities** Limited. We are continuing our work on looking at a new wholesale activist investment product for Australia. Also, our subsidiary **Imperial Pacific Resources** Pty Limited looked briefly at one offshore resources project.

As a 29% shareholder in **London City Equities**, Imperial Pacific has suffered indirectly from that company's 6% ownership of the South Australian company **Penrice Soda Holdings** Limited, where performance has been terrible. The success in getting access to Penrice information via the Federal Court might help everyone understand what has happened within Penrice and ultimately allow the group an opportunity to recover some of its losses.

We again confirm **the investment philosophy** of our subsidiary, **Imperial Pacific Asset Management**. Firstly, we are not market followers – we are company centric. Secondly, we look for companies that dominate their market and have sustainable profits. Thirdly, we want to understand their business. Fourthly, we want management that behaves like owners. Fifthly, we want to earn a return (IRR) over the medium term that covers all the risks of public enterprise. (At present we want at least 10% over the bank deposit rates ie at least 15%.per annum) Finally, we seek a meaningful percentage ownership in the investment to give us some control over our destiny and to justify us providing executive assistance.

There is little doubt that current depressed stock market conditions have put tempting prices on many listed companies. We have a hard core list of companies we watch closely.

I will now move on to the formal business of the day.



Peter EJ Murray
Chairman of Directors

21 October 2011