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The Manager
Company Announcements Office
Floor 10, 20 Bond Street
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Update re Cape Tribulation

Ocean Capital advises that a contract to sell Ferntree Rainforest Lodge at Cape Tribulation has been entered into at a price of \$850,000. After deduction of commissions and other sale costs, the estimated sales proceeds are approximately \$790,000 assuming the sale is completed.

This compares with the 30 June 2012 book value for Ferntree of \$1.25million based on the HTW valuation. The lower sale price achieved reflects the ongoing difficulty of locating genuine buyers for non CBD Far North Queensland tourism assets. In turn, this reflects the ongoing pressures on tourism hotel profitability and debt funding which is extremely difficult. Given the deficit to book value, the Ferntree sale will result in Ocean incurring a loss on Ferntree Rainforest Lodge of approximately \$460,000 in its Accounts for the 2012-13 year.

The sale proceeds for Ferntree are within the range ascribed by the independent expert BDO for Ferntree in its report dated 5 November 2012 that has been mailed to shareholders as part of the Shareholder Booklet.

Ocean now has one remaining asset at Cape Tribulation which is Cape Tribulation Resort that was closed approximately 2 years ago. Initiatives to sell this asset have occurred with several agents over the past 18 months however no acceptable offers have been received.

Yours Faithfully

A handwritten signature in dark ink, appearing to read 'Nicola Constantinidis', written in a cursive style.

Nicola Constantinidis
Director