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**HILLCREST LITIGATION SERVICES LIMITED**

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**ASX ANNOUNCEMENT**  
**QUARTERLY UPDATE ON CASE PORTFOLIO and**  
**APPENDIX 4C QUARTERLY REPORT**

27 April 2012

Hillcrest Litigation Services Limited (“the Company”) hereby provides the Company’s Appendix 4C Quarterly Report and the Company’s quarterly update on its Case Portfolio of funding agreements.

If you have any queries in relation to this matter, please do not hesitate to contact the Company Secretary on (08) 9324 3266.

Yours sincerely

**HILLCREST LITIGATION SERVICES LIMITED**

A handwritten signature in black ink, appearing to read 'Ian Allen', is written over a horizontal line.

**Ian Allen**  
Company Secretary

## HILLCREST'S CURRENT CASE PORTFOLIO

The Company presently has funding agreements for 5 cases, as listed in the table below. A brief description of each case follows the table.

The "Amount of Claim" shown for each case is the Company's current best estimate of the amount recoverable by the client/plaintiff, assuming that the litigation is wholly successful at trial. However, the amount that is ultimately recovered by the client/plaintiff in each case may be significantly different from the current estimate of the Amount of Claim for that case as stated in the table; particularly in circumstances where there is an agreed settlement between the parties to the litigation or where the litigation fails or is not wholly successful at trial.

<b>Case No.</b>	<b>Case</b>	<b>Amount of Claim</b>
<b>1</b>	<b>Great Southern</b>	<b>Not yet known</b>
<b>2</b>	<b>Great Southern Finance</b>	<b>Not yet known</b>
<b>3</b>	<b>MMFC -v- IPL</b>	<b>\$37,500,000</b>
<b>4</b>	<b>Shields</b>	<b>\$2,000,000</b>
<b>5</b>	<b>CAT</b>	<b>\$3,000,000</b>

### DESCRIPTION OF CASES

**1. Great Southern Limited (In Liquidation) (Receivers and Managers Appointed)**

HLS has agreed to provide funding to the liquidators of the company to enable them to complete their investigations into certain aspects of the affairs of the company and thereafter to pursue any recovery actions as appropriate.

**2. Great Southern Finance Pty Ltd (In Liquidation)**

HLS has agreed to provide funding to the liquidators of the company to enable them to complete their investigations into certain aspects of the affairs of the company and thereafter to pursue any recovery actions as appropriate.

**3. MMFC -v- IPL**

HLS has agreed to fund MMFC in a proceeding in the Supreme Court of Victoria wherein MMFC alleges that IPL breached an obligation of confidence that it owed to MMFC by the unauthorised use and disclosure of a body of information relating to a methodology for structuring long term equipment leases. MMFC is seeking, amongst other relief, an account of the profits made by IPL from the alleged unauthorised use of the information.

The case was the subject of an adverse decision in May 2011 when the Court refused leave for MMFC to file and serve a proposed amended statement of claim and held that the proceeding should be dismissed or permanently stayed. MMFC subsequently appealed that decision to the Victorian Supreme Court of Appeal. In December 2011, the Court of Appeal ordered that MMFC's appeal be allowed and that the previous order dismissing the proceeding be set aside.

HLS will fund the continued pursuit of MMFC's claim.

**4. Shields Media Pty Ltd (In Liquidation)**

HLS has agreed to fund the liquidator of the company in a negligence action against a firm of solicitors.

**5. Computer Accounting & Tax Pty Ltd (In Liquidation)**

HLS has agreed to fund the liquidator of the company in proceedings in the Supreme Court of Western Australia between the company and its directors in relation to the proper entitlement to certain real property and certain monetary amounts.

## Appendix 4C

### *Quarterly report for entities admitted on the basis of commitments*

Name of entity

HILLCREST LITIGATION SERVICES LIMITED

ABN

63 060 094 742

Quarter ended ("current quarter")

31 MARCH 2012

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from litigation funding cases	-	749
1.2 Payments for		
(a) staff costs	(230)	(780)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(64)	(202)
(f) litigation funding	(104)	(743)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	58
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – BAS refund from ATO	-	-
<b>Net operating cash flows</b>	<b>(382)</b>	<b>(918)</b>

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(382)</b>	<b>(918)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	-	-
<b>1.14 Total operating and investing cash flows</b>	<b>(382)</b>	<b>(918)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - expenses of capital raising	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase / (decrease) in cash held</b>	<b>(382)</b>	<b>(918)</b>
1.21 Cash at beginning of quarter / year to date	1,486	2,022
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>1,104</b>	<b>1,104</b>

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	221
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions:

Directors Fees and Salaries

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

## Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	938	1,370
4.2 Deposits at call	116	116
4.3 Bank overdraft	-	-
4.4 Other – Security deposits	50	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,104</b>	<b>1,486</b>

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Not Applicable	Not Applicable
5.2 Place of incorporation or registration	Not Applicable	Not Applicable
5.3 Consideration for acquisition or disposal	Not Applicable	Not Applicable
5.4 Total net assets	Not Applicable	Not Applicable
5.5 Nature of business	Not Applicable	Not Applicable

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....

Company Secretary

Date: 27 April 2012

Print name: Ian Allen

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.