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EXCLUSIVE DISCUSSIONS CONCERNING THE PROPOSED ACQUISITION OF THE TRUSTEE COMPANY OF AN INDUSTRY SUPERANNUATION FUND

The Board of Tolhurst Group Limited (**Tolhurst**) is pleased to announce that it has agreed to enter into exclusive discussions with the Board of Farm Plan Pty Ltd (**Farm Plan**) concerning the potential purchase of equity in Farm Plan, which acts as trustee for the Prime Superannuation Fund.

While details of the proposed transaction remain fluid, discussions will focus on Tolhurst acquiring 100% of the issued capital of Farm Plan and expanding the operations of Farm Plan into the commercial issuing of new financial products. Should the proposed transaction proceed, the acquisition is expected to be cash EPS positive from commencement of ownership by Tolhurst.

Current discussions propose that Tolhurst shall pay to Prime Super (the beneficial holder of Farm Plan shares) a purchase price in instalments in respect to its acquisition of Farm Plan predicated on the incremental increase in funds under management from new business opportunities developed (outside any funds directly managed within Prime Super) for which fees may be generated by Farm Plan. The proposed instalments are based on target levels of funds under management over a three year period from commencement made through a combination of cash and Tolhurst shares up to a maximum value of $20,000,000.

Initially it is proposed that Tolhurst provide Farm Plan with $1,000,000 in working capital to fund expansion and also ensure that Net Tangible Asset / Net Liquid Assets requirements imposed by Regulators are met.

While it is proposed that Tolhurst would initially acquire a 100% interest in Farm Plan, this may be diluted through equity allocations to key Farm Plan personnel subject to the performance of Farm Plan in respect of attracting new funds under management other than Prime Super.

As a result of the proposed transaction, whilst Farm Plan will continue to operate as trustee of Prime Super on a not for profit basis, Farm Plan will actively seek opportunities to generate fees by acting as trustee and/or responsible entity of public unit trusts and such other product as may be developed jointly by Tolhurst and Farm Plan.

On behalf of the Board of Tolhurst, David Browne, Executive Chairman stated:

> *"This is another exciting opportunity being pursued by Tolhurst to further expand our wealth management capabilities. Farm Plan has previously been in discussions with ComCorp (a company that Tolhurst has announced as having acquired, subject to shareholder approval at our upcoming Annual General Meeting) and we believe that a relationship between ComCorp and Prime Super will provide substantial opportunities for the creation, distribution and management of product."*

Mr Lachlan Baird, Chief Executive Officer of Farm Plan stated:

> *"The Board of Farm Plan has been seeking an opportunity whereby it is able to realise the inherent value in the trustee company currently owned by the members of Prime Super and provide the members with both the value of the trustee company as it stands today, and the opportunity to participate in enhanced value through co-investing with the private sector in the development of new product and providing a means by which the private sector can co-invest with existing assets of Prime Super. The tie in with ComCorp also provides a significant improvement in distribution both of Prime Super itself, and the other opportunities we will be developing."*

The proposed transaction is subject to due diligence, contractual negotiations, implementation of measures ensuring that Prime Super will not be negatively impacted by the transaction, regulatory approval by APRA and such other approvals as are required by Farm Plan in order for the transaction to proceed. It is anticipated that Tolhurst will take control of Farm Plan not earlier than 1 January 2008.

Michael Deschepper
Company Secretary