# IMF (AUSTRALIA) LTD

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## RELEASE TO AUSTRALIAN STOCK EXCHANGE ("ASX")

## WEDNESDAY, 31 JANUARY 2007

## SONS OF GWALIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

1. The Board of IMF (Australia) Limited is pleased to announce that the High Court today dismissed (by a majority of six to one) appeals by the administrator of Sons of Gwalia Limited and ING Investment Management LLC (a major unsecured creditor of Sons of Gwalia Limited) against earlier judgments in the Federal Court of Australia which effectively elevated a group of shareholder claims to equality with the claims of the general body of unsecured creditors.

2. IMF (Australia) Limited is funding the claims of 800 shareholders whose claims total approximately $70 million.

3. Those shareholders will now move to establish their claims with the administrator either by agreement or through the Court process.

4. Upon establishing their claims those shareholders will then be entitled to a pro-rata distribution with all other unsecured creditors.

5. Contrary to the claims of many large unsecured creditors this decision will not disrupt the Australian Financial Markets but rather will bring certainty to what was otherwise an uncertain area of the law.

6. IMF (Australia) Limited is also funding a number of other multiparty shareholder claims which will be favourably impacted by this important decision.

John Walker

**John Walker**
**Managing Director**

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