

MEDIA RELEASE

25 July 2006

The Board of leading regional Queensland building society, Pioneer Permanent Building Society Limited [NSX: PBS], said today the two unsolicited approaches by competitors in the past month underlined Pioneer's strong market position.

The Board also reassured Pioneer shareholders it will keep them informed of all developments affecting their building society.

"Pioneer has a strong financial position and a growing regional banking business," Pioneer Chairman Mr Clifford Flor said.

"Our strategy which is based on having the best people providing the best personalised service to customers is obviously working."

"The Board will meet its legal obligations to consider all reasonable offers. Any approach from another financial institution will be fully evaluated to assess what benefit it offers to shareholders, staff and customers."

"Other financial institutions evidently admire our strong financial position, extensive network and great products, but we remain in control of this process", Mr Flor said.

Pioneer notified shareholders on 29 June 2006 that after careful consideration it had rejected an unsolicited and conditional proposal from Mackay Permanent Building Society Limited (MPBS) to buy shares in Pioneer. MPBS has subsequently advised the market it is developing a further proposal.

On 19 July 2006 Pioneer advised shareholders of an offer from Wide Bay Australia Ltd recommending to shareholders not to do anything pending further advice from the Board.

Pioneer recently announced continued steady growth in both lending and deposits for the 2006 financial year and that its plans to list on the Australian Stock Exchange (ASX) are well advanced.

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