



BIDGEE FINANCE LTD
TWELFTH PROSPECTUS

This is a Prospectus dated 8 December 2006. This Prospectus was lodged with the Australian Securities and Investments Commission ("ASIC") on 8 December 2006. ASIC takes no responsibility as to the contents of the Prospectus. This Prospectus is issued by adopting the ASIC Class Order 00/174. No Debenture Stock will be allotted or issued on the basis of this Prospectus later than 8 January 2007.

This Prospectus and the Application Form are available in a paper version and in electronic form. The electronic version can be found on Bidgee's website at www.bidgee.com.au from the beginning of the exposure period until the offer closes.

The offer or invitation to which this Prospectus relates is only available to persons receiving the Prospectus (whether in paper or electronic form) within Australia who:

- are Australian residents; and
- provide an Australian address for service when making application for the Securities.

Application forms which do not specify an Australian address for service (or which are accompanied by payment drawn on a foreign bank account) will be rejected and returned unless the applicant provides evidence which satisfies Bidgee Finance Ltd that the issue of Debenture Stock will not contravene the laws of any other jurisdiction.

Profile of Bidgee

Bidgee Finance Ltd (referred to in this Prospectus as either "Bidgee" or "the Company") was incorporated on 25 May 1961. Bidgee provides finance to approved customers who conduct a variety of businesses, predominantly in the Riverina, Sunraysia and Wimmera. Bidgee also engages in finance broking and obtains fees for arranging finance for clients from various other finance companies and banks.

Benefits of Investing with Bidgee

This is the twelfth Prospectus in which Bidgee has offered Debenture Stock. The earlier Prospectuses were very well supported and raised over \$35 million.

Bidgee offers a secured investment and a choice of terms from 30 days then at call to 48 months. This, coupled with the fact that no fees are charged, enables your investment to earn a most competitive rate of interest.

Bidgee has proven its reliability by meeting its obligations to investors for over 40 years. Investors are protected by the Company's policy of only lending against the security of income producing assets. Bidgee does not lend for purposes it considers to be speculative.

By investing with Bidgee your money stays in the regions in which we operate for the direct benefit of these regions. This enhances long term growth, stability and employment in the communities in which it operates.

Summary of the Terms of Issue

Investment Term

Debenture Stock for terms varying from 30 days then at call to 48 months.

Minimum Initial Application

\$1,000. Further Debenture Stock may be issued in any dollar amount.

Interest

The rate of interest is fixed and is dependent on the term of the Debenture Stock subscribed for. However, in relation to the "30 days then at call" series of Debenture Stock, interest rates are fixed for the first 30 days and may vary thereafter.

The interest rate of the Debenture Stock is fixed by the Directors of Bidgee and is subject to change from time to time. The current interest rate and term for the Debenture Stock at any time may be obtained from Bidgee's website or by visiting or phoning any of the branch offices of the Company. A variation in interest rates will not affect fixed term Debenture Stock already on issue (excluding the "30 days then at call" series of Debenture Stock after the expiry of the first 30 days).

Interest will accrue from the date of issue of Debenture Stock and will be paid on the maturity of the Debenture Stock or half-yearly in arrears on 31 March and 30 September. Investors in any series of Debenture Stock excluding the "30 days then at call" and "6 months" series may elect for interest to be paid quarterly in arrears on 31 December, 31 March, 30 June and 30 September. If Investors do elect for interest to be paid quarterly in arrears different interest rates may apply.

Investors may also choose Debenture Stock having a maturity of 12 months or a multiple thereof. At the election of an Investor, interest in respect of such Debenture Stock will be paid the day after each 12 month anniversary from the date of issue.

The investment risk for the Debenture Stock relates to payment of interest when due and repayment of the principal as there is a risk of borrowers defaulting on the Company's loans. Bidgee provides security to reduce this investment risk. As at 30 June 2006, Bidgee had made a provision for bad and doubtful debts of \$623,370. Factors outside the control of the Company such as general economic conditions and government policy may influence decisions of the Company in relation to interest rates paid on Debentures.

Redemption

All Debenture Stock will be redeemed by Bidgee on the relevant maturity date for the series of Debenture Stock held by the Investor. Interest is payable until the date of redemption by Bidgee.

At the relevant maturity date and in the absence of contrary instructions from the Investor of the Debenture Stock, it is a term of this offer that your application will authorise Bidgee to apply the proceeds to a fresh issue of the Debenture Stock for the same term.

Early redemption may be considered by Bidgee in exceptional circumstances. However, Bidgee will allow

the reinvested Debenture Stock in the absence of instructions to be redeemed earlier than the reinvested term. When the Debenture Stock is redeemed earlier, Bidgee reserves the right to make an adjustment to the interest rate applicable to the Debenture Stock, so that the interest yield for the entire term until redemption is equivalent to the interest rate that would have applied at the date of issue of that Debenture Stock if the series was that which most closely related to the time which the Investor actually held the Debenture Stock.

No interest will be paid on Debenture Stock that is redeemed within 30 days of its date of issue.

Credit Rating

The Debenture Stock has not been rated by a rating agency.

Trustee

Permanent Nominees (Aust.) Limited (the "Trustee") ACN 000 154 441 has been appointed as Trustee under the Trust Deed. The Trustee is a member of the Trust group of companies of which Trust Company Limited is the parent company. The Trust group of companies was formed as a consequence of the merger, effective 6 December 2002, between Trust Company of Australia Limited and Permanent Trustee Company Limited. The Trustee does not guarantee the obligations of Bidgee to pay capital or interest in relation to the Debenture Stock. The Trustee has a duty to act in the interests of the holders of Debenture Stock to the extent and in the manner defined in the Trust Deed.

Neither the Trustee nor any member of the Trust Company Group makes any representations as to the truth or accuracy of the contents of this prospectus other than the parts which refer directly to the Trustee. The Trustee does not make any representation regarding or accepting any responsibility for any statements or omissions in or from any other parts of this prospectus. Other than the parts of this prospectus which refer directly to the Trustee or which refer to the provisions of the Trust Deed, the Trustee has relied upon the Company for the accuracy of the content of this prospectus. Neither the Trustee nor any member of the Trust Company Group makes any representations as to the performance of the issue, the maintenance of capital or any particular rate of return.

General Information

Use of Funds

Proceeds from the issue of the Debenture Stock will be used by Bidgee to contribute to the costs of this issue, and to provide working capital to expand the existing loan portfolio and/or to retire some bank debt as required. These proceeds may also be used to repay existing Debenture Stock if they are redeemed.

Commission

The Directors hope to place the majority of the Debenture Stock themselves. However, should they require any assistance; the Directors reserve the right to offer a commission of up to 0.75% of the total value of the Debenture Stock for any stock placed by a licensed broker. This commission will be met from the pre-issue funds of Bidgee.

Stock Exchange Listing

Shares in Bidgee are quoted on the Stock Exchange of Newcastle Limited ("NSX"). However, Debenture Stock issued under this Prospectus will not be quoted on the NSX, nor will any options that are issued by the Company.

Security

The Company's Debenture Stock is secured by a second ranking charge over the Company's assets (which consist primarily of loan receivables). The Directors believe that the Company's assets are sufficient and are reasonably likely to be sufficient to meet Bidgee's liability to repay all Debenture Stock and all other prior or equally ranking liabilities that have been or may be incurred.

Duties and taxes

Bidgee reserves the right to deduct from your interest any bank fees, duties or taxes incurred by it in connection with any investment under this Prospectus and to make withholding tax and other taxation deductions where required to do so under any applicable taxation laws.

Consents

Permanent Nominees (Australia) Ltd has given, and has not, before lodgement of this Prospectus, withdrawn, its written consent to be named in this Prospectus and to the inclusion of statements attributable to it in the form and context in which it is named or these statements appear.

DTT Victoria has given, and has not before lodgement of this Prospectus, withdrawn, its written consent to be named as Auditor of the Company in the form and context in which it is so named. DTT Victoria has not authorised or caused the issue of the Prospectus.

International Financial Reporting Standards

Financial information since June 2004 has been prepared under Australian equivalents to International Financial Reporting Standards (AIFRS). Financial information prior to this date has been prepared in accordance with Australian Accounting Standards.

Significant Events

In June 2006 the Company detected irregularities in relation to some loans written prior to 2006. In particular, the Company detected that monies had been misappropriated in a series of systematic transactions through what is believed to be the fraud of one former employee, and that former employee has since been formally charged by the police. The total loss to the Company represents approximately 1% of the Company's loans as at 30 June 2006. The loss has been reflected in the Company financial statements referred to below.

The Company's directors believe that the loss will not affect the ability of the Company to pay interest on the existing debentures issued by the Company or which may be issued under this prospectus, nor to repay the principal amount of any such debentures when due. The irregularities were detected in the course of the Company's regular reviews of its loan portfolio. The Company's directors believe that changes made to the Company's internal controls in recent years (such as the introduction of new loan approval processes, a credit cell and an internal audit function) substantially reduce the

likelihood of a recurrence of these irregularities. No current employees were involved in this matter.

Australian Prudential Regulation Authority ("APRA")

The Company is not authorised under the Banking Act 1959 (Cth) and is not supervised by APRA. Therefore, the debentures will not be covered by the depositor protection provisions in section 13A of the Banking Act 1959.

Documents Incorporated in this Prospectus

The documents set out below have been lodged at ASIC and are incorporated by reference into this Prospectus. The documents referred to in this Prospectus may be obtained free of charge from the registered office of Bidgee until 30 December 2007.

- Bidgee's annual report as at 30 June 2006;
- the Trust Deed dated 23 April 1997 and varied by amending deeds dated 7 May 1998, 7 January 2000, 19 December 2003 and 30 June 2006 made between Bidgee and Permanent Nominees (Aust.) Limited; and
- the Deed of Priority dated 30 June 2006 between the National Australia Bank Limited, the Trustee for the holders of Debenture Stock and Bidgee.

Statutory Financial Statements

Bidgee's annual report as at 30 June 2006 contains as well as financial statements of the Company, a directors' report on principal activities, operations for the year, changes in Bidgee's affairs during the year, expected future results and particulars of Directors. Included in this Prospectus is a summary of those financial statements.

Trust Deed and amending deeds

The Debenture Stock is issued under a Trust Deed dated 23 April 1997 and varied by amending deeds dated 7 May 1998, 7 January 2000, 19 December 2003 and 30 June 2006 made between Bidgee and Permanent Nominees (Aust.) Limited of Level 4, 35 Clarence Street, Sydney as Trustee.

The Trust Deed creates a second ranking charge in favour of the Trustee over the whole of the assets and undertaking of the Company; limits Bidgee's power to issue debentures as to 85% of the Total External Liabilities (as that term is defined in the Trust Deed) except during the period up to 10 days prior to maturity of

any Debenture Stock if the proceeds from the excess are applied within 10 days to the repayment of Debenture Stock; imposes on Bidgee obligations as to payment of principal and interest; prohibits prior or equal ranking charges without the consent of the Trustee; lists the circumstances in which the Trustee can declare default; states how the Trust Deed can be amended and states how meetings of debenture holders are to be held. Bidgee can issue further debentures and all debentures whenever issued on whatever price and terms rank equally.

Deed of Priority

Under the Deed of Priority dated 30 June 2006 executed by the National Australia Bank Limited ("Bank"), the Trustee for the holders of Debenture Stock and the Company, the Bank has first priority for all monies secured by the Bank's charges up to \$66,000,000 and interest, costs and expenses and the Trustee for the holders of Debenture Stock has second priority for all monies secured by the charge in favour of the Trustee.

Bank funding arrangements may change from time to time and the facilities provided by the Bank may increase or decrease from time to time.

The charge in favour of the Trustee for the holders of Debenture Stock currently ranks second behind first ranking charges in favour of the Bank. These first ranking charges to the Bank secure all indebtedness and liabilities of the Company to the Bank. The Company has also granted first ranking freehold mortgages in favour of the Bank over its property located at 272 George Street, Deniliquin.

Directors' Statement and Consent

The Directors state that they have made all reasonable inquiries and on that basis have reasonable grounds to believe that any statements by the Directors in this Prospectus are not misleading or deceptive and that there is no omission from this Prospectus. The Directors are of the opinion that Bidgee will meet all interest and principal payments as they fall due. Each Director has consented to lodgement of this Prospectus with ASIC and has not withdrawn that consent.



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Signature of Chairman
Lloyd John Thomson

Five Year Summary

Financial Results	2005/06 AIFRS*	Restated 2004/05 AIFRS*	2003/04 GAAP**	2002/03 GAAP**	2001/02 GAAP**
Revenue (\$'000)	13,139	10,986	10,009	8,199	5,972
Expenses (\$'000)	9,145	7,728	6,600	5,458	3,961
Net profit before income tax (\$'000)	3,994	3,258	3,409	2,741	2,011
Net profit after income tax (\$'000)	2,816	2,326	2,371	1,907	1,410
Dividends per share (cents)	15.5	15.0	15.0	12.0	10.5
Basic earnings per share (cents)	19.2	17.0	19.0	17.0	14.4
Bad debts (\$'000)	9	-	42	6	15
Doubtful debt expense (\$'000)	277	261	241	29	122
Other statistics – at financial year end					
Total assets (\$'000)	87,834	74,121	67,893	58,180	46,368
Total liabilities (\$'000)	69,043	59,185	54,303	47,046	37,397
Net assets (\$'000)	18,791	14,936	13,590	11,134	8,971
Total amount financed (\$ millions)	182.8	139.4	129.6	111.8	72.0
Shares on issue ('000)	15,210	14,255	13,214	11,942	10,701
Share price (\$)	2.07	2.00	2.30	1.70	1.40
Share market capitalisation (\$'000)	31,485	28,510	30,392	20,301	14,981
Number of shareholders	284	281	225	209	162
Number of employees	42	33	31	28	21

* Australian equivalents to International Financial Reporting Standards

** Generally Accepted Accounting Principles

The information is extracted from the Company's financial statements for the five years ended 30 June 2006 as available on the Company's website (<http://www.bidgee.com.au>).

The historical performance of Bidgee does not guarantee its future performance.

This application form is part of the Prospectus which is dated 8 December 2006 and was lodged with ASIC on 8 December 2006.

Important Notice

ASIC takes no responsibility as to the contents of the Prospectus.

You must not give any person access to this application form unless you also give access, at the same time and by the same means, to the Prospectus. You must not complete this form unless it was included in a complete paper or electronic copy of the Prospectus when you received it and no supplementary or further Prospectus has been issued. You can check whether a supplementary or further Prospectus has been issued by calling (03) 5021 1722.

The Prospectus contains important information about investing in Debenture Stock. It is advisable to read the entire Prospectus before applying for Debenture Stock. While the Prospectus is current, the Company will send, on request and free of charge, paper copies of the Prospectus, any supplementary document and the application form.

Application forms which do not specify an Australian address for service (or which are accompanied by payment drawn on a foreign bank account) will be rejected and returned unless the applicant provides evidence which satisfies the Company that the issue of the Debenture Stock will not contravene the laws of any other jurisdiction.

No allotment will be made on the basis of the Prospectus later than 8 January 2007. No applications received will be processed until after the exposure period and no preference will be conferred on applications received in the exposure period. The purpose of the exposure period is to enable the Prospectus to be examined by market participants prior to the raising of funds. That examination may result in the identification of deficiencies in the Prospectus. In those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the *Corporations Act 2001* (Cth).

Applications

Applications are made by completing this application form.

You must complete the interest rate and investment term on the application form. Bidgee advises applicants to confirm the currency of an interest rate and term of the investment prior to submitting the application form. The current interest rates and investment terms may be obtained from Bidgee's website or by visiting or phoning any of the branch offices of the Company. If you have specified an incorrect interest rate or investment term on the application form you are entitled to a refund. Bidgee will contact you if you have specified an incorrect interest rate or investment term.

Please send the completed application form together with your cheque payable to "Bidgee Finance Ltd" to:

Bidgee Finance Ltd
PO Box 5004
MILDURA VIC 3502

or deliver it to any of our offices at:

272 George Street	113 Lime Avenue	44 Robert Avenue	37 Trail Street	426 Guinea Street
DENILQUIN	MILDURA	HORSHAM	WAGGA WAGGA	ALBURY

Bidgee will not accept applications for Debenture Stock which are accompanied by cash.

Debenture Stock will be allotted and issued as soon as possible after an application is lodged and accepted. Bidgee undertakes to issue a statement evidencing its indebtedness to you within 2 months of accepting your application.

Interest payments may be directly credited to a bank account, or re-invested to increase the face value of Debenture Stock held by an Investor.

The proceeds of Debenture Stock which is redeemed by an Investor, and not reinvested, will be paid by cheque or directly credited to an Investor's nominated bank account.

Bidgee may, without prior notice, close and re-open the issue of Debenture Stock or any series of Debenture Stock during the life of this Prospectus. Bidgee reserves the right to refuse any application, to vary or impose minimum subscription levels and to impose maximum subscription amounts at any time.

Questions

If you have any questions about investing with Bidgee or the contents of this Prospectus or completing the application form, please telephone Bidgee's Company Secretary, Wendy Leake on (03) 5021 1722.



BIDGEE
FINANCE LTD

IN COUNTRY PEOPLE WE TRUST

APPLICATION FORM FOR DEBENTURE STOCK

12th Prospectus

A.B.N. 83 000 362 596

This application form must be accompanied by a copy of the Prospectus dated 8 December 2006.

- * I/We hereby apply for Debenture Stock of Bidgee Finance Ltd as set out below upon the terms and conditions set out in the Prospectus dated 8 December 2006.
- * I/We are an Australian resident and have received a complete copy of the Prospectus within Australia.
- * I/We acknowledge that under the Trust Deed, Permanent Nominees (Aust.) Limited is acting as Trustee for the holders of the Debenture Stock, which may be issued pursuant to the Trust Deed.

TITLE	SURNAME	GIVEN NAMES	TAX FILE NO. OR EXEMPTION TYPE
.....
.....

COMPANY OR TRUST DETAILS

ABN OR ACN TELEPHONE NO. (.....).....

POSTAL ADDRESS

AMOUNT OF INVESTMENT

\$	Cheques must be payable to Bidgee Finance Ltd (Minimum subscription \$1,000.00)
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TERM OF INVESTMENT

	QUARTERLY INTEREST RATE P/A	HALF-YEARLY INTEREST RATE P/A	ANNUAL INTEREST RATE P/A
30 days then at call*	N/A	%*	N/A
.....Months	%	%	%

Please visit our website or visit or phone any of the branch offices for current rates for your chosen term and insert above.

* The rate of interest for this series of Debenture Stock is fixed for the first 30 days and may vary thereafter. The relevant variable rate is determined by the Directors of Bidgee Finance Limited from time to time and published and displayed in each of the Company's offices.

INTERIM INTEREST INSTRUCTIONS (Tick appropriate box) ☐ Compound ☐ Pay to bank account below

I/We Authorise Bidgee Finance Ltd to make payments to this account for the payment of interest and principal when requested to do so.

Name of account holder

Branch (BSB) no..... Account number Bank

SIGNATURE(S) A joint application must be signed by all parties. An application by a Corporation must be made under seal or signed by a duly authorised representative or 2 directors or a director and a secretary. An Attorney signing this application form on behalf of an applicant hereby states that the Attorney has received no notice of revocation of power.

Signature Date:

Signature Date:

COMMON
SEAL
(if applicable)

JOINT HOLDER INSTRUCTIONS (Tick appropriate box)

Please indicate your instructions for the authorised signatories to operate the account.

- ☐ Any authorised signatory to sign ☐ Both authorised signatories to sign

Please note If you do not cross a box we will assume **"both authorised signatories to sign"**

TAX FILE NUMBER(S): Collection of TFN's is authorised by tax laws. Quotation of your TFN is not compulsory but tax may be deducted from your interest if you do not supply your TFN.

Bidgee Finance Ltd reserves the right to refuse an application. All offers for Debenture Stock are approved or declined in Victoria. Lodgement and receipt of the application does not constitute acceptance.

Before signing the Application Form please read the accompanying Prospectus.



Mildura • Deniliquin • Horsham • Wagga Wagga • Albury