



ABN 83 000 362 596

7 November 2008

Company Announcements Office
National Stock Exchange of Australia Limited
Ground Floor 384 Hunter Street
Newcastle NSW 2300

BY E-LODGEMENT

Bidgee Finance Limited, Debenture Redemptions

The directors of Bidgee Finance Limited ("Bidgee" or "the Company") have today resolved to defer the payment of debenture redemptions for an initial period of 90 days. The Company is also withdrawing its prospectus effective immediately.

This action is a direct result of the Rudd Government's decision on 12 October 2008 to guarantee the deposits of only some financial institutions and has and will continue to have unprecedented consequences.

Bidgee has made strong representations to have the guarantee reviewed on a more equitable basis at the highest possible levels with politicians, Treasury officials, the Australian Securities and Investments Commission and banking industry leaders all to no avail.

The Company is left with no alternative other than to freeze debenture redemptions.

The Government's earlier announcement that financial institutions not included in the guarantee investigate the possibility of obtaining a banking licence lacks an understanding of the commercial and administrative realities that are involved in such a process and is not an option for Bidgee or most other affected financial institutions.

Through all this Bidgee, has continued to actively manage debenture holders' funds and the Company prudently. With the 30 June 2008 financial audit completed for the Company, the accounts show that total assets which consists largely of a loan book was \$92 million with a liability to the National Australia Bank for \$49 million and a liability to debenture holders of \$20 million. The Company continues to operate appropriately and profitably.

Bidgee's unaudited results to the end of September 2008 indicate that the Company is trading profitably and remains solvent.

The Company has requested the National Stock Exchange halt trading in its shares and will immediately withdraw its 13th Prospectus for the issue of Debenture Stock.

The board has also decided to withdraw its recommendation for a dividend. As such the board has resolved to withdraw the resolution pertaining to the dividend from the Notice of Annual General Meeting. This is also not a decision the board has taken lightly but the board believes it is in the best interests of the Company not to declare a dividend at this time. As the resolution relating to the declaration of the dividend was adjourned from the Annual General Meeting on 27 October 2008, it will not be necessary to hold the adjourned meeting.

The directors of Bidgee would like to reiterate that the deferring of debenture redemptions and the decision not to declare a final dividend are the result of the Government's action of 12 October 2008 bringing about circumstances beyond the control of the directors.

A handwritten signature in black ink, appearing to read 'M Hill', with a stylized flourish at the end.

Martin Hill
Managing Director