



15 October 2010

The Manager  
NSX Announcements  
National Stock Exchange of Australia  
Level 2, 117 Scott Street  
NEWCASTLE NSW 2300

**Re: Assignment of Loan and Conversion of Debt to Equity**

The Directors refer to the audited accounts of the Company lodged 30 September 2010. Contained within the wholly owned subsidiary of the Company, Australian Premier Finance Company Pty Ltd is a loan to various parties, including director-related parties, for the sum of approximately \$2.4 million. This is finance that has been previously provided to the operating subsidiary so that it may make loans to customers. For various accounting reasons, the Board of Directors together with the lenders have resolved to execute a Deed of Assignment of Debt assigning this debt from the wholly owned subsidiary, Australian Premier Finance Company Pty Ltd, to the parent company, Australian Premier Finance Holdings Ltd. This improves the balance sheet of the subsidiary for future borrowing activities from external, unrelated third parties. The actual amount of debt of the entire group remains unchanged.

Converting Debt to Redeemable Preference Shares

As the second stage to this transaction, the Board of Australian Premier Finance Holdings Ltd has resolved to put forward, at the forthcoming AGM of the Company, various resolutions to shareholders to allow for the conversion of the debt in Australian Premier Finance Holdings Ltd to Redeemable Preference Shares (equity). As the issue of the Redeemable Preference Shares is, in most instances, to director-related parties, they will require shareholder approval under the terms of the NSX Listing Rules. Further information will be contained within the Notice of Meeting to be lodged shortly.

Yours faithfully

**Australian Premier Finance Holdings Ltd**

A handwritten signature in dark ink, appearing to read 'Andrew Whitten', is written over a light blue horizontal line.

Andrew Whitten  
Company Secretary