

Premium Income Fund

NSX Release: 23 August 2012



Claim in the Liquidation Admitted for \$137.2 million

Wellington Capital Limited as responsible entity of the Premium Income Fund prepared and lodged a proof of debt claim in the liquidation of Octaviar Administration Pty Ltd (in liquidation) (formerly MFS Administration Pty Ltd). The adjudication of the claim has now been completed by the Liquidators Kate Barnett and William Fletcher.

The Premium Income Fund claim has been allowed as to \$137,215,903.70.

A distribution in the liquidation of Octaviar Administration Pty Ltd was declared last year. Wellington Capital Limited has been notified that now that the adjudication of this claim has been finalised that a payment will be shortly received by the Premium Income Fund as to 2.2 cents in the dollar of its admitted claim of \$137.2 million. The first payment will therefore be \$3.02 million.

Managing Director Jenny Hutson said *'This is a positive step forward for the Unitholders in the Premium Income Fund. The proof of debt as adjudicated by the Liquidators recognises that \$130 million of the funds drawn down from the Premium Income Fund bank facility in 2007 was not for the benefit of Unitholders of the Premium Income Fund, but benefited Octaviar Administration Pty Ltd.'*

The Liquidators of Octaviar Administration Pty Ltd have made a first partial distribution. We are confident that further distributions will follow as the Liquidators realise and distribute other assets.

This potential return to the Premium Income Fund was not recognised as having a value in the Fund's 31 December 2011 financial statements due to the uncertainty associated with it. We are very pleased on behalf of Unitholders that there is now certainty as to the Premium Income Fund's entitlement in the liquidation of Octaviar Administration Pty Ltd.

A separate proof of debt has been lodged in the liquidation of Octaviar Limited (in liquidation) (formerly MFS Limited) which has not yet been adjudicated.'

For further information please contact:

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