

7th October 2008

Dear Valued Shareholders,

East Ivanhoe Community Bank® and Heidelberg Community Bank® Steering Committee join forces.

Shareholder Announcement

In line with the Board's strategic plan for long term business growth for our company, we are thrilled to share this exciting development with you.

Just as 9 years ago in 1999 the East Ivanhoe Community Bank® Steering Committee began a campaign to return banking services to East Ivanhoe, so, together with the Heidelberg Community Bank® Steering Committee we have begun a 4 stage plan to open a Community Bank® in Heidelberg.

We see great opportunities and benefits, the most significant being the increased capacity to return our profits back into our local community for programs and initiatives that benefit our community at large. Note that at East Ivanhoe, in the 7-½ years since opening our doors we have committed over \$750,000 into our local community via grants, sponsorship and dividends. This does not take into account the creation of 9 jobs nor the provision of a convenient, customer service oriented banking facility back into East Ivanhoe.

How would it work?

Once pledges reach the target figure of approximately \$850,000 and an independent authority has conducted a feasibility study, East Ivanhoe Community Corporation Ltd, would undergo a revaluation and name change. The revaluation would return all current shares to a \$1 value. This process would involve shareholders being reissued with extra shares equal to the assessed company revaluation. A prospectus would be then launched with an issue of new \$1 shares to the value of the capital required (approx. \$850,000). New shareholders will join existing shareholders in the company, which would then have the responsibility of governing the operations and management of both the East Ivanhoe Community Bank® and the Heidelberg Community Bank®.

At that point the Board will have several vacant positions, which would be made available for Heidelberg Steering committee members to fill (note the voting item at the 2008 AGM re increasing Board positions.)

At this point it is important to note the Board policy on the intake of new shareholders.

In creating this policy we have been strongly guided by past experiences in the 10-year history of Community banking which indicates that a critical key to the success of Community Banking is a broad base of shareholder ownership. With this in mind the Board Policy states that it will give priority to new shareholders over existing shareholders in the event of an oversubscription of the new share allocation.

So spread the word, by all means pledge yourself but keep in mind that you may not receive your full allocation if we have an oversubscription. You may have interested family members or friends, you may belong to a community group, your church, your sporting club.....do spread the word and encourage participation in this wonderful expansion of our successful East Ivanhoe Community Corporation Ltd.

Do not hesitate to call me for further information or clarification. There will be more to tell at the AGM on Tuesday November 11th so mark the date in your diary and join us to hear how we have travelled during the last 12 months and our plans for the next 12 months including the new Heidelberg Community Bank®.

Thank you for your ongoing support.

Nan Caple – Chair
East Ivanhoe Community Corporation Ltd.