Logan Community Financial Services Limited



BSX Market Announcement - Advice to Shareholders

25th October 2006

Dear Shareholder,

POSITIVE GROWTH in 2007

It is with pleasure that I enclose the 2006 Annual Report to Shareholders. The Report sets out the historical position and performance of the Community Bank for the financial year ended 30th June 2006.

Whilst it is to be noted that we were behind our prospectus projections up to the 30th of June 2006, (due to specific financial decisions made before that date) we are very pleased to advise that we are in advance of our original expectations for the new 2007 year.

The heartening aspect is that for the first quarter of this new financial year the company is cash flow positive for the first time in its short life. Should this positive trend continue throughout the balance of the first half of this 2007 financial year, the Board would hope to be in a position to announce an interim 2006/07 dividend to Shareholders, with any payment being made before the end of March 2007.

Kind Regards

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Colin Nelson Chairman