

6 March 2008

Dear Shareholder,

As you will see in the Newsletter, your Board has undertaken a revision of our method of trading shares. Your Company pays a fee to belong to the BSX , and expends a lot of time while also incurring considerable expense in meeting the compliance requirements of belonging to this exchange. For this reason your Board has explored the option of changing to the Low Volume Market and has taken the decision to institute this change.

In doing so, we have taken into account both the positive and negative implications of such a move and any likely disruption to shareholders arising from it.

Considerations in favour of the move included;

- Community Bank® model protection.
- Vastly reduced regulatory reporting obligations than those required through the BSX.
- Minimal (if any) cost to establish/maintain.
- Simple processes for shareholders and companies.
- Shareholders have access to trade history/price details.
- No cost to shareholders to trade, although costs may be payable where independent legal or financial advice is sought by the buyer or seller.
- Board is involved as an intermediary between buyer and seller only through the provision of a potential buyer/seller register.
- The LVM provides a market framework for Community Bank® Companies.
- All new Community Companies will adopt a LVM as a minimum requirement.

And against;

- Doesn't carry the "integrity badge" of being listed on the BSX.
- Market is not licensed under FSR and the market operator is under no obligation to ensure that the market is fair, transparent and orderly.

Your Board is directly responsible for:

- Complying with market regulations.
- Reporting to ASIC annually regarding compliance with market requirements.
- Advising Bendigo Bank of trades, for updating on the website.

We expect the move to occur in July 2008. If you have any questions about move please contact Brenden McKay (6386 3526) or Yusuf Khalfan (6386 2736)."

Yours sincerely,



Brenden McKay
Chair