

MEDIA RELEASE

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Pacific First Mortgage Fund gets loan extended

The Commonwealth Bank of Australia (CBA) and the Pacific First Mortgage Fund (Fund) have executed an extension of the Fund's current loan facility of \$82 million.

The new facility will now expire on 30 June 2010. The facility is annually renewable provided that CBA remains comfortable with the performance of the Fund.

The Joint Chief Executive of Balmain Trilogy (BT), Andrew Griffin, said that the CBA's decision to extend the loan on renewed terms provided the Fund with greater ability to improve recoveries from its assets.

Mr Griffin said: "As a lender to the Fund CBA is entitled to act immediately to recover its loan funds. Had they done this a fire sale of some Fund assets would have been forced.

"Their decision to extend the loan removes this damaging consequence and enables us to better protect the asset values.

"This is a significant win for the unitholders of the Fund. We are comfortable that the Fund can comply with the new terms of the facility.

"We are now able to map the future of the Fund with greater certainty and finalise a strategy to restarting some payments to unitholders. Naturally all stakeholders including ASIC, the unitholders and the CBA will need to be consulted through this process."

Rodger Bacon, Joint CEO of BT, said this was excellent news for unitholders. "The extension of the facility was a vital piece of the jigsaw required to construct the Fund's forward strategy.

"This will now allow us to give unitholders some certainty concerning the future of their investment in the Fund."