



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE (“ASX”)

**TUESDAY, 19 JANUARY 2010**

**SONS OF GWALIA**

1. IMF (Australia) Ltd refers to the announcement today of the Government's intention to reverse the effect of the High Court ruling in the Sons of Gwalia litigation.
2. As the Company has stated on earlier occasions, the number of companies likely to have come under the High Court ruling in the future is minimal because such companies would need to have assets with large value and to have issued no or little security to their creditors. The number of companies fitting this description is likely to have fallen since the High Court ruling.
3. Except in the unlikely circumstance that the Government introduces retrospective legislation, none of the Companies current cases will be affected. The Company has currently agreed to fund three shareholder actions against insolvent companies, in one of which litigation has been issued.
4. In circumstances where an insolvent company has insurance against causing damage by non-disclosure it is the current law that the benefit of that insurance flows solely to the persons suffering that damage. Unless the Government also reverses this long held principle of corporate law those cases will continue to be available for funding.

A handwritten signature in black ink, appearing to read 'Diane Jones', enclosed within a circular scribble.

**Diane Jones**  
**Chief Operating Officer**

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