



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE (“ASX”)

MONDAY, 21 JANUARY 2013

UPDATE - BRISBANE FLOOD VICTIMS

1. On 6 February 2012, the Board of Directors of IMF (Australia) Ltd (“IMF”) announced that IMF had agreed to fund investigations by Maurice Blackburn into whether the Wivenhoe dam system (“Wivenhoe”) was negligently operated in January 2011 and, if so, whether funded parties suffered sufficient unnecessary loss and damage to make proceedings against the State of Queensland viable.
2. IMF’s investigations considered:
 - (a) whether Wivenhoe was operated during the January 2011 Flood Event to the standard expected of a reasonably competent dam operator in all of the circumstances; and if not;
 - (b) how would a reasonably competent dam operator have operated Wivenhoe; and
 - (c) what difference would it have made to the extent and level of flooding downstream of Wivenhoe had the dam system been operated in accordance with paragraph 2(b) above.
3. The investigations confirm that Wivenhoe was not operated to the standard expected of a reasonably competent dam operator in all of the circumstances.
4. The independent US experts retained as part of these investigations found that key failures by the Wivenhoe dam operators were as follows:
 - (a) failing to use rainfall forecasts in making decisions about operating strategies; and
 - (b) failing to preserve a reasonable amount of Wivenhoe’s storage capacity in order to provide optimum protection of urbanised areas from inundation.

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5. Based on these investigations, IMF has formed an opinion that material flooding of a large number of properties down river from the Wivenhoe dam would not have occurred had Wivenhoe been operated during the flood event to the standard expected of a reasonably competent dam operator in all of the circumstances.
6. Accordingly, the only condition left to be fulfilled before IMF's funding of proceedings against the State of Queensland and others becomes unconditional is concluding whether people who enter into a Funding Agreement with IMF suffered sufficient unnecessary loss and damage to make proceedings viable. This final stage of IMF's process will involve making flood victims who suffered loss and damage caused by the operation of Wivenhoe aware of their right to claim and conclusion of the enrolment process.
7. IMF will make another announcement when this process is completed; expected in or around April 2013.
8. Further information is available by calling IMF on 1800 016 464, John Walker on 0414 589 531 or on IMF's website at www.imf.com.au.



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