

ASX RELEASE

14 November 2013

ASX CODE APP

UPDATE OF LEGAL CLAIM BY TECHNOLOGY CAPITAL PTY LTD

As notified to ASX on 30 October 2013, APA Financial Services Limited (APA or the Company) advised that the Company had received a letter from solicitors acting on behalf of Technology Capital Pty Ltd, a former advisor to Dairy Farm Investments (Management) Limited (DFIM) in relation to the potential Australian Dairy project previously announced by APA.

DFIM is a New Zealand incorporated company, which is not related to APA, with which APA has been negotiating during the last year in relation to the Australian Dairy project.

The "claim" by Technology Capital purports to connect APA to a confidentiality agreement entered into between Technology Capital Pty Ltd and Trustees Australia Limited. By definitions stated in that agreement, APA is not an associate of Trustees Australia in respect of that agreement, notwithstanding that, as disclosed, Trustees Australia Limited is a significant shareholder of APA (approximately 34%) and Michael Hackett is a director of both companies.

To the knowledge of the directors of APA, the Company is not a party to any agreement of any kind including a confidentiality agreement or any form of mandate agreement to which Technology Capital is a party.

On analysis of the letter from Technology Capital's solicitor, the purported "claim" appears to be merely an expression of its client's views about what its client may do in the future if parties related to DFIM named in the letter fail or neglect to perform certain actions under purported agreements to which neither Trustees Australia nor APA is a party and in respect of which neither Trustees Australia nor APA has any influence or obligation.

The directors of APA are understandably puzzled by the length and content of the letter and particularly as to its purpose, which they can only speculate on. The directors note however that the letter contains the following paragraph, which may be relevant:

"Insofar as any proposed capital, debt raising or underwriting documents, including any prospectus, is filed, delivered or issued without acknowledgement of DFIM, DFIB, APA or Trustees Australia or any associated entity's liability to Tech Capital being disclosed, our client will consider such failure to be an attempt to mislead the market, regulator, broker or underwriter and our client will take appropriate steps to notify the appropriate regulator, broker or underwriter of the failure without further notice"

APA is confident it has no liability of any kind to Technology Capital and as always will continue to observe its obligations under the ASX Listing Rules including Listing Rule 3.1.

In responding to Technology Capital's solicitor, APA will reserve all and any rights against Technology Capital in respect of any damage APA may suffer as a result of any action or inaction by Technology Capital

Regards

APA FINANCIAL SERVICES LIMITED

MICHAEL HACKETT

Chairman

APA FINANCIAL SERVICES LTD

ABN 36 057 046 607

Level 1, 41 Edward Street, Brisbane QLD 4000 | GPO Box 6, Brisbane Qld 4001

Phone: +61 07 3020 3020 | Fax: +61 07 3020 3080

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