

EUROZ

LIMITED

ABN 53 000 364 465

30 April 2010

WESTOZ INVESTMENT COMPANY LIMITED

The Directors of Euroz Limited (**EZL**) advise that EZL intends to acquire an additional number of shares in Westoz Investment Company Limited (**WIC**) resulting in EZL's interest in WIC increasing to 19.95%.

The Directors of EZL also wish to advise that they have determined that it is EZL's intention over time to increase its interest to an amount which exceeds 20% of the issued capital of WIC (**Determination**). However, EZL wishes to make it clear that it is **not** intending to make a takeover bid for WIC, it is intending on relying on the "creep" exemption contained in Item 9 of Section 611 to increase its interest above 20% at the appropriate time.

Furthermore, as a result of this Determination, EZL's treatment of its investment in WIC will be treated as an "equity investment". An equity investment is accounted for under Australian Accounting Standard AASB 128: Investment in Associates when it is defined as an associate. An associate is defined as an equity interest where the investor owns 20% or more of a company. If the investor owns less than 20% but has the intention of increasing its ownership to 20% or greater, then the standard applies.

The change in accounting treatment results in a number of changes to EZL's treatment of its investment in WIC in its balance sheet and income statement.

The accounting standard requires that at the date of the investment becoming equity accounted any existing holding has to be fair valued and restated. This will result in a windfall gain and profit on restatement which is treated as realised and booked in the income statement. The estimated effect to the income statement (unaudited) of EZL at 30 April 2010 is a profit of approximately \$9.3m.

At each year end and half year end the restated cost has to be fair valued using the listed market price for WIC as the fair value indicator unless it is established that this is not an active market when other methods may be used in default.

EZL will consider the investment for impairment at each reporting date. If the investment is considered to be impaired (e.g. material decline in value over an extended period of time) it must be written down with the loss going to the income statement. When considering impairment the Group has taken into consideration the options available to it in respect of potential realisation of the investment.

The Directors of EZL wish to clarify that these increases referred to above are merely accounting adjustments rather than a direct increase in EZL's holding in WIC or the value of its holding in WIC.

For further information please contact:



Peter Diamond
Mobile: 0418 916 219
Fax: (08) 9488 1478
Email: pdiamond@euroz.com.au