

Announcement to the market

February 11, 2010

Commerce Commission enquiry:

Cynotech advises that it has received notice that the Commerce Commission intends to proceed with an action against Budget Loans Ltd for alleged breaches against the Fair Trading Act in relation to non-disclosure of letter fees, charging interest after re-possession of goods and applying goods to contracts as security after repossession.

The matters raised affect 61 loans out of our total portfolio in excess of 5,000 loans.

We will review the matters brought forward by the Commerce Commission with our legal advisors.

Advice of this intended action has been sent to Cynotech Securities Group Ltd, who were aware of the Commerce Commission enquiry prior to their offer.

B. Tawse

Brett Tawse
Managing Director