

28th August 2008.

Dear Shareholders,

It gives the board of directors of the Bellarine Peninsula Community Branch Limited great pleasure to advise our shareholders that we will be making a bonus share issue to our existing shareholders at a rate of two for one.

This means that existing shareholders as of the close of business on the 12th of September 2008 will be entitled to two bonus shares for every share they hold. (As an example, a shareholder with 100 shares would receive 200 bonus shares – giving him or her holding of 300 shares in the company). This is a bonus issue, requiring no additional capital outlay from shareholders and is not conditional upon any other circumstance or development. This bonus share issue will be issued on the 1st October 2008.

May I take this opportunity to congratulate you on the issue of your bonus shares and thank you for your continued support of the Bellarine Peninsula Community Branch Limited.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Karen Woodhart'. The signature is fluid and cursive, with a large initial 'K' and 'W'.

Karen Woodhart

Company Secretary.