



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE (“ASX”)

WEDNESDAY, 6 OCTOBER 2010

**UPDATE – LOCAL GOVERNMENT FINANCIAL SERVICES PTY
LIMITED (“LGFS”) AND OTHERS – CLASS ACTION**

1. The Board of Directors of IMF (Australia) Ltd announces that the Federal Court has ordered that a mediation in the class action against LGFS and others funded by IMF shall commence on 10 December 2010.
2. This announcement should be taken to mean no more than that the parties propose to discuss settlement in good faith.
3. IMF is unable to announce the state of any settlement discussions in any of the cases it is funding unless those settlement discussions result in a binding agreement.

A handwritten signature in black ink, appearing to read 'Diane Jones', enclosed within a circular outline.

**Diane Jones
Chief Operating Officer**