RELEASE TO AUSTRALIAN SECURITIES EXCHANGE ("ASX")

Tuesday, 7 December 2010

Convertible Note Shortfall Notice

1. The Board of Directors of IMF (Australia) Ltd advises that shareholders of the company have applied for the issue of 6,550,475 convertible notes in its current non-renounceable rights issue.

2. Accordingly the shortfall is 6,131,788 notes.

3. The rights issue is fully underwritten by Ord Minnett Limited who have advised that all conditions precedent contained in the underwriting agreement have now been met.

4. The company will proceed to allot and issue 12,187,263 convertible notes to the applicant shareholders and the sub-underwriters nominated by Ord Minnett Limited.

5. The company will also allot and issue a further 11,515,152 convertible notes to placees.

6. Settlement of the underwriting and placement is set for Friday 10th December 2010.

Diane Jones
Chief Operating Officer

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