RELEASE TO AUSTRALIAN SECURITIES EXCHANGE

THURSDAY, 8 DECEMBER 2016

NEW FUNDING AGREEMENT – AET

1. IMF Bentham Limited (**IMF**) announces that it has conditionally agreed to fund claims against Australian Executor Trustees (SA) Limited (**AET**) in its capacity as trustee of the SEAS Sapfor (Southern Australian Perpetual Forests) Scheme (**Scheme**).

2. The claims against AET will be investigated and, if appropriate, pursued by an additional trustee of the Scheme appointed by the Supreme Court of New South Wales on behalf of certain covenant holders of the Scheme (**Trustee**).

3. IMF's funding is subject to the satisfaction of certain conditions, including the Trustee obtaining approval from Court to enter into a litigation funding agreement with IMF and bring the claims.

4. IMF will make a further announcement to the market upon the funding agreement with the Trustee becoming unconditional or in the event it is terminated.

5. The initial portfolio value that IMF currently intends to include for this matter in its quarterly investment portfolio report following the funding agreement becoming unconditional is $45m. This is IMF's best estimate of the claim's recoverable amount, which may change over time and may be different in subsequent investment portfolios when they are published (although individual claim amounts will not be published).

6. For further information regarding IMF and its activities, please visit our website at www.imf.com.au.

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