

2 April 2013

**Scheme of Arrangement related to
Keybridge's Loan to PR Finance Group Limited**

Keybridge holds a mezzanine loan to an Australian non-conforming vehicle leasing company, which has a current net exposure of \$12.1 million. To date, the borrower has been unable to meet the repayment of this loan at scheduled maturities and has not met interest obligations since January 31, 2013.

Keybridge previously advised the ASX that the owners of Keybridge's borrower, now disclosed to be PR Finance Group Limited (PRFG), have signed a non-binding Heads of Agreement to sell its vehicle leasing business to a major international corporation.

The proposed non-binding sale process remains in place, however is yet to complete.

This notwithstanding, Keybridge today executed a Scheme Implementation Agreement in relation to a Scheme of Arrangement (Scheme) to acquire 100% of the issued capital in PRFG. A copy of the Scheme Implementation Agreement (including the terms of the Scheme) is attached.

Keybridge believes that this transaction provides the necessary stability to allow the underlying businesses to perform at their potential, and in the interests of Keybridge's mezzanine loan.

Under the proposed Scheme, the Keybridge mezzanine loan will remain in place and its maturity extended.

The consideration payable by Keybridge for PRFG equity is \$1.5 million cash and up to 2.5 million Keybridge shares (being 1.5% of the Keybridge shares currently on issue) on the closing date, currently expected to occur by the end of June 2013. A further \$1 million in cash or Keybridge shares is payable within 12 months should a successful sale of the vehicle leasing business be consummated at a level currently satisfactory to Keybridge.

The Scheme is conditional, and is required, inter alia, to be approved by PRFG's senior banker, a statutory majority (75%) of the PRFG shareholders, and ratified by ASIC and the Court. The two major PRFG shareholders, representing approximately 62% of the shares on issue in PRFG, are supportive of the Scheme.

The Scheme contains provisions for completion of the proposed sale of the vehicle leasing business to the corporation mentioned above, or to any other party, should such circumstances arise.

Keybridge is not intending to seek the approval of shareholders for this transaction. Keybridge has determined that this transaction, if implemented, will not change the nature or scale of its activities. Keybridge will be applying to the ASX for a determination as to whether shareholder approval is required under the Listing rules.

Shareholders and the ASX will be advised as appropriate as the transaction progresses.

PRFG is the owner and operator of two Australian consumer finance companies. Motor Finance Wizard, a provider of over 5,000 non-conforming vehicle leases, and AMX, a provider of short term consumer funding.

Keybridge Capital is a financial services company that has invested in, or lent to, transactions which are predominantly in the asset classes of property, aviation, shipping and infrastructure.

For further information, please contact:

Nicholas Bolton
Executive Director

Adrian Martin
Chief Financial Officer