

This document contains important information and requires your immediate attention.
You should read this document in its entirety. If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional advisers as soon as possible.



ACN: 088 267 190

TARGET'S STATEMENT

This Target's Statement has been issued in response to the off-market takeover offer made by Oceania Capital Partners Limited for all the ordinary shares in Keybridge Capital Limited.

The Non-Associated Directors recommend that you REJECT the Oceania Capital Offer.

Shareholders should read this Target's Statement in full before deciding whether to reject the Offer.

LEGAL ADVISER

ATANASKOVIC HARTNELL
LAWYERS - CORPORATE, FINANCE & TAXATION

FINANCIAL ADVISER

TC CORPORATE
Corporate & Financial Advisers

Information about this Target's Statement

Important information

This document is a Target's Statement dated 31 December 2013 and is issued by Keybridge Capital Limited ACN 088 267 190 (**Keybridge**) under Part 6.5 Division 3 of the Corporations Act. This Target's Statement sets out the Keybridge Board's formal response to the offer made by Oceania Capital Partners Limited ACN 111 554 360 (**Oceania Capital**) in its Bidder's Statement.

ASIC and ASX disclaimer

A copy of this Target's Statement was lodged with ASIC and given to the ASX on 31 December 2013. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

No account of personal circumstances

This Target's Statement does not take into account your investment objectives, financial situation or particular needs. It does not contain personal advice. The Directors of Keybridge encourage you to seek independent financial and taxation advice before making a decision whether or not to accept the Offer.

Forward looking statements

Some statements in this Target's Statement are in the nature of forward looking statements. You should be aware that these statements are predictions only and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Keybridge as well as general economic conditions and conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of Keybridge and its Directors. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Keybridge, any of its officers or any person named in this Target's Statement with their consent or anyone involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on those statements.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Keybridge has no obligation to disseminate any updates or revisions to any statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless it is required to do so under Division 4 of Part 6.5 of the Corporations Act to update or correct this Target's Statement (i.e. for certain matters that are material from the point of view of a Shareholder) or under its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

Disclaimer as to information

The information on the Oceania Capital Offer contained in this Target's Statement has been prepared by Keybridge using publicly available information (including information contained in the Bidder's Statement) and has not been independently verified by Keybridge. Accordingly, subject to the Corporations Act, Keybridge does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Privacy

Keybridge has collected your information from the register of Shareholders for the purpose of providing you with this Target's Statement. The type of information Keybridge has collected about you includes your name, contact details and information on details of your shareholding in Keybridge. Your information may be disclosed on a confidential basis to Keybridge's related bodies corporate and external service providers (such as the share registry of Keybridge and print and mail providers) and may be required to be disclosed to regulators such as ASIC and ASX. If you would like to obtain details of the information held about you by Keybridge, please contact Link Market Services Limited, whose contact details are set out in the Corporate Directory to this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise, or words are defined in section 8 of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

No internet site is part of this Target's Statement

Keybridge maintains an internet site (<http://www.keybridge.com.au/>). Information contained in, or otherwise accessible through, this internet site does not form part of this Target's Statement. All references in this Target's Statement to the Keybridge internet site are inactive textual references and are for your information only.

Shareholder information

Keybridge has established a Shareholder Information Line which Shareholders may call if they have any queries in relation to the Offer. The telephone number for the Shareholder Information Line is 1300 823 159 (for calls made from within Australia), or +61 2 8022 7902 (for calls made from outside Australia).

Chairman's Letter

31 December 2013

Dear Keybridge Shareholder,

TAKEOVER OFFER BY OCEANIA CAPITAL

On 28 November 2013, Oceania Capital Partners Limited announced an off-market takeover offer for all of the ordinary Shares in Keybridge at 16 cents cash per Share (**Oceania Capital Offer**).

KEYBRIDGE NON-ASSOCIATED DIRECTORS' RECOMMENDATION

At 16 cents per share, the Oceania Capital Offer is substantially below the Company's 30 November 2013 management accounts net tangible asset (**NTA**) backing of 22.3 cents per share (unaudited).

As required by the Corporations Act, Keybridge has commissioned an Independent Expert's Report (**IER**) from Pitcher Partners Corporate Pty Ltd to assess whether the Oceania Capital Offer is fair and reasonable to Keybridge Shareholders not associated with Oceania Capital. The IER is attached as Annexure A to this Target's Statement.

The Independent Expert has concluded that the Offer Price of 16 cents is **NOT FAIR** and **NOT REASONABLE**. The Independent Expert has assessed the value range for each Keybridge Share to be between **25** and **28** cents.

With the benefit of the IER, each of the Non-Associated Directors has carefully considered the advantages and disadvantages of the Oceania Capital Offer and the prospects for Keybridge. Having regard to these matters, each of the Non-Associated Directors recommends that Keybridge Shareholders **REJECT** the Oceania Capital Offer.

The Non-Associated Directors recommendation is based on the following (see further discussion on these points in section 2 of this Target's Statement):

- The Oceania Capital Offer is at a substantial discount to reported NTA backing and therefore does not reflect the underlying value of your Keybridge Shares;
- The Independent Expert has concluded that the Oceania Capital Offer is not fair and not reasonable;
- The Oceania Capital Offer largely ignores the potential upside contained in Keybridge's investment portfolio;
- Keybridge Shares are trading above the Offer Price; and
- The Oceania Capital Offer is opportunistic.

FURTHER INFORMATION

I encourage you to read this Target's Statement carefully and if you need any more information, I recommend that you seek professional advice or call the Shareholder Information Line on 1300 823 159 or +61 2 8022 7902, between 8:30am and 5:30pm (AEST), Monday to Friday.

I recognise that takeovers can move quickly. As the Oceania Capital Offer progresses and circumstances change I will update you on any material developments.



Peter Wood
Chairman
Keybridge Capital Limited

KEY DATES

Offer Announcement Date	28 November 2013
Date of Bidder's Statement	28 November 2013
Offer Period commences	16 December 2013
Date of Target's Statement	31 December 2013
Offer Period closes	7:00pm (Sydney time) on 31 January 2014 (unless Offer is extended or withdrawn)

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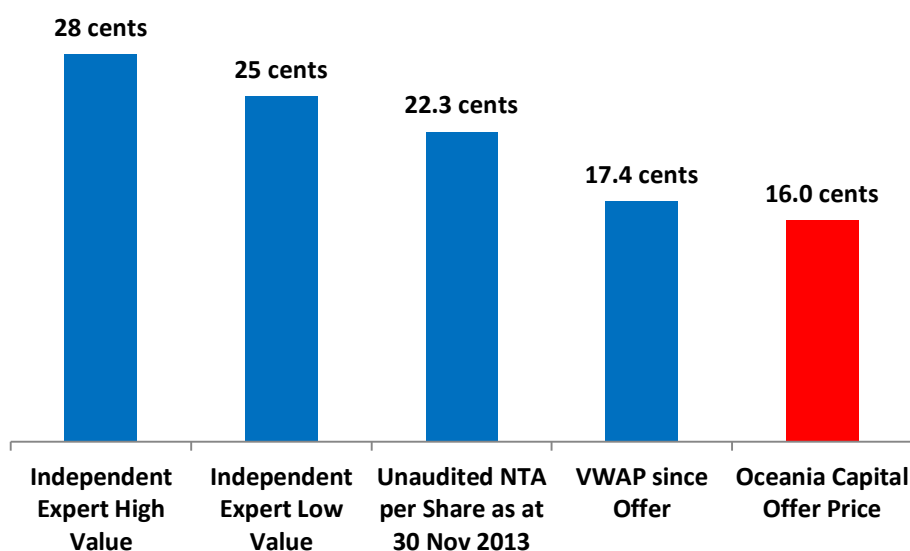
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Key reasons to REJECT the Oceania Capital Offer:

- 1 The Offer is at a substantial discount to reported NTA and therefore does not reflect the underlying value of your Keybridge Shares.
- 2 The Independent Expert has concluded that the Offer is not fair and not reasonable.
- 3 The Offer largely ignores the potential upside contained in Keybridge's investment portfolio.
- 4 Keybridge Shares are trading above the Offer Price.
- 5 The Offer is opportunistic.

For further discussion of these reasons, see section 2 of this Target's Statement

The Oceania Capital Offer is clearly inadequate



1 Directors' Recommendation

1.1 What do your Directors recommend?

After taking into account each of the matters in this Target's Statement (including the contents of the Independent Expert's Report) and in the Bidder's Statement, each of the Non-Associated Directors recommends that you REJECT the Offer.

The reasons that the Non-Associated Directors each recommend that you REJECT the Offer are outlined in section 2 entitled "Reasons for the Directors' Recommendations".

Mr Robert Moran is a director of Oceania Capital, an employee of the Oceania Capital Group and the nominee of Oceania Capital on the Keybridge Board. To minimise any conflict of interest and any potential influence, Mr Moran has abstained from making a recommendation as to whether Shareholders should accept or reject the Offer.

1.2 Intentions of your Directors in relation to the Offer

Mr Peter Wood intends to REJECT the Offer in respect of all Keybridge Shares which he holds or controls.

Mr Bill Brown intends to REJECT the Offer in respect of all Keybridge Shares which he holds or controls.

Mr Nicholas Bolton intends to REJECT the Offer in respect of all Keybridge Shares which he holds or controls.

Mr Robert Moran is a director of Oceania Capital, an employee of the Oceania Capital Group and the nominee of Oceania Capital on the Keybridge Board. Mr Moran does not hold a relevant interest in Keybridge Shares and makes no comment or recommendation as to whether Shareholders should accept the Offer.

Details of the relevant interests of each Director in Keybridge Shares are set out in section 7.

1.3 What do you need to do?

In considering whether to accept or reject the Offer, the Non-Associated Directors encourage you to:

- (a) read the whole of this Target's Statement (including the contents of the Independent Expert's Report);
- (b) consider the reasons for the Non-Associated Directors' recommendations set out in this Target's Statement;
- (c) consider the choices available to you as outlined in section 3 of this Target's Statement;
- (d) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (e) consider the future prospects of Keybridge.

1.4 When does the Offer close?

Oceania Capital's Offer is open until 7:00pm (Sydney time) on 31 January 2014 unless Oceania Capital extends that time in accordance with the Corporations Act.

Furthermore, if in the last week of the Offer Period, Oceania Capital:

- varies its Offer to improve the Offer Price; or
- increases its voting power in Keybridge to more than 50%,

the Corporations Act automatically extends the Offer Period by two weeks from that date.

If in any doubt, consult your financial, legal, taxation or other professional adviser. Shareholders should also consider the risks associated with the Offer which are set out in section 5 of this Target's Statement.

2 Reasons for the Directors' Recommendation

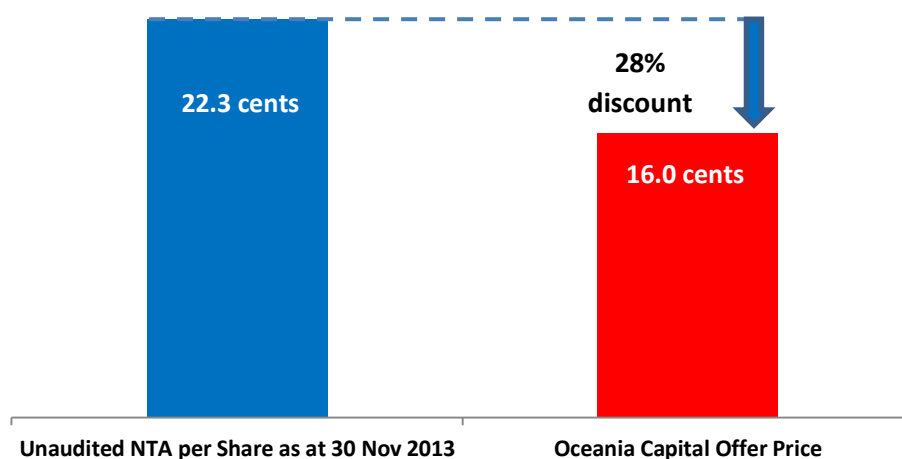
REASON 1 - The Oceania Capital Offer is at a substantial discount to reported NTA and therefore does not reflect the underlying value of your Keybridge Shares

The Oceania Capital Offer is at a substantial discount to Keybridge's NTA of 22.3 cents per Share

The Non-Associated Directors consider NTA per Share to be one of the key value benchmarks that Keybridge Shareholders should consider when assessing the Oceania Capital Offer.

The Oceania Capital Offer represents a 28% discount to Keybridge's unaudited NTA of 22.3 cents per Keybridge Share as at 30 November 2013.

Offer Price relative to 30 November 2013 unaudited NTA



Changes in NTA since annual general meeting

As announced to ASX on 3 December 2013, Keybridge's unaudited NTA as at 30 November 2013 is 22.3 cents per Share compared with the 19.0 cents per Share announced at the annual general meeting of Keybridge on 10 October 2013.

The principal reason for the increase in NTA is Keybridge no longer being required to consolidate the financial position of PR Finance Group (PRFG), as a result of the appointment of an Administrator to PRFG on 21 October 2013. Relevantly, all debts owed by PRFG to third parties remain non-recourse to Keybridge and both the assets and liabilities of PRFG are no longer included in the NTA calculation. Keybridge retains a loan to PRFG on its own balance sheet of \$1.2 million in respect of which Keybridge has first ranking security. Further detail on the PRFG assets is contained in section 5.2.1.

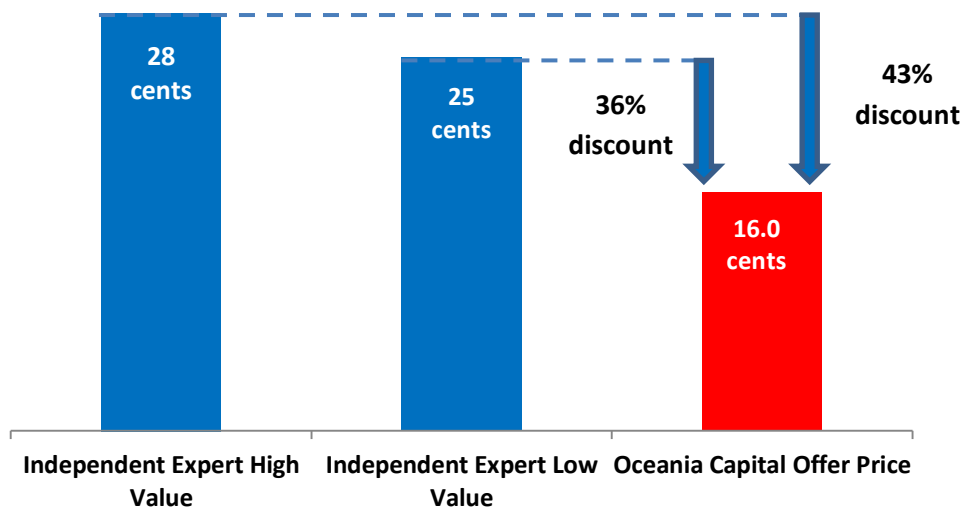
REASON 2 - The Independent Expert has concluded that the Oceania Capital Offer is not fair and not reasonable

Keybridge has appointed Pitcher Partners to provide an Independent Expert's Report on the Oceania Capital Offer.

The Independent Expert has concluded that the Oceania Capital Offer is **NOT FAIR** and **NOT REASONABLE**.

The Independent Expert has valued Keybridge at between 25 cents and 28 cents per Keybridge Share. Oceania Capital's Offer Price represents a 36% discount to the low end of the valuation range and a 43% discount to the high end of the valuation range.

Offer Price relative to Independent Expert's valuation range



The Independent Expert's opinion that the Oceania Capital Offer is **NOT FAIR** and **NOT REASONABLE** underscores the conclusions of the Non-Associated Directors that the Oceania Capital Offer materially undervalues your Keybridge Shares.

The Independent Expert's Report is included in Annexure 1 of this Target's Statement. The Non-Associated Directors recommend that you read the Independent Expert's Report in full before making any decision in relation to the Oceania Capital Offer.

REASON 3 - The Oceania Capital Offer largely ignores the potential upside contained in Keybridge's investment portfolio

Keybridge's investment portfolio presents numerous opportunities to generate further value for Keybridge Shareholders

If you accept the Oceania Capital Offer for only 16.0 cents per Share, you will not be able to participate in any upside if Keybridge's unaudited NTA of 22.3 cents per Share as at 30 November 2013 were to be realised in the future.

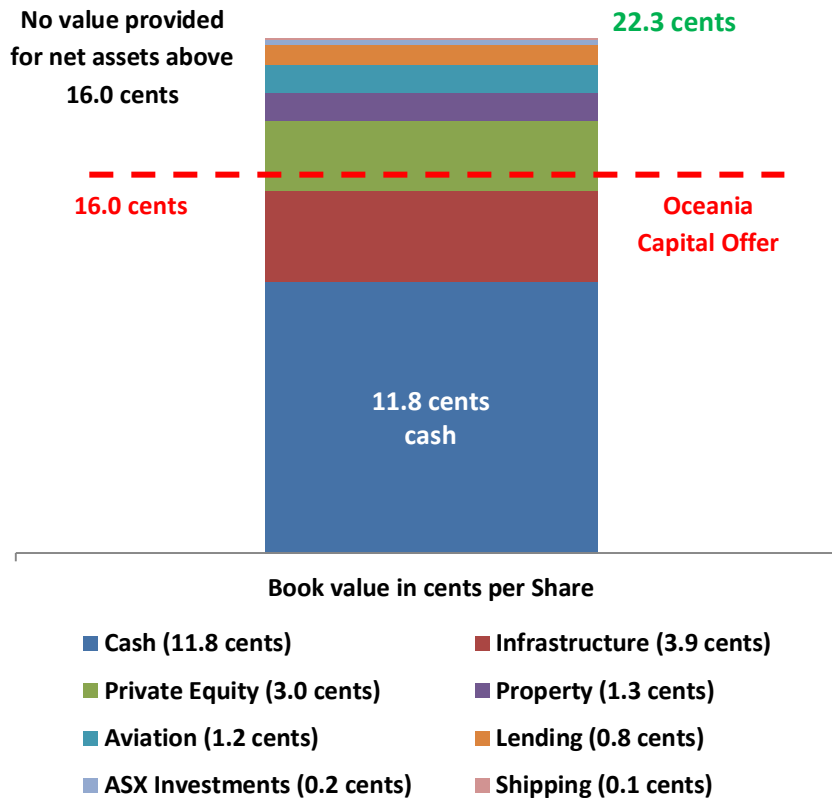
In addition, the potential upside from its investment portfolio may not be fully reflected in Keybridge's current unaudited NTA because this calculation is based on book values. The book value of Keybridge's investment portfolio compared with the values assessed by the Independent Expert for these assets is presented below:

	Book value 30 Nov 2013 (\$'000)	Book value (cents per Share)	IER Low Value (\$'000)	IER High Value (\$'000)
Lending	1,450	0.8	3,345	4,845
Infrastructure	6,840	3.9	7,500	7,500
Private Equity	5,280	3.0	4,865	4,865
Aviation	2,160	1.2	1,890	2,160
Property	2,190	1.3	5,796	8,796
Shipping	160	0.1	169	169
ASX Investments	360	0.2	230	367
Cash	20,514	11.8	20,514	20,514
Total Investments & Cash	38,954	22.3	44,309	49,370
Per Keybridge Share (cents)	22.3	22.3	25	28

Oceania Capital's Offer is effectively valuing Keybridge's investment portfolio at only 4.2 cents per Share

As at 30 November 2013, Keybridge had approximately 11.8 cents per Share in cash backing. Assuming Keybridge's cash is valued at face value, the Oceania Capital Offer of 16.0 cents per Share is effectively valuing Keybridge's investment portfolio at only 4.2 cents per Share.

Book value of Keybridge's investment portfolio and cash in cents per Share



The implied 4.2 cents per Share which Oceania Capital has ascribed to Keybridge's investment portfolio represents a 60% discount to the 10.5 cents per Share of book value for those assets which Keybridge has recorded in its unaudited November 2013 accounts.

Keybridge's NTA does not take into account any value for its franking credits or substantial tax losses

Keybridge has approximately \$8.1 million in franking credits and approximately \$201 million in carry forward tax losses. These "off balance sheet" items are not included in the NTA calculations (see section 5.5.1 for further information). The tax losses, where usable, may provide Keybridge with a shield against the liability for future income tax, while the franking credits may allow Keybridge to pay fully franked distributions from future profits.

Oceania Capital has clearly identified potential upside in Keybridge

The Oceania Capital Offer is being made by Oceania Capital Partners Limited, a listed investment company which trades on ASX. Oceania Capital's website says, "*Oceania Capital Partners Limited (OCP) is an ASX listed investment company which provides its shareholders with investment exposure to, and returns from, investment in operating businesses.*"

In view of:

- Oceania Capital's keen and sustained interest in Keybridge;
- the significant outlay involved in launching the Offer;
- the stated aim of Oceania Capital to generate returns; and
- the likely expectations of the investors in Oceania,

it is reasonable to conclude that Oceania Capital has recognised significant upside in Keybridge over and above its inadequate 16 cent Offer Price.

Do not throw away the potential upside in your investment in Keybridge

By retaining your investment in Keybridge Shares, you should continue to benefit from the upside which the Non-Associated Directors consider exists, and which Oceania Capital recognises in Keybridge. On the other hand, if you sell your Keybridge Shares to Oceania Capital you will be delivering to Oceania Capital and its investors the potential upside to which you would otherwise be entitled.

REASON 4 - Keybridge Shares are trading above the Offer Price

Since the announcement of the Oceania Capital Offer, Keybridge Shares have consistently traded on ASX above the Offer Price. This suggests that the market considers that the Oceania Offer undervalues Keybridge's Shares.

Keybridge's closing Share price on ASX relative to the Offer Price since the Announcement Date



The premium of Keybridge's closing Share price on ASX to the Offer Price since the Announcement Date



REASON 5 - The Oceania Capital Offer is opportunistic

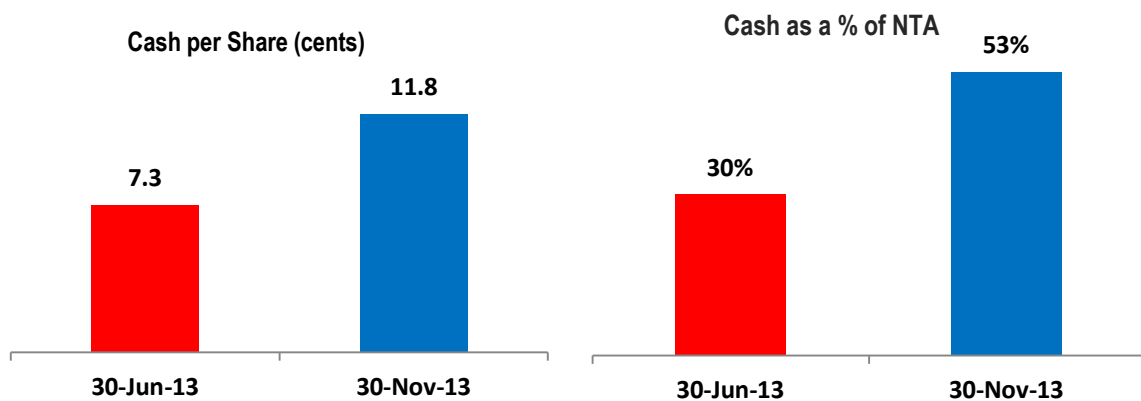
The Oceania Capital Offer has been made at a point in time which represents a potential inflexion point for the value of your Keybridge Shares

Over the past two years, the Keybridge Board and its management have realised the underlying value of a number of Keybridge's assets resulting in a transformation of its balance sheet.

As announced on 1 May 2013, Keybridge realised its last remaining investment in three aircraft, resulting in the repayment of Keybridge's corporate debt facility. Keybridge is now debt free and has a substantial cash balance.

Keybridge has also undertaken a substantial restructure of its investment in PRFG, which the Board expects will deliver substantial value to shareholders.

The result of the asset realisation process is that Keybridge's cash balance in absolute terms and as a percentage of NTA has increased significantly in the past five months



Keybridge's strong cash balance provides a platform to create shareholder value in the future

Keybridge continues to hold a number of legacy assets with a current book value of approximately \$18 million. Keybridge anticipates that it may take at least a further three years to realise these assets and this will continue to be an important focus of the Board and the current management team. In some situations, Keybridge may invest additional sums against particular assets if it believes that such investments will enhance returns.

Keybridge is also examining options for generating further returns for its Shareholders including:

- paying appropriate fully franked cash dividends;
- returning a portion of its capital to Shareholders; and/or
- investing Keybridge's cash resources to create additional value for all Shareholders from outside the existing asset portfolio.

As regards the ongoing investment strategy, the Board is currently considering investing in classes of assets where the Company has specific expertise, including assets in the financial services and IT sectors (typically focused on ASX-listed entities). A number of opportunities have already been identified by Keybridge's current management team.

3 Your Choices as a Keybridge Shareholder

You have the following three choices available to you in response to Oceania Capital's Offer.

<p>1. Take no Action and REJECT the Offer</p>	<p>If you do not wish to accept the Offer or sell your Shares on market, you should take no action. This is the approach recommended by the Non-Associated Directors.</p> <p>You should note that:</p> <ul style="list-style-type: none"> • there are risks with remaining a Shareholder in Keybridge. Some of these risks are discussed in section 5; and • if you choose not to accept the Offer, Oceania Capital may be able to compulsorily acquire your Shares if it acquires more than 90% of Keybridge's Shares. Oceania Capital has stated in the Bidder's Statement that it does not intend to move to compulsory acquisition.
<p>2. Sell all or some of your Keybridge Shares on ASX</p>	<p>During the Offer Period you may sell all or some of your Shares on market through the ASX for cash, provided you have not already accepted the Offer for those Shares.</p> <p>The latest trading price for Shares may be obtained from the ASX website www.asx.com.au using the code <i>KBC</i>. As at 30 December 2013, being the last practicable date before the finalisation of the Target's Statement, Keybridge Shares closed at 17 cents. Accordingly you may wish to realise immediate value by selling your Shares on ASX. However, your Directors cannot provide any assurance as to the market price you will achieve by selling your Shares on ASX, as the future market price is uncertain and may be impacted by many factors.</p> <p>If you sell all or some of your Shares on market, you will receive the consideration for your Shares sooner than if you accept the Offer. However, in relation to the Shares you sell on market:</p> <ul style="list-style-type: none"> • you will lose the ability to accept the Offer and receive the Offer Consideration (and any possible increase in the Offer Consideration); • you will lose the ability to accept any offer from a competing bidder if one eventuates; • you may incur a brokerage charge; and • you will lose the opportunity to receive any future benefits from being a Keybridge Shareholder. <p>You should contact your broker for information on how to sell Shares on ASX and your tax adviser to determine your tax implications from such a sale.</p>
<p>3. ACCEPT the Offer for all of some of your Shares</p>	<p>You may choose to accept the Offer for all or some of your Shares. However, in relation to the Shares for which you accept the Offer now:</p> <ul style="list-style-type: none"> • you relinquish control of those Shares to Oceania Capital with no guarantee of receipt of the Offer Consideration until the Offer becomes, or is declared, unconditional; • you will not be able to sell those Shares on market or deal with them in any other manner, unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Offer, or the Offer lapses; • you grant Oceania Capital a power of attorney to exercise all voting rights in respect of those Shares from the time you accept the Offer,

- you give Oceania Capital the option to keep those Shares if the conditions of its Offer are not satisfied (by waiving the conditions) or allow the Offer to lapse; and
- you will be unable to accept a superior offer for those Shares from any other bidder if such an offer is made, unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Offer, or unless the Offer lapses. Details of the Offer Consideration that you will receive if you accept the Offer are set out in section 6.1 as well as in Oceania Capital's Bidder's Statement. You will only receive the Offer Consideration if the conditions of the Offer are all either satisfied or waived. The consequences of accepting the Offer are discussed in section 6.7. The very limited circumstances in which acceptances of the Offer may be withdrawn are set out in section 6.8.

If you accept the Offer for all or some of your Shares, you may be liable for capital gains tax or income tax as a result of your acceptance. An overview of the taxation consequences for certain Australian resident Shareholders of selling Shares is provided in section 12 of the Bidder's Statement. See also section 7.11 of this Target's Statement.

See the Oceania Capital Bidder's Statement and the acceptance form provided to you by Oceania Capital for instructions on how to accept the Offer for all or some of your Shares.

4 Frequently Asked Questions

This section answers some frequently asked questions about the Offer. It is not intended to address all issues relevant to Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer	Further information
What is the Offer?	Oceania Capital is offering 16 cents cash for each Share you hold.	Section 6.1
Who is Oceania Capital?	Oceania Capital is an ASX listed investment company incorporated in Australia. Oceania Capital's ultimate controlling shareholder is Hosken Consolidated Investments Limited, an investment holding company which is listed on the HSE Securities Exchange South Africa.	Section 5 of the Bidder's Statement
How many Shares does Oceania Capital hold in Keybridge?	As at 30 December 2013, being the last practicable date before the finalisation of the Target's Statement, Oceania Capital has stated that it had a relevant interest in 39,817,393 Keybridge Shares representing 22.05% of the issued capital.	Section 6 of the Bidder's Statement and substantial holder notice dated 28 November 2013
What choices do I have as a Shareholder?	As a Shareholder you can: <ul style="list-style-type: none"> reject the Offer by doing nothing. The Non-Associated Directors recommend that you reject the Offer; sell all or some of your Shares on market (unless you have previously accepted the Offer and have not validly withdrawn your acceptance); or accept the Offer for all or some of your Shares by following the instructions on the Bidder's acceptance form. 	A summary of the implications for these choices is set out in sections 1, 2, 3 and 6
What are the Directors of Keybridge recommending?	The Non-Associated Directors recommend that you reject the Offer, for the following reasons: <ul style="list-style-type: none"> the Oceania Capital Offer is at a substantial discount to reported NTA and therefore does not reflect the underlying value of your Keybridge Shares the Independent Expert has concluded that the Oceania Capital Offer is not fair and not reasonable the Oceania Capital Offer largely ignores the potential upside contained in Keybridge's investment portfolio Keybridge Shares are trading above the Offer Price the Oceania Capital Offer is opportunistic If there is a change to this recommendation or any	Sections 1 and 2

Question	Answer	Further information
	material developments in relation to the Offer, Keybridge will lodge a supplementary Target's Statement.	
Why is Mr Robert Moran, a Director of Keybridge, not making a recommendation?	Mr Robert Moran is a director of Oceania Capital, an employee of the Oceania Capital Group and the nominee of Oceania Capital on the Keybridge Board. To minimise any conflict of interest (actual or perceived) and any potential influence, Mr Moran has abstained from making a recommendation as to whether Shareholders should accept or reject the Offer.	Section 2
What do the Directors of Keybridge intend to do with their Shares?	Each Director of Keybridge who holds a relevant interest in Keybridge Shares intends to reject the Oceania Capital Offer for all Keybridge Shares they own or control.	Sections 1 and 7.1.2
What does the Independent Expert conclude?	<p>The Independent Expert's Report prepared by Pitcher Partners Corporate Pty Limited has determined that, in its opinion, Oceania Capital's offer is not fair and not reasonable.</p> <p>The Independent Expert has assessed the underlying value of Keybridge to be in the range of 25 cents to 28 cents per Share.</p> <p>A copy of the Independent Expert's report can be found in Annexure A.</p>	Annexure A
How do I reject the Offer?	If you do not wish to accept the Offer or sell your Shares on market, you should take no action.	Sections 1 and 3
What happens if the Offer Price is increased?	<p>If Oceania Capital increases its Offer Price, your Directors will carefully consider the revised offer and advise you accordingly.</p> <p>If you have already accepted the Offer and Oceania Capital offers additional consideration then you are entitled to the increased cash value.</p> <p>You will be notified of any changes to the Offer.</p>	
What are the consequences of accepting the Offer now?	<p>If you accept the Offer now for all or some of your Shares:</p> <ul style="list-style-type: none"> • you relinquish control of those Shares to Oceania Capital with no guarantee of receipt of the Offer Consideration until the Offer becomes, or is declared, unconditional; • you grant Oceania Capital a power of attorney to exercise all voting rights in respect of those Shares from the time you accept the Offer, • you will not be able to sell those Shares on market or deal with them in any other manner, unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Offer, or the Offer lapses; 	Sections 3 and 6

Question	Answer	Further information
	<ul style="list-style-type: none"> • you give Oceania Capital the option to keep those Shares if the conditions of its Offer are not satisfied (by waiving the conditions) or allow the Offer to lapse; and • you will be unable to accept a superior offer for those Shares from any other bidder if such an offer is made, unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Offer, or unless the Offer lapses. 	
What are the risks of not accepting the Offer?	If you do not accept the Offer you will be exposed to the risks associated with being a continuing Shareholder in Keybridge. Some of these risks are described in 5.6.1 and 5.6.2.	Sections 5.6.1 and 5.6.2.
If I accept the Offer now, can I withdraw my acceptance?	<p>Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.</p> <p>You may withdraw your acceptance if Oceania Capital postpones the Offer closing date by more than one month and the Offer is still subject to conditions.</p> <p>Note that the limited circumstances for withdrawal may not apply at the time you wish to withdraw your acceptance.</p> <p>Further details on your ability to withdraw your acceptance are set out in section 6.8.</p>	Section 6.8
Can I be forced to sell my Shares?	Oceania Capital will be entitled to compulsorily acquire any outstanding Keybridge Shares on the same terms as the Offer if, during or at the end of the Offer, Oceania Capital (together with its Associates) has relevant interests in at least 90% (by number) of the Keybridge Shares.	Section 6.11
Can I accept the Offer in respect of part of my holding?	You may accept the Offer in respect of some or all of the Keybridge Shares held by you.	
When does the Offer close?	<p>The Offer is presently scheduled to close at 7:00pm (Sydney time), on 31 January 2014, unless it is extended under the Corporations Act. See section 6.6 for details of the circumstances in which the Offer Period can be extended.</p> <p>You will receive written notification of any extension.</p>	Section 6.6
By when do I need to decide?	<p>If you wish to follow the Non-Associated Directors' recommendation and reject the Offer, you do not need to do anything.</p> <p>If you wish to accept the Offer, you need to do so before its scheduled closing date. Oceania Capital has indicated that its Offer is scheduled to close at</p>	Sections 6.5 and 6.6

Question	Answer	Further information
	7:00pm (Sydney time), on 31 January 2014, but the Offer Period can be extended in certain circumstances. See section 6.6 for details of the circumstances in which the Offer Period can be extended.	
When will I be paid the Offer Consideration if I accept the Offer?	<p>If you accept the Offer for all or some of your Shares, Oceania Capital has until the earlier of:</p> <ul style="list-style-type: none"> • if the Offer is unconditional, one month after you have accepted the Offer; • if the Offer is conditional when you accepted the Offer, within one month after the Offer becomes unconditional; and • 21 days after the end of the Offer Period, <p>before ensuring that you receive the Offer Consideration.</p>	See section 6.10 and the Bidder's Statement,
What are the tax implications of accepting the Offer?	<p>A general outline of the tax implications for certain Australian resident Shareholders of accepting the Offer is set out in section 7.11 and in the Bidder's Statement.</p> <p>You should not rely on either outline as advice on your own taxation affairs. It does not deal with the position of individual Shareholders. You should therefore seek your own personal, independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your Shares. If you accept, you may for example be liable for capital gains tax.</p>	Section 7.11 and Oceania Capital's Bidder's Statement
What if I have any questions in relation to the Offer?	<p>Keybridge has established a Shareholder Information Line which Shareholders may call if they have any queries in relation to the Offer. The telephone number for the Shareholder Information Line is 1300 823 159 (for calls made from within Australia), or +61 2 8022 7902 (for calls made from outside Australia). It is available between 8:30am and 5:30pm (AEST), Monday to Friday.</p> <p>Alternatively, you should obtain independent advice from your professional adviser, as necessary.</p>	

5 Overview of Keybridge

5.1 Background and operations

Keybridge was established in October 2006 as a listed investment company specialising in long-term alternative investment assets focused on the infrastructure, private equity, property, aviation and shipping sectors.

Keybridge's participation in these assets comprised senior loans (ranking in priority ahead of other creditors and equity), junior or mezzanine loans and equity. The significant majority of the investments were mezzanine loans or preference equity, ranking ahead of ordinary equity but behind senior debt specific to the asset. In most transactions, Keybridge lent to single purpose entities established to own the physical assets (e.g. aircraft, ships, property projects or renewable electricity facilities). These entities also borrowed limited recourse asset-specific debt, and derived income through the lease or use of the assets by third party operators (e.g. shipping companies, airlines etc.).

During the 2009 financial year, Keybridge's investment and loan portfolio was severely impacted by the effects of the global financial crisis and the Company's senior lenders forced Keybridge into a prolonged period of asset realisation in order to repay its corporate debt.

In February 2013, Mr Nicholas Bolton was appointed Executive Director (ED). Since his appointment, Mr Bolton has overseen the continued realisation of assets, including the aviation portfolio, which saw corporate debt repaid in full on 1 May 2013.

Since that time Keybridge has made an investment to acquire PRFG and executed the subsequent sale of its motor finance division in September 2013, which contributed to Keybridge holding more than \$20 million of cash as at 30 November 2013.

Keybridge continues to hold a number of assets as outlined in section 5.2 below. Keybridge anticipates that it may take at least a further three years to realise these assets and this will continue to be an important focus of current management. In some situations, Keybridge may invest additional sums against particular assets if it believes that such investments will enhance returns.

Keybridge is also examining options for generating further returns for its Shareholders including:

- paying appropriate fully franked cash dividends;
- returning a portion of its capital to shareholders; and/or
- investing Keybridge's cash resources to create additional value for all Shareholders from outside the existing asset portfolio.

As regards the ongoing investment strategy, the Board is currently considering investing in classes of assets where the Company has specific expertise, including assets in the financial services and IT sectors (typically focused on ASX listed entities). A number of opportunities have already been identified by Keybridge's current management team.

5.2 Current investments

5.2.1 Lending investments

(a) PRFG

In June 2007 Keybridge provided a \$15 million interest only mezzanine loan to PRFG to assist in financing its portfolio of automobile loans to non-conforming borrowers.

The loan was extended several times and in January 2013 the loan went into default and interest payments ceased. On 28 June 2013, to support its interests, Keybridge acquired 100% of the shares in PRFG for \$1.5 million cash plus 2.5 million Keybridge shares. The acquisition of PRFG was achieved by way of Scheme of Arrangement in June 2013. On 18 September 2013 the motor vehicle division was sold to enable

PRFG to repay third party senior debt in full plus \$10.4 million of Keybridge's mezzanine loan. Including accumulated interest, Keybridge continues to hold a \$6.3 million secured loan to PRFG. Keybridge is carrying this loan on its balance sheet at \$1.2 million.

PRFG's remaining asset is its ownership of Australian Money Exchange Pty Ltd (AMX), a money lender of personal small loans to short term borrowers. AMX was placed into administration on 21 October 2013 after ASIC expressed concern that AMX may be breaching the National Consumer Credit Laws and should immediately cease activity that may contravene these laws.

AMX has continued to trade under Administration while offering a limited range of products in accordance with ASIC requirements and pursuing alternative licencing arrangements which will allow it to expand its product offering in due course. The Administrator is also currently considering offers to acquire the business. The net proceeds from any sale would be payable to Keybridge under the terms of its secured loan.

(b) Carbon Polymers Ltd (CBP)

As a result of the relationship with PRFG, in September 2013, Keybridge loaned \$300,000 to CBP for up to 90 days at 15% interest per month. Security is a first ranking fixed and floating charge over all company assets, which are valued at more than \$3 million. Subsequently the loan has been extended and it is anticipated that it will be repaid early 2014.

5.2.2 Infrastructure

In March 2008, Keybridge invested EUR9.6 million for the development, construction and ownership of a 1.05MW solar photovoltaic electricity facility in southern Spain. Previously this plant had some production issues that have now been rectified under warranty. It is now functioning in accordance with the original contract. Management of the plant has advised that it believes plant performance will not be a significant risk over the contract period, particularly as the cost of photovoltaic cells is continuing to fall.

The original agreement with the Spanish government provided for a fixed feed-in tariff per kWh with partial CPI based increases. The agreed tariff was significantly above market rates. In December 2010 the Spanish government placed a cap on the volumes able to receive the feed-in tariff until 31 December 2013. From 1 January 2014 the cap increases with a further increase to occur on 1 January 2015.

The investment is currently generating approximately EUR700,000 per annum in cash income for Keybridge. However, there are significant uncertainties involving the sustainability of this income as there have been reports that the Spanish government may increase taxes on solar plants and again change the laws regarding feed-in tariffs.

On 12 July 2013, the Spanish government announced plans to legislate in respect of solar farms, a cap on profits exceeding 3% per annum above the 10 year Spanish government bond rate. This would have the impact of reducing Keybridge's income to approximately EUR680,000 per annum. This has been factored into the Company's current reported unaudited NTA.

5.2.3 Private equity

Until recently, Keybridge had an investment in a closed end private equity fund in the United States known as Republic Private Equity1 Limited Partnership.

In May 2013 Keybridge sold this asset for US\$4.3 million to RPE1 Investor LLC, a Colorado USA limited liability company, in return for a limited recourse loan (the security is limited to the asset sold) with interest payable to Keybridge at 14.5% per annum and a maturity date of 31 December 2017. Keybridge's loan is supported by security over equity which RPE1 Investor LLC has estimated at a fair value of US\$24.2 million at 30 September 2013.

5.2.4 Property

(a) P & J Projects Pty Ltd

In 2007 and 2008, Keybridge invested \$5.95 million in mezzanine loans for a residential and retail property development located in an inner Sydney suburb. The project involves the progressive development of four lots. Three out of the four lots have completed development with many of the subject properties having been sold.

Keybridge's loans are currently in default and accumulating interest such that the current face value of the loans outstanding is approximately \$9.3 million. As there is a significant risk that the Company will not recover its loans in full, the Company has been carrying the loan on its Balance Sheet at nil. However, over the coming 12 months, Keybridge will endeavour to secure repayment from the sale of remaining properties.

The Board currently anticipates that there will be sufficient value achieved through the sale of the properties to allow at least partial repayment of Keybridge's outstanding loan.

(b) AMW Warehouse Trust No 1

This investment is a loan to a fund which invests in first ranking mortgage loans over commercial properties. Keybridge is currently the sole lender to a portfolio with three loans outstanding, two of which relate to a property in the Sydney suburb of Manly. The two loans are under active management with a receiver appointed to the fund in June 2009. Keybridge's \$2.2 million carrying value of the loans is limited to the expected realisation value of the properties.

The fund manager has commenced a claim against the valuer who provided the initial valuation for the Manly property funding. Keybridge expects that the claim will be defended and accordingly, at this time, the likelihood of any additional recovery under the claim is unknown.

5.2.5 Shipping

Keybridge has four junior non-recourse loans for financing of ships. Independent valuations indicate that the market value of these ships is less than the current ranking debt balances. Keybridge is carrying the value of these loans at nil. However, Keybridge has recently provided some small new loans to fund working capital associated with these assets and to prevent foreclosure on these assets. These recent loans rank in front of other secured loans and are carried at face value.

5.2.6 Aviation

Keybridge's aviation investment is an 18.5% holding in ASX-listed PTB Group Limited, which is a turbo prop aircraft parts and services supply organisation with operations in Queensland and New South Wales.

5.2.7 Other shares in ASX-listed companies

Keybridge also currently holds a small number of shares in a small ASX-listed company.

5.3 Keybridge Directors

Peter Wood Chairman

Appointed Independent Non-executive Director in October 2010 and became Chairman in April 2012. Peter Wood has extensive experience in aircraft leasing and general aviation. Previously Peter was Executive Vice President and a Board member of Ansett Worldwide Aviation Services (AWAS), one of the largest aircraft lessors in the world. Peter currently holds an executive position with ASX-listed aviation company, PTB Group Limited, and is a member of the Investment Committee of the Investec Global Aircraft Fund. Originally Peter worked as a lawyer with a Sydney firm before spending two years with Norton Rose in London.

Nicholas Bolton
Executive Director

Appointed Non-executive Director of Keybridge in December 2011, resigned on 9 October 2012, reappointed Non-executive Director on 2 January 2013 and appointed Executive Director on 22 February 2013. Nicholas Bolton is a director of Australian Style Group Pty Ltd, a 20% shareholder in Keybridge. Over the past 12 years, Nicholas has managed operational investments in the IT sector, invested in and led activist investments in a number of ASX-listed entities, as well as a number of risk arbitrage transactions focused on share class arbitrage, relative value and sum of parts analysis.

William (Bill) Brown
Non-executive Director

Appointed Independent Non-executive Director of Keybridge in October 2012. Bill Brown has over 30 years' experience as a commercial lawyer and senior executive in both private practice and in-house legal and management roles. Bill's areas of expertise include mergers and acquisitions, corporate governance and regulated industries. Bill is currently a principal with Rockwell Olivier and the independent member of Crown Resorts Limited's Gaming Compliance Committee. In prior roles, he was a partner in a Melbourne/Sydney law firm and the group legal and regulatory manager of one of Australia's largest ASX listed gaming companies.

Robert Moran
Non-executive Director

Appointed Non-executive Director of Keybridge on 2 January 2013. Robert Moran is the Managing Director of Oceania Capital, an ASX-listed principal investor and a substantial shareholder (22.05%) in the Company. Robert is experienced in investment banking activities, including financings, capital raisings, structured finance, mergers and acquisitions and has practised corporate and commercial law at a senior level. Robert has extensive experience as a company director, having acted as both director and chairman of a number of companies, both listed and unlisted. He has served as chairman and member of audit and compliance committees, risk committees and remuneration committees.

5.4 Keybridge capital structure and escrow arrangements

As at the date of this Target's Statement, Keybridge has the following securities on issue:

Class of Security	Number on Issue
Fully paid ordinary Shares - quoted on ASX (ASX code: KBC)	174,570,564
Fully paid ordinary Shares - unquoted ¹	5,975,000

5.5 Other material information about Keybridge

Keybridge sets out below information which the Directors believe is relevant to Shareholders in making a decision whether to accept the Oceania Capital Offer:

5.5.1 Tax losses

As discussed in section 2, Keybridge has approximately \$201 million in tax losses that may be able to offset future tax otherwise payable on income. The availability of tax losses (and therefore their value to Keybridge) depends on Keybridge satisfying certain tests under the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth).

The tax losses are not currently recognised as an asset by Keybridge and the future value of the tax losses will depend (among other factors) on Keybridge's ability to generate future taxable income.

¹ Issued under the Keybridge Director and Employee Share scheme.

5.5.2 Capital management considerations

Keybridge had a current cash balance of \$20.5 million as at 30 November 2013. As announced on 3 December 2013, the Directors have been considering capital management initiatives using this cash balance that may improve the NTA per Share of Keybridge and provide liquidity options for Shareholders.

Immediately preceding the Announcement Date, the Directors were considering a proposal from Oceania Capital that Keybridge selectively buy-back all of Oceania Capital's Shares for 17.5 cents per Share.

5.5.3 Further information

Keybridge is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Keybridge is obliged to notify ASX of any information about specific matters and events and, in particular, those matters which a reasonable person would expect to have a material effect on the price or value of Keybridge Shares.

Shareholders seeking further information on Keybridge are directed to the list of publicly available announcements on the ASX website (www.asx.com.au, company code 'KBC') or on the Keybridge website (www.keybridge.com.au).

5.6 Key risks faced by Keybridge

The price of Keybridge Shares and the future performance of Keybridge are influenced by a range of factors and risks. Whilst some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, some are outside the control of Keybridge and cannot be mitigated. The principal risks include, but are not limited to, those detailed below. Keybridge does not give any form of assurance or guarantee of future performance, profitability, dividends, return of capital, or the price at which the Keybridge Shares might trade in the future on the ASX.

5.6.1 Specific business risks

Keybridge Shareholders should carefully read and consider these risks together with the Bidder's Statement and this Target's Statement prior to accepting or rejecting the Oceania Capital Offer.

(a) Credit risk

Keybridge is exposed to credit risk in the event that a counterparty fails to meet its contractual obligations in relation to Keybridge's investments or deposits with banks and other financial institutions. Keybridge manages ongoing credit risk by monitoring closely the performance of investments, the cyclical impact of the underlying asset class, the financial health of counterparties (including lessee and charter parties, banks and other financial institutions) and compliance with senior debt terms and conditions where Keybridge is a mezzanine or equity investor.

(b) Asset valuations

The value and income from Keybridge's real property assets are dependent on the expected income from those assets. Income and capital values are affected by a number of factors including the cost of maintenance, insurance and operations (including taxes) and potential environmental and other liabilities.

(c) Reliance on key personnel

The responsibility of day to day management and the strategic management of Keybridge is concentrated within a small number of key persons, especially its senior management. If any one of these people ceases their engagement with Keybridge, this may have a detrimental impact on Keybridge's operations and performance. Keybridge has retention mechanisms in place but has not implemented specific retention arrangements in respect of the Oceania Capital Offer.

(d) Interest rate risk

The financial performance of Keybridge is affected by fluctuations in interest rates. Failure to manage interest rate risk and fluctuations in interest rates may have a material adverse effect on the business, financial position or financial performance of Keybridge.

(e) Financing and capital

Keybridge's continued ability to implement effectively its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any equity or debt funding will be available to Keybridge on favourable terms or at all.

(f) Regulatory and legislative risks

Any changes in the laws and regulations under which Keybridge operates may adversely impact on Keybridge's activities, planned projects and financial results. These laws and regulations include laws requiring permits and licences, environmental regulations and health and safety laws and regulations.

(g) Liquidity risk

There can be no guarantee that a liquid market in Keybridge Shares will exist after the Offer closes. There may be relatively few or many potential buyers or sellers of Keybridge Shares on ASX at any given time. This may affect the prevailing market price at which Keybridge Shareholders are able to sell their Shares. This may result in Keybridge Shareholders receiving a market price for their Keybridge Shares which is less or more than the Offer Price or the current market price at which Shares trade on ASX.

5.6.2 General economic and market risks

(a) Economic risk

As Keybridge is an investment company, the market's perception of the value of Keybridge Shares can alter significantly from time to time which can cause fluctuations in price. Fluctuations may also occur as a result of factors influencing the price of shares in the companies in which Keybridge invests or share prices generally.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equities, aircraft, property and other asset values will affect Keybridge's profitability. The objective of market risk management is to seek to manage and control risk exposures within acceptable parameters, while optimising expected returns.

Equity accounted investments are also exposed to movements in currency and asset values for the underlying assets within each of the investments.

(c) Foreign exchange risk

Certain of Keybridge's investments are held in the United States and Spain, respectively. Keybridge does not currently hedge its foreign exchange exposures and therefore Keybridge's incomes and asset base is subject to foreign exchange movements, both positive and negative.

6 Information about Oceania Capital's Offer and Other Important Issues

6.1 The Offer

Oceania Capital is offering to acquire all or part of your Shares at 16 cents cash per Share.

For full details of the terms of the Offer, please refer to section 11 of the Bidder's Statement.

6.2 Conditions to the Offer

The Offer is subject to a number of conditions which are set out in section 11.7 of Oceania Capital's Bidder's Statement.

Subject to the Corporations Act, Oceania Capital may declare the Offer to be free from any condition or conditions at any time, but must do so at least seven days prior to the end of the Offer Period.

6.3 Notice of Status of Conditions

Section 11.10 of the Bidder's Statement indicates that Oceania Capital will give a Notice of Status of Conditions on 23 January 2014 (subject to extension in accordance with section 630(2) of the Corporations Act of the Offer Period).

Oceania Capital is required to set out in its Notice of Status of Conditions:

- whether the Offer is free of any or all of the conditions of the Offer;
- whether, so far as Oceania Capital knows, any of the conditions have been fulfilled; and
- Oceania Capital's then current voting power in Keybridge.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Oceania Capital is required, as soon as reasonably practicable after the extension, to give a notice to ASX and Keybridge that states the new date for giving the Notice of Status of Conditions.

In addition, if a condition of the Offer is fulfilled during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Oceania Capital must, as soon as practicable, give ASX and Keybridge a notice that states that the particular condition has been fulfilled.

6.4 Effect of triggering conditions

It may be the case that one or more of the conditions to the Offer will be triggered during the Offer Period. In those circumstances, Oceania Capital may be entitled to rely on the triggering of the relevant conditions and not proceed with the Offer (ie. you would retain your Keybridge Shares). Oceania Capital has certain rights in respect of the conditions as described in section 11.9 of the Bidder's Statement.

6.5 Offer Period

The Offer is scheduled to close at 7:00pm (Sydney time) on 31 January 2014 (but it may be extended or withdrawn in accordance with the Corporations Act).

6.6 Extension of the Offer Period

Oceania Capital may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 6.3 of this Target's Statement) while the Offer is subject to any conditions. However, if the Offer is unconditional (that is, all the conditions are satisfied or waived), Oceania Capital may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period:

- Oceania Capital increases the Offer Price of 16 cents per Share (or otherwise improves the Offer Consideration); or
- Oceania Capital's voting power in Keybridge increases to more than 50%.

In either of these circumstances, the Offer Period is automatically extended in accordance with section 624(2) of the Corporations Act so that it ends 14 days after the occurrence of the relevant event.

6.7 Effect of accepting the Offer

If, despite the recommendation of the Non-Associated Directors to reject Oceania Capital's Offer, you accept the Offer for all or some of your Shares, you will (subject to the withdrawal rights discussed below):

- give up your right to sell the accepted Keybridge Shares to anyone else, including selling them on ASX or accepting any superior proposal that may emerge;
- give up your right to otherwise deal with the accepted Keybridge Shares; and
- lose any rights attaching to the accepted Keybridge Shares from the date of your acceptance.

The effect of acceptance of the Offer is set out in more detail in section 11.1 of Oceania Capital's Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Shares and the representations and warranties that you are deemed to give to Oceania Capital by accepting the Offer.

6.8 Your ability to withdraw your acceptance

If, despite the recommendation of the Non-Associated Directors to reject Oceania Capital's Offer, you accept the Offer for all or some of your Shares, you will have limited rights to withdraw your acceptance of the Offer.

You will only have statutory rights to withdraw your acceptance if the Offer is varied in such a way as to postpone for more than one month (i.e. to after 7.00 pm on 28 February 2014), the time by which Oceania Capital has to meet its obligations under the Offer.

In such circumstances, you will be sent a notice at the relevant time explaining your rights to withdraw your acceptance of the Offer.

If the conditions of the Offer have not been satisfied or waived by Oceania Capital before the end of the Offer Period your acceptance will be avoided and Oceania Capital must return your Keybridge Shares to you.

6.9 Effect of an improvement in consideration on Shareholders who have already accepted the Offer

If Oceania Capital improves the Offer Consideration under its Offer, all Keybridge Shareholders, regardless of whether or not they have accepted the Offer before that improvement in offer Consideration will be entitled to receive that improved consideration.

6.10 Timing of payment to Shareholders who accept the Offer

If, despite the recommendation of the Non-Associated Directors to reject Oceania Capital's Offer, you accept the Offer for all or some of your Shares, Oceania Capital will provide the Offer Consideration for your Shares on or before:

- if the Offer is subject to a condition when you provide your acceptance and associated acceptance documentation – the earlier of one month after the takeover contract with you becomes unconditional, or 21 days after the end of the Offer Period; or

- if the Offer is unconditional when you provide your acceptance and associated acceptance documentation – the earlier of month after the Oceania Capital is given your acceptance documents, or 21 days after the end of the Offer Period.

Full details of when you will be paid your consideration are set out in section 11.5 of the Bidder's Statement.

6.11 Compulsory acquisition following takeover offer

If Oceania Capital acquires a relevant interest in at least 90% of Keybridge Shares then, pursuant to Part 6A.1 Division 1 of the Corporations Act, it will be entitled to compulsorily acquire any Keybridge Shares in respect of which it has not received acceptance of the Offer.

Keybridge Shareholders should be aware that, if their Keybridge Shares are compulsorily acquired, they are not likely to receive payment until at least one month after the compulsory acquisition notices are dispatched to them.

Oceania Capital has indicated in section 7.5 of the Bidder's Statement that it does not currently intend to proceed to compulsory acquisition of the outstanding Keybridge Shares if it meets the required thresholds.

6.12 General compulsory acquisition

Even if Oceania Capital does not become entitled to compulsorily acquire Keybridge Shares in accordance with Part 6A Division 1 of the Corporations Act, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act.

7 Additional Information

7.1 Directors' recommendation and intentions

After taking into account each of the matters in this Target's Statement (including the contents of the Independent Expert's Report) and in the Bidder's Statement, each of the Non-Associated Directors recommends that you REJECT the Offer.

The reasons that the Non-Associated Directors each recommend that you REJECT the Offer are outlined in section 2 entitled "Reasons for the Directors' Recommendations".

Each Director of Keybridge who holds or has a relevant interest in any Shares currently intends to reject the Offer in relation to those Shares.

Mr Robert Moran is a director of Oceania Capital, an employee of the Oceania Capital Group and the nominee of Oceania Capital on the Keybridge Board. To minimise any conflict of interest and any potential influence, Mr Moran has abstained from making a recommendation as to whether Shareholders should accept or reject the Offer.

7.2 Directors' interests in Keybridge securities

As at the date of this Target's Statement, the Directors of Keybridge (including Mr Moran) had the following relevant interests in Keybridge securities:

Director	Number of Keybridge Shares
Peter Wood	176,518
Nicholas Bolton ²	339,745
Bill Brown	170,000 ³
Robert Moran ⁴	Nil

All descriptions of Director interests in Keybridge securities and dealings in Keybridge shares which are contained in this Target's Statement are based entirely on representations which have been made by the individual Directors concerned. The Board of Directors has not verified the accuracy of any such representations.

7.3 Dealings of the Board in Keybridge Shares

In the four months immediately preceding 16 December 2013, being the date of the Offer, the Directors of Keybridge provided or agreed to provide, or received or agreed to receive, consideration for any marketable securities of Keybridge under a sale, purchase or agreement for sale or purchase of such securities by way of the following transactions.

Party	Date of transaction	Number acquired	Number disposed	Consideration
Peter Wood	20 September 2013	176,518	Nil	A\$24,713
Bill Brown ⁵	20 September 2013	170,000	Nil	A\$24,157
Nicholas Bolton	18 September 2013	175,000	Nil	A\$24,530
Nicholas Bolton	30 September 2013	62,300	Nil	A\$9,124
Nicholas Bolton	23 October 2013	24,651	Nil	A\$3,348
Nicholas Bolton	24 October 2013	9,549	Nil	A\$1,548

² Mr Bolton is a director of Australian Style Group Pty Ltd, which holds 35,478,604 Shares. However, Mr Bolton represents that he does not have a relevant interest in those Shares.

³ 170,000 Shares held indirectly by WCB Superannuation Fund, whose Trustee is WCB Super Pty Ltd, which may act upon direction from Mr Bill Brown.

⁴ Mr Moran is the nominee of Oceania Capital, the entity making the Offer, which holds 39,817,393 Shares. However, Mr Moran represents that he does not have a relevant interest in those Shares.

⁵ 170,000 shares acquired by WCB Superannuation Fund, whose Trustee is WCB Super Pty Ltd, which may act upon direction from Mr Bill Brown.

7.4 Interests or dealings in Oceania Capital securities

As at the date of this Target's Statement, the Directors of Keybridge had the following relevant interests in Oceania Capital shares:

Director	Number of Oceania Capital shares
Peter Wood	Nil
Nicholas Bolton	Nil
Bill Brown	Nil
Robert Moran	935,988

In the four months immediately preceding 16 December 2013, being the date of the Offer, no Director of Keybridge (including Mr Moran) provided or agreed to provide, or received or agreed to receive, consideration for any marketable securities of Oceania Capital or any Related Entity or Associate of Oceania Capital under a sale, purchase or agreement for sale or purchase of such securities.

7.5 Agreements or arrangements conditional upon the Offer

No Director of Keybridge is party to any agreement or arrangement with any other person in connection with or conditional on the outcome of the Offer.

7.6 Interests of the Board in contracts entered into by Oceania Capital

Other than as described below, no Director of Keybridge has any interest in any contract entered into by Oceania Capital or any related body corporate of Oceania Capital.

Mr Moran is a Director of Oceania Capital and an employee of the Oceania Capital Group. Keybridge understands that Mr Moran is employed by the Oceania Capital Group on ordinary arm's length terms.

7.7 Benefits for retirement or loss of office

Except as set out in this Target's Statement, no benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act) will or may be given to a Director of Keybridge in connection with:

- their retirement from office in Keybridge or a related body corporate of Keybridge; or
- the transfer of the whole or any part of the undertaking or property of Keybridge.

7.8 Potential impact of the offer on Keybridge's agreements

Keybridge is not aware of any contract that has been entered into by Keybridge that contains a change of control provision which will be triggered if Oceania Capital acquires more than 50.0% of Shares as a result of its Offer.

7.9 Litigation

Except as previously disclosed to ASX there is no current litigation against Keybridge and the Directors have no knowledge of any potential litigation.

7.10 Financial information

Copies of Keybridge's Annual Reports may be obtained from ASX's website (www.asx.com.au, code 'KBC').

7.11 Taxation considerations for Shareholders

Acceptance of the Offer by you is likely to have tax consequences. You may be liable for capital gains tax if you accept the Offer.

The tax consequences for you will depend on your individual circumstances.

Section 12 of the Oceania Capital Bidder's Statement sets out a general overview of the Australian tax implications of a Shareholder accepting the Offer and disposing of their Shares to Oceania Capital. You should not rely on it as advice on your own affairs. It does not deal with the position of all Shareholders. You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the Offer for your Shares.

7.12 Material change in financial position of Keybridge

Keybridge's last published financial statements are for the year ended 30 June 2013, as set out in its Annual Report lodged with ASX on 29 August 2013. Except as disclosed in this Target's Statement and in any announcement made by Keybridge to ASX since 29 August 2013, your Directors are not aware of any material change to the financial position of Keybridge since 30 June 2013.

7.13 Consent to inclusion of statements

The following persons have given and have not, before the date of this Target's Statement, withdrawn their consent to the inclusion of the following information in the form and context in which it is included, and to all references in this Target's Statement to that information in the form and context in which they appear:

- Atanaskovic Hartnell;
- TC Corporate Pty Limited; and
- Pitcher Partners Corporate Pty Limited.

7.14 Disclaimers regarding responsibility

Each person or organisation named above as having given consent to the inclusion of a statement in this Target's Statement (or who is otherwise named in this Target's Statement as acting in a professional capacity for Keybridge in relation to the Offer):

- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

7.15 Class Order relief – reference to statements

ASIC has published various 'Class Order' instruments providing for modifications and exemptions that apply generally to all persons, including Keybridge, in relation to the operation of Chapter 6 of the Corporations Act. Keybridge may rely on this Class Order relief.

Keybridge has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 11 of ASIC Class Order 01/1543 'Takeover Bids' to include references to certain statements by Oceania Capital and other persons in this Target's Statement without obtaining the consent of Oceania Capital or those other persons.

The relevant statements were taken from Oceania Capital's Bidder's Statement.

As required by ASIC Class Order CO 01/1543, Keybridge will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts), Shareholders may telephone the Shareholder Information Line on 1300 823 159 (for calls made from within Australia), or +61 2 8022 7902 (for calls made from outside Australia).

7.16 ASIC modification

On 23 December 2013, ASIC issued a formal declaration modifying the off-market bid timetable under the Corporations Act so that Keybridge's Target's Statement and the accompanying Independent Expert's Report must be sent to:

- (a) Oceania Capital and ASX (and lodged with ASIC) by no later than 6 January 2014; and
- (b) Keybridge Shareholders by no later than 8 January 2014.

7.17 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but only:

- to the extent to which it is reasonable for Shareholders and their professional advisers to expect to find such information in this Target's Statement; and
- if the information is known to any of the Directors.

The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is the information:

- contained in the Oceania Capital Bidder's Statement;
- contained in Keybridge's releases to the ASX prior to the date of this Target's Statement; and
- contained or referred to in this Target's Statement.

Copies of documents lodged with ASX by Keybridge may be obtained from ASX's website (www.asx.com.au) using the code 'KBC', or you may obtain a copy free of charge during the Offer Period by writing to Keybridge (Attention: Adrian Martin, Level 26, 259 George Street, Sydney NSW 2000).

7.18 Approval of this Target's Statement

Signed for and on behalf of Keybridge Capital Limited by Mr Peter Wood who is authorised so to sign pursuant to a resolution passed at a meeting of Directors (excluding Mr Moran) held on 31 December 2013.

A handwritten signature in black ink, appearing to be 'Peter Wood', with a stylized initial 'P' and 'W'.

**Peter Wood
Chairman
Keybridge Capital Limited**

Dated 31 December 2013

8 Definitions and Interpretation

8.1 Definitions

In this Target's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

\$ or dollar	Australian dollars, unless otherwise stated
Announcement Date	The date of the announcement of the Offer to acquire all of the Shares in Keybridge by Oceania Capital, being 28 November 2013
ASIC	Australian Securities and Investments Commission
Associate	The meaning given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time)
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the "Australian Securities Exchange" operated by that entity
ASX Listing Rules or Listing Rules	The official listing rules of the ASX as amended or varied from time to time
ASX Settlement Operating Rules	The rules of the ASX Settlement Corporation from time to time
Bidder's Statement or Oceania Capital's Bidder's Statement	The bidder's statement dated 28 November 2013 relating to the Offer prepared by Oceania Capital
Board	The board of directors of Keybridge
Corporations Act	The <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC)
Directors	The members of the Board
Independent Expert	Pitcher Partners Corporate Pty Limited
Keybridge or Company	Keybridge Capital Limited ACN 088 267 190
Keybridge Share or Share	A fully paid ordinary share in the capital of Keybridge and all rights attaching to those Shares
Keybridge Shareholder or Shareholder	Person registered in the register of members of Keybridge as a holder of one or more Shares
Non-Associated Directors	Each Director of Keybridge who is not associated with Oceania Capital, being Messrs Peter Wood, Nicholas Bolton and Bill Brown

Notice of Status of Conditions	The notice required to be given under section 630(3) of the Corporations Act relating to the status of conditions under the Offer
NTA	Net tangible assets or as the context requires net tangible assets per share
Oceania Capital	Oceania Capital Partners Limited ACN 111 554 360
Oceania Capital Group	Oceania Capital and its Associates and Related Entities
Offer or Oceania Capital's Offer or the Oceania Capital Offer	The offer by Oceania Capital for all of the Shares in Keybridge made under the Bidder's Statement and dated 16 December 2013
Offer Period	The period during which the Offer remains open for acceptance in accordance with the Bidder's Statement
Offer Price or Offer Consideration	The consideration under the Offer for each of the Shares to which the Offer applies, being 16 cents per Share as at the date of this Target's Statement
Person	An incorporated or unincorporated body or association as well as a natural person
Related Entity	The meaning given to that term in section 9 of the Corporations Act
Shareholder	Person registered in the register of members of Keybridge as a holder of one or more Shares
Shareholder Information Line	1300 823 159 (within Australia) +61 2 8022 7902 (outside Australia)
Target's Statement	This document, being the statement of Keybridge pursuant to the Corporations Act relating to the Offer
VWAP	Volume Weighted Average Price of shares traded

8.2 General Interpretation

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) a reference to time is a reference to Australian Eastern Daylight Time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Target's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

- (g) \$, dollar or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually; and
- (n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

9 Corporate Directory

Directors

Peter Wood (Chairman, Non-Executive Director)
Nicholas Bolton (Executive Director)
Bill Brown (Non-Executive Director)
Robert Moran (Non-Executive Director)

Legal Adviser

Atanaskovic Hartnell
Level 10, Atanaskovic Hartnell House
75-85 Elizabeth Street
Sydney NSW 2000

Company Secretary

Adrian Martin

Financial Adviser

T C Corporate
Level 10, 167 Macquarie Street
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Independent Expert

Pitcher Partners Corporate Pty Limited
Level 19, 15 William Street
Melbourne Vic 3000

Registered Office

Level 26, 259 George Street
Sydney NSW 2000

Annexure A - Independent Expert's Report

Keybridge Capital Limited

31 December 2013

Independent Expert Report





PITCHER PARTNERS

C O R P O R A T E P T Y L T D

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15 William Street
Melbourne
Victoria 3000

Postal Address:
GPO Box 5193
Melbourne Vic 3001
Australia

ACN 082 323 868
AFS LICENCE NO. 229841

Tel: +61 3 8610 5000
Fax: +61 3 8610 5999

www.pitcher.com.au
partners@pitcher.com.au

Ref: MS:lm

31 December 2013

The takeovers committee
Keybridge Capital Limited
18 Market Street
SYDNEY NSW 2000

Dear Sirs

INDEPENDENT EXPERT REPORT

INTRODUCTION

On 28 November 2013 (Announcement Date), Oceania Capital Partners Limited (Oceania) released a Bidder's Statement proposing to acquire some or all of the shares in Keybridge Capital Limited (Keybridge or the Company) for cash consideration of \$0.16 per share (Offer).

The Offer is subject only to no 'prescribed occurrences' occurring, as set out in full in the Bidder's Statement issued by Oceania, and summarised in Section 2 of our report. There is no minimum acceptance condition or any other conditions.

Under Section 640 of the Corporations Act, a Target's Statement in response to a takeover offer must include, or be accompanied by, an independent expert's report if either the bidder's associates' voting power in the target is 30% or more, or the bidder and target have one or more common directors. The independent expert's report is required for the purpose of providing shareholders of the target company with an objective and disinterested view as to whether the offer is fair and reasonable and to provide them with sufficient information to make an effective, informed decision as to whether to accept or reject the Offer.

At the date of the bidders statement Oceania held 20.77% of the voting power in Keybridge and has one director in common with Keybridge, being Mr Robert Moran. An independent expert's report is therefore required under Section 640.

Pitcher Partners Corporate Pty Ltd (Pitcher Partners Corporate) has been engaged by the directors of Keybridge comprising the takeovers committee (Directors) to provide an independent experts report on the Offer.

PURPOSE OF REPORT

Pursuant to Section 640 of the Corporations Act, this report has been prepared to assist shareholders of Keybridge (Shareholders) in their decision to accept or reject the Offer. A copy of the report will be incorporated in the Target's Statement to be provided to Shareholders by Keybridge. The report will not be quoted or referred to or utilised for any other purpose unless written consent has been provided by Pitcher Partners Corporate.

SOURCES OF INFORMATION

Appendix 2 to this report sets out details of information referred to and relied upon by Pitcher Partners Corporate during the course of preparing this report and forming our opinion.

SUMMARY OPINION

In our opinion the Oceania Offer is **not fair nor reasonable**.

The underlying value of Keybridge is estimated to be in the range of \$0.25 to \$0.28 per share as follows:

	Low	High
Equity Value (\$'000)	44,083	49,490
Number of shares	174,570,564	174,570,564
Value per share	\$0.25	\$0.28

The value was derived utilising an asset based approach as the primary methodology.

As the Offer of \$0.16 per share is below the low and high end of Pitcher Partners Corporate's valuation range, in our opinion the Oceania Offer is **not fair**.

We also consider the offer to not be reasonable. In making this assessment we had regard to the following:

- The Oceania proposal is the only proposal currently on offer to Shareholders. While the Offer is not fair it does provide Shareholders with a liquidity event in a company that has historically been thinly traded. Further, the Offer is at above historical trading levels.
- However, the Offer does not reflect the underlying value of the Company's shares, with the value of the shares estimated to be 57.8% to 77.2% higher than the Offer.
- Furthermore, the timing of the Offer is such that Keybridge only completed its asset realisation to repay corporate debt within the last 12 months. With this program completed management has commenced to identify underperforming assets for sale and is looking for investment opportunities with a focus on undervalued listed assets. Shareholders accepting the Offer will therefore not participate in this new strategy.
- Keybridge is in a unique position where it has both tax losses and franking credits. Assuming the tax losses are maintained, this may allow fully franked dividends to be paid in the future before the recoupment of the accumulated losses.
- There is a risk that should some, but not all shareholders accept the Offer this will result in Oceania having a significant holding or controlling interest in Keybridge. Depending on the size of such holding this may deter future take over or control events and may also further reduce liquidity.

In our opinion, after consideration of all issues including those set out above, it is our view that, in the absence of any other information, that the Offer is **not reasonable** to the Shareholders as at the date of this report.

Pitcher Partners Corporate has been engaged to prepare an independent expert's report setting out whether in its opinion the Offer is fair and reasonable to Shareholders. Pitcher Partners Corporate has not been engaged to provide a recommendation to Shareholders in relation to the Offer, the responsibility for which lies with the Directors. Shareholders should read the Target's Statement issued by Keybridge in relation to the Offer.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Shareholders.

Acceptance or rejection of the Offer is a matter for individual Shareholders based on their views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder.

Accordingly, before acting in relation to their investment, Shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs.

Shareholders who are in doubt as to the action they should take in relation to the Offer should consult their own professional adviser.

Pitcher Partners Corporate has prepared a Financial Services Guide as required by the Corporations Act, 2001. The Financial Services Guide is included at the beginning of the full report.

This letter is a summary of Pitcher Partners Corporate's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours sincerely

PITCHER PARTNERS CORPORATE PTY LTD



P MURONE
Executive Director



M SONEGO
Executive Director

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1. Financial Services Guide

This Financial Services Guide (FSG) is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate. The use of 'we', 'us' or 'our' is a reference to Pitcher Partners Corporate as the holder of Australian Financial Services Licence (AFSL) No. 229841. The contents of this FSG include:

- who we are and how we can be contacted;
- what services we are authorised to provide under our AFSL;
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide;
- details of any potential conflicts of interest; and
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

We have been engaged by Keybridge to give general financial product advice in the form of a report to be provided to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are required to give you an FSG by law because our report is being provided to you. We are only responsible for the financial product advice provided in our report and for the contents of this FSG. You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +61 (0) 3 8610 5000.

Pitcher Partners Corporate is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Executive Directors of Pitcher Partners Corporate are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name 'Pitcher Partners', or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide general financial product advice only in respect of securities, derivatives, debentures, stocks or bonds issued or proposed to be issued by a government and interests in managed investment schemes including investor directed portfolio services and deposit and payment products limited to basic deposit products and deposit products other than basic deposit products to both retail and wholesale clients.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as 'general advice' because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement (PDS) or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us. Our fee for this engagement is in the order of \$40,000 (excluding GST).

Neither Pitcher Partners Corporate nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any commissions or other benefits, except for the fees for services rendered to the party or parties who actually engage us. Our fees for such services are based on time spent at our professional hourly rates.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Managing Partner
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service Limited (FOSL). FOSL provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOSL at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission (ASIC) regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

2. Details of the Offer

On 28 November 2013, Oceania released a Bidder's Statement proposing to acquire some or all of the shares in Keybridge for cash consideration of \$0.16 per share.

Oceania considers that the Offer is attractive to Keybridge shareholders as the \$0.16 per share represents:

- a 14.29% premium to the closing price of Keybridge shares on 27 November 2013; and
- an 11.1% premium to the one month volume weighted average price (VWAP) of Keybridge shares up to the Announcement Date.

At the Announcement Date, Oceania held 20.77% of the Keybridge shares. As at the date of the Offer, 16 December 2013, Oceania held an interest of 22.05%. Under the Corporations Act, Oceania is only able to acquire a significant increase in shares by making a takeover offer. Oceania is seeking a greater ownership level of Keybridge in order to achieve greater influence over the future strategy and direction.

There is no minimum acceptance condition or any other conditions. The Offer is conditional only on no 'prescribed occurrences' occurring, which are detailed as follows:

- if Keybridge converts all or any of the Keybridge shares into a larger or smaller number of Keybridge shares;
- any member of Keybridge resolves to reduce its share capital in any way;
- any member of Keybridge enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- any member of Keybridge issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- any member of Keybridge issues, or agrees to issue, convertible notes;
- any member of Keybridge disposes, or agrees to dispose, of the whole, or a substantial part, or its business or property;
- any member of Keybridge grants, or agrees to grant, a security interest in the whole, or a substantial part, or its business or property;
- any member of Keybridge (other than PR Finance Group Limited and its subsidiaries) resolves to be wound up;
- a liquidator or provisional liquidator is appointed to Keybridge (other than PR Finance Group Limited and its subsidiaries);
- a court makes an order for the winding up of Keybridge (other than PR Finance Group Limited and its subsidiaries);
- an administrator is appointed to any member of Keybridge under section 436A, 436B or 436C of the Corporations Act;
- Keybridge (other than PR Finance Group Limited and its subsidiaries) executes a deed of company arrangement; or
- a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Keybridge (other than PR Finance Group Limited and its subsidiaries).

3. Scope of the Report

3.1 Purpose of the Report

Under Section 640 of the Corporations Act a Target's Statement in response to a takeover offer must include, or be accompanied by, an independent expert's report if either the bidder's associates' voting power in the target is 30% or more, or the bidder and target have one or more common directors. The independent expert's report is required for the purpose of providing Shareholders with an objective and disinterested view as to whether the offer is fair and reasonable and to provide them with sufficient information to make an effective, informed decision as to whether to accept or reject the Offer.

Oceania has one director in common with Keybridge, being Mr Robert Moran. An independent expert's report is therefore required under Section 640.

This report is to be included in the Target's Statement to be sent to Shareholders and has been prepared for the exclusive purpose of assisting Shareholders in their consideration of the Offer. Shareholders should read the full Target's Statement once issued by Keybridge in relation to the Offer.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Shareholders.

Whether or not to accept the Oceania Offer is a matter for individual Shareholders based on their views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position.

Accordingly, before acting in relation to their investment, Shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders who are in doubt as to the action they should take in relation to the Offer should consult their own professional adviser.

3.2 Basis of Evaluation

There is no legal definition for the expression 'fair and reasonable'. The ASIC has issued Regulatory Guide 111 which establishes guidelines in respect of independent expert's reports. ASIC Regulatory Guide 111 differentiates between the analysis required for control transactions and other transactions. In the context of control transactions, whether by takeover bid, by scheme of arrangement, by the issue of securities or by selective capital reduction or buyback, the expert is required to distinguish between 'fair' and 'reasonable'.

Fairness involves a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. For this comparison, value is determined assuming 100% ownership of the target and a knowledgeable and willing but not anxious buyer, and a knowledgeable and willing but not anxious seller, acting at arm's length.

Reasonableness involves an analysis of other factors that shareholders might consider prior to accepting an offer such as:

- the offeror's existing shareholding;
- other significant shareholdings;
- the probability of an alternative offer; and
- the liquidity of the market for the target company's shares.

An offer could be considered 'reasonable' if there were valid reasons to accept the offer notwithstanding that it was not 'fair'.

Fairness is a more demanding criteria. A 'fair' offer will always be 'reasonable' but a 'reasonable' offer will not necessarily be 'fair'. A fair offer is one that reflects the full market value of a company's businesses and assets. An offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if shareholders are otherwise unlikely in the foreseeable future to realise an amount for their shares in excess of the offer price.

This is commonly the case where the bidder already controls the target company. In that situation the minority shareholders have little prospect of receiving full value from a third party offeror unless the controlling shareholder is prepared to sell its controlling shareholding.

Pitcher Partners Corporate has determined whether the Oceania Offer is fair by comparing the estimated value range of Keybridge shares with the offer price. The Oceania Offer will be fair if it falls within the estimated value range. In considering whether the Oceania Offer is reasonable, the factors other than fairness that have been considered include:

- the existing shareholding structure of Keybridge;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of Keybridge shares in the absence of the Oceania Offer; and
- other advantages and disadvantages for Keybridge shareholders of accepting the Oceania Offer.

3.3 Limitations and Reliance on Information

The opinion of Pitcher Partners Corporate is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

Our procedures and enquiries do not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board.

The information provided to Pitcher Partners Corporate included discounted cash flows prepared for the infrastructure and property asset investments. These discounted cash flow calculations contain forecasts relating to these assets over the expected life being to 2038 for the infrastructure assets and to 2032 for the property assets. Keybridge is responsible for the forecasts contained in these calculations (the forward looking information). Pitcher Partners has considered and, to the extent deemed appropriate, relied on the forward looking information for the purposes of its analysis. Pitcher Partners has not investigated this financial information in terms of the reasonableness of the underlying assumptions, accuracy of compilation or application of assumptions. It should be noted that the forward looking information and the underlying assumptions have not been reviewed (nor is there a statutory or regulatory requirement for such a review) by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions.

Subject to these limitations, Pitcher Partners Corporate considers that, based on the inquiries it has undertaken and only for the purposes of its analysis for this report (which do not constitute, and are not as extensive as, an audit or accountant's examination), there are reasonable grounds to believe that the forward looking information has been prepared on a reasonable basis. In forming this view, Pitcher Partners Corporate has taken the following factors into account that:

- KPMG, Keybridge's auditor, have relied upon this forward looking information in order to determine the fair value of the assets as part of their audit procedures at 30 June 2013.
- Forecasting cash flows for these assets for internal management purposes is a regular part of the Keybridge management reporting process.

Pitcher Partners Corporate has no reason to believe that the forward looking information reflects any material bias, either positive or negative. However, the achievability of the forecast is not warranted or guaranteed by Pitcher Partners Corporate. Future profits and cash flows are inherently uncertain. They are predictions by management of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of the company or its management. Actual results may be significantly more or less favourable.

4. Profile of Keybridge

4.1 Background and Operations

Keybridge was established in October 2006 as a listed investment company specialising in long term alternative investment assets focused on the infrastructure, private equity, property, aviation and shipping sectors.

Keybridge's participation in these assets comprised senior loans (ranking in priority ahead of other creditors and equity), junior or mezzanine loans and equity. The significant majority of the investments were mezzanine loans, or preference equity, ranking ahead of equity, but behind senior debt specific to the asset. In most transactions, Keybridge lent to single purpose entities established to own the physical assets (eg. aircraft, ships, property projects or renewable electricity facilities). These entities also borrowed limited recourse asset-specific debt, and derived income through the lease or use of the assets by third party operators (e.g. shipping companies, airlines etc.).

During the 2009 financial year, Keybridge's investment and loan portfolio was severely impacted by the effects of the global financial crisis and the Company's senior lenders forced Keybridge into a prolonged period of asset realisation in order to repay its corporate debt.

In February 2013 Mr Nicholas Bolton was appointed Chief Executive Officer (CEO). Since his appointment Mr Bolton has overseen the continued realisation of assets as well as Keybridge's investment in PR Finance Group Ltd (PRFG) and subsequent sale of its motor finance division. The asset realisation saw corporate debt repaid in full on 1 May 2013.

Summarised below are its current investments:

	Nature of investment	Book value 30 Jun 13 \$'000	Book value 30 Nov 13 \$'000
Lending:			
PRFG	Secured loan	11,680	1,150
Carbon Polymers Ltd	Secured loan	-	300
Infrastructure:			
Totana Solar Park, Spain	Loan & equity	8,120	6,840
Private equity:			
Republic Private Equity	Secured loan	4,870	5,280
Aviation:			
PTB Group Ltd	Equity	2,700	2,160
Property:			
Ashe Morgan Winthrop Warehouse Trust No 1	Secured loan	2,440	2,190
P & J Projects Pty Ltd	Secured and unsecured loans	-	-
Shipping:			
Oceanic Shipping Company 8Ltd	Secured loans	-	160
Funds Management:			
Listed ASX Company	Equity	-	360
Total Investments		29,810	*18,440
Cash		12,551	20,514
Total Cash and Investments		42,361	38,954

Source: Audited Financial Statements and Unaudited Management Accounts

*The variance to the unaudited management accounts is due to rounding.

PRFG

In June 2007 Keybridge provided a \$15 million interest only mezzanine loan to PRFG to assist in financing its portfolio of automobile loans to non-conforming borrowers. In January 2013 the loan went into default and interest payments ceased. On 28 June 2013, to support its interests, Keybridge acquired 100% of the shares in PRFG for \$1.5 million cash plus 2.5 million Keybridge shares. On 18 September 2013 the motor vehicle division was sold to enable it to repay the third party senior debt in full plus \$10.4 million of Keybridge's mezzanine loan. Keybridge continues to hold a \$5.7 million secured loan to PRFG.

PRFG's remaining asset is its ownership of Australian Money Exchange Pty Ltd (Australian Money Exchange), a money lender of personal small loans to short term borrowers. This company was placed into administration on 21 October 2013 after the ASIC placed significant limitations on its trading. It has continued to have limited trading to date in accordance with ASIC requirements. Keybridge is currently considering offers for sale of the business, which the Administrator estimates will generate a Keybridge loan repayment in the range of \$3.7 million to \$4.5 million after realisation of other assets and payment of liabilities and costs.

Carbon Polymers Ltd (CBP)

In September 2013, Keybridge loaned \$300,000 to CBP for up to 90 days at 15% per month. Security is a first ranking fixed and floating charge over all company assets. Subsequently the company was delisted on the ASX and the loan has not been repaid. On 10 December 2013, this company advised that it had entered into an agreement to sell its recycling assets. Management anticipates that this loan will be repaid in full by early 2014.

Totana Solar Park, Spain

In March 2008, Keybridge invested EUR9.6 million for the development, construction and ownership of a 1.05MW solar photovoltaic electricity facility in southern Spain. Previously this plant had some production issues that have now all been rectified under warranty. It is now functioning in accordance with the original contract. Management advised that they believe plant performance will not be a significant risk over the contract period, particularly as the cost of photovoltaic cells is continuing to reduce.

The original agreement with the Spanish government provided for a fixed feed-in tariff per kWh with partial CPI based increases. The agreed tariff was significantly above market rates. In December 2010 the Spanish government placed a cap on the volumes able to receive the feed-in tariff until 31 December 2013. From 1 January 2014 the cap increases with a further increase to occur on 1 January 2015.

At this time there are significant uncertainties involving solar parks with rumours that the Spanish government may levy more taxes on solar plants and change of laws regarding feed in tariffs.

On 12 July 2013, the Spanish Government indicated plans to also introduce as law a profitability cap on solar farms on profits exceeding 3% per annum above the ten year Spanish Government Bond rate.

Republic Private Equity (RPE)

Until recently, Keybridge had an investment in a closed end private equity fund in the United States known as Republic Private Equity 1 Limited Partnership.

In May 2013 it sold this asset for US\$4.3 million to RPE 1 Investor LLC (RPE) a Colorado USA limited liability company, in return for a limited recourse loan (loan limited to the asset sold) with interest payable to Keybridge at 14.5% per annum and a maturity date of 31 December 2017. The loan was supported by security over equity with a fair value of US\$24.2 million at 30 September 2013.

PTB Group Ltd

Keybridge's aviation investment is an 18.5% holding in ASX listed PTB Group Limited, which is a turbo prop aircraft parts and services supply organisation with operations in Queensland and New South Wales.

Ashe Morgan Winthrop Warehouse Trust No 1 (AMW)

This investment is a loan to a fund which invests in first ranking mortgage loans over commercial properties. Keybridge is the sole lender to the portfolio that currently has three loans remaining, two of which relate to a Manly, NSW property. The two loans are under active management with a receiver appointed on June 2009. The value of the loans is limited to the expected realisation value of the property. The property is a first floor conference facility and a caretaker's residence in Manly.

The fund manager has commenced a claim against the valuer who provided the initial valuation for the Manly funding. The fund manager expects that claim to be defended and accordingly, at this time, the likelihood of any recovery under this claim is unknown.

P & J Projects Pty Ltd (P&J)

In 2007 and 2008, Keybridge invested \$5.95 million in mezzanine loans for a residential and retail development located in Zetland, an inner Sydney suburb. The project involved the progressive development of four lots. The loan is subordinated to other secured lenders and is currently in default. The current value of the loan is limited to the estimated proceeds from the sale of unsold residential and retail properties.

No financial statements for the development have been provided, however, based on Keybridge managements' advice we have summarised the assets and liabilities of the development are as follows:

Estimated net loan recovery	\$'000
Assets:	
Unsold properties and development site	27,600
Total Assets	27,600
Liabilities:	
Bank loans	20,700
Creditor and builders claim	3,000
Total Liabilities	23,700
Estimated funds available to Keybridge	3,900

Source: Management

No recent real estate valuations have been prepared. The land value has been based on Keybridge management's advice that conditional and or verbal offers of \$19 million have been received. They further advised that comparable sales in the areas have recently completed around the \$22 million level.

It has been assumed that the trade creditors would need to be paid in order to facilitate a sale to a purchaser who would want to continue the development.

Realisation of the total investment is expected within 12 months.

Shipping

Keybridge has four junior non-recourse loans for financing of ships. Independent valuations indicate that the market value of these ships is less than the current senior debt balances. Keybridge recently provided loans to fund working capital associated with these assets and to prevent foreclosure on these assets. Management advised these loans rank in front of other secured loans.

Listed ASX Company

In August 2013, Keybridge acquired an interest of approximately 5% in a listed ASX company. For confidentiality purposes, the name of this entity has been withheld.

4.2 Board and Key Management

The board of directors and key management of Keybridge are as follows:

- Peter Wood (Chairman) – appointed independent non-executive director of the Company in October 2010 and became Chairman in April 2012.
Mr Wood has extensive experience in aircraft leasing and general aviation. Previously Mr Wood was Executive Vice President and a Board member of Ansett Worldwide Aviation Services.
- Nicholas Bolton (Executive Director and CEO) – appointed non-executive director of the Company in December 2011, resigned in October 2012, reappointed in January 2013 and appointed Executive Director and CEO in February 2013.
Mr Bolton has managed operational investments in the IT sector, invested in a number of ASX-listed entities, as well as a number of risk arbitrage transactions focused on share class arbitrage, relative value and sum of parts analysis.
- Bill Brown (Non-Executive Director) – appointed independent non-executive director in October 2012.
Mr Brown has over 30 years of experience as a commercial lawyer and senior executive in both private practice and in-house legal and management roles.
- Mr Robert Moran (Non-Executive Director) – appointed independent non-executive director in January 2013.
Mr Moran is also the Managing Director of Oceania, a substantial shareholder in the Company. Mr Moran is experienced in investment banking activities, including financings, capital raisings, structured finance, mergers and acquisitions and has practiced corporate and commercial law at a senior level.
- Mr Adrian Martin (Chief Financial Officer (CFO)) – has been the Financial Controller since 2007 and the CFO of the Company since 2010.
Prior to joining Keybridge, Mr Martin held the roles of Senior Finance Manager at Allco Finance Group and also worked in the United Kingdom in various senior commercial roles.

4.3 Capital Structure and Ownership

Keybridge had 180,545,564 ordinary shares on issues as at 30 November 2013. We note however that included in this total are employee share scheme (ESS) shares totalling 5,975,000. In respect of the ESS shares, these relate to unquoted ordinary shares under a director and employee share scheme. Management have advised that all shares under this scheme have been surrendered to the trustee of the share scheme, however they have not been cancelled. Given the above, the actual number of available shares is 174,570,564.

Keybridge's top 20 shareholders at 30 June 2013 and 30 November 2013 were:

Top 20 Common Stock Equivalent Holders

Holder	Shares held 30 Jun 13	%	Shares held 30 Nov 13	%
Oceania Capital Partners Limited	34,396,358	20.0	39,817,393	22.8
Australian Style Group Pty Ltd	33,853,398	19.7	35,478,604	20.3
Samuel Terry Asset Management Pty Ltd	8,003,961	4.7	9,000,000	5.2
Whitechurch Developments Pty Ltd	8,152,072	4.7	4,661,668	2.7
Cherryoak Investments Pty Ltd	2,000,000	1.2	4,000,000	2.3
Armada Trading Pty Ltd	3,652,194	2.1	3,652,194	2.1
Burgess, Nigel	450,000	0.3	2,748,297	1.6
Burroughs, Patrick Martin	2,000,000	1.2	2,000,000	1.1
Mews, Richard Ewan	2,770,581	1.6	1,470,581	0.8
United Funds Management Ltd	1,363,998	0.8	1,217,872	0.7
Denald Nominees Pty Ltd	1,200,000	0.7	1,200,000	0.7
Rowley, Stephen Norman Douglas	0	0	1,102,726	0.6
Lee, Yun Lien	1,000,414	0.6	1,000,414	0.6
Depofo Pty Ltd	1,000,000	0.6	1,000,000	0.6
Lewis, Philip H	1,000,000	0.6	1,000,000	0.6
Lornette Pty Ltd	1,400,000	0.8	1,000,000	0.6
Appwam Pty Ltd	1,000,000	0.6	1,000,000	0.6
Mackenzie, Gwenneth Edna	681,000	0.4	831,000	0.5
Mackenzie, Donald Gordon	681,000	0.4	831,000	0.5
St Andrews College Foundation Ltd	602,750	0.4	602,750	0.3
Total Top 20	105,207,726	61.4	113,614,499	65.2
Total	172,070,560	100.0	174,570,564	100.0

Source: Capital IQ

The movement in the number of shares on issue between the two dates relates to shares issued as part consideration for an acquisition.

The top 20 shareholders as at 30 June 2013 and 30 November 2013 represent 61% and 65% of total shares respectively. The top two shareholders hold approximately 40% at both dates. Both entities are represented on the board of Keybridge. This indicates that the stock is closely held by key decision makers of the business.

4.4 Share Price Performance

A summary of the share price trading history of Keybridge since 1 July 2010 is set out below:

Share Price History

Year ended	Share Price (\$)*			Average Daily Volume
	High	Low	Close	
30 June 2011	0.105	0.074	0.075	307,884
30 June 2012	0.130	0.064	0.125	400,681
30 June 2013	0.175	0.125	0.140	297,267
30 November 2013	0.165	0.115	0.165	248,591
Quarter ended				
30-Sep-12	0.165	0.125	0.155	184,635
31-Dec-12	0.175	0.145	0.150	515,060
31-Mar-13	0.175	0.150	0.160	265,999
30-Jun-13	0.170	0.140	0.140	211,038
30-Sep-13	0.155	0.115	0.150	149,540
Month ended				
31-Aug-13	0.140	0.115	0.130	89,329
30-Sep-13	0.155	0.125	0.150	289,902
31-Oct-13	0.150	0.135	0.135	179,713
30-Nov-13	0.165	0.130	0.165	598,984

Source: Capital IQ

* We note that these share prices represent closing prices only and not intra-day prices

The graph below illustrates Keybridge’s closing price and the volume of shares traded each day over the period from 30 November 2011 to 30 November 2013 inclusive.



Source: Capital IQ

Keybridge’s share price increased significantly from \$0.085 to \$0.17 between the six month period from March 2012 to September 2012 as the Company successfully divested investments and reduced its corporate debt levels. The share price was driven up as significant volumes were traded during June 2012.

During the subsequent six months to March 2013 the share price fluctuated between \$0.15 and \$0.17.

Following the announcement of the scheme of arrangement to acquire PRFG in May 2013 the share price entered a period of decline which ended in August 2013 with the announcement of the successful disposal of PRFG's motor vehicle division which resulted in a return to both secured lenders and Keybridge.

The key announcements that may have impacted on the share price over the past two years were as follows:

- Keybridge disclosed in its March 2012 quarterly update that it had continued to successfully realise investments and repay its debts and that its corporate debt facility was extended for 12 months to 30 June 2013.
- Keybridge disclosed in its June 2012 quarterly update that it had continued to successfully realise investments and repay its debts.
- Keybridge announced in August 2012 that \$2.0 million was realised from selling down an existing loan transaction and that the Company was expected to receive an estimated US\$ 5.7 million as an interim distribution from its participation in a US private equity fund.
- In November 2012 Keybridge announced the resignation of its managing director, Mr Worrall. Mr Worrall was expected to leave the Company at the end of February 2013.
- In February 2013 Keybridge announced that its finance partner, GMT Global Republic Aviation Limited (GMT) signed a non-binding letter of intent with a leasing company subsidiary of a major financial institution to sell three A330-300 aircraft.
- In April 2013 Keybridge announced that it had executed a Scheme Implementation Agreement in relation to a Scheme of Arrangement to acquire 100% of the issued capital in PR Finance Group Limited (PRFG). The terms of the agreement were a cash payment of \$1.5 million, and up to 2.5 million of Keybridge shares. The scheme was conditional and required approval by PRFG's senior lender and the majority of its shareholders as well as ratification by ASIC.
- In May 2013 Keybridge also announced that it had completed the sale of its three remaining aircraft for \$29.7 million and intended to use the proceeds to fully repay its corporate debt facility.
- In May 2013 Keybridge also announced the acquisition of the remaining interest in the PRFG mezzanine loan for \$1.72 million. The purchase was at a 15% discount relative to 31 December 2012 book value.
- Furthermore in May 2013 Keybridge disclosed the Scheme Booklet in regards to the acquisition of 100% of the shares in PRFG. The independent expert concluded that the Scheme was not fair but reasonable and was in the best interests of PRFG shareholders.
- In July 2013 Keybridge advised that PRFG entered into a conditional agreement to sell its Motor Vehicle Division (MVD). The initial consideration for the MVD was between \$48.5 million to \$49.5 million, with the prospect of an estimated \$1.5 million earn-out over two years.
- In July 2013 Keybridge also disclosed a Supplementary Scheme Booklet in regards to the acquisition of 100% of the shares in PRFG to meet court requirements. The independent expert concluded that the Scheme was fair and reasonable and in the best interests of PRFG shareholders. The change in the opinion of the independent expert was due to the increase in the impairment of the asset loans.
- Furthermore, in July 2013 Keybridge announced that it expected the full year accounts to include a \$6.9 million impairment provision against its remaining property investments.
- In August 2013 the shareholders of PRFG approved the Scheme of Arrangement with Keybridge on the terms discussed above.
- In September 2013 Keybridge announced the sale of MVD, whereby the Company received \$10.5 million in cash as partial repayment of its mezzanine loan. The expected payment was \$11.7 million however there were additional fees payable to the senior lender.
- In October 2013 ASIC issued a letter to AMX Money (AMX) expressing concerns that AMX may be breaching the National Consumer Credit Laws and should immediately cease activity that may contravene these laws. AMX was a wholly-owned subsidiary of PRFG, an entity acquired by Keybridge pursuant to the Scheme of Arrangement.
- In November 2013 Keybridge announced an equity buyback for a maximum of 17,457,056 shares, representing 10% of its issued share capital. The buyback was undertaken to improve the Company's capital efficiency. The time period for the buyback is 12 months from 21 November 2013. No price for the buyback was announced.
- On 28 November 2013 Oceania made an offer for the shares in Keybridge.

4.5 Financial Performance

Summarised below is the historical income statement for the three years ended 30 June 2013 and for the five months to 30 November 2013.

	June 2011 \$'000	June 2012 \$'000	June 2013 \$'000	YTD Nov 2013 \$'000
Fees Income	966	280	111	1,956
Interest Income	6,010	10,219	3,740	988
Unrealised Gain/(Loss) on Investment	466	2,156	536	(430)
Franked Dividend Received	-	-	297	-
Other Income	3,894	918	1,295	27
Total Revenue	11,336	13,573	5,979	2,531
Expenses:				
Net impairment expenses	16,071	11,446	12,138	1,367
Loss/(Gain) on Foreign Currency Assets	36,729	(5,097)	(1,157)	-
Net Changes in Fair Value of Cash Flow Hedges	1,692	-	-	-
Unrealised Foreign Exchange Loss/(Gain) on Foreign Currency Borrowings	(22,866)	4,860	(808)	(453)
Administrative expenses	4,543	2,806	2,643	5,287
Interest Expense	11,144	2,770	1,313	4
Income Tax Expense/(Benefit)	(1,934)	-	(4,357)	-
Total Expenses	45,379	16,785	9,772	6,205
Net Loss After Tax	(34,043)	(3,212)	(3,793)	(3,664)

Source: Audited Financial Statements and Unaudited Management Accounts

The business has generated losses throughout the above period. In the earlier years the losses related primarily to losses on foreign currency assets coupled with impairment of assets. The impairment losses relate primarily to shipping, aviation and property which suffered significantly during the global financial crisis (GFC). These assets continued to be impaired over subsequent years. As the Company realised its investments and paid down debt at the corporate level, this resulted in a significant reduction in the interest expense.

4.6 Financial Position

Summarised below is the balance sheet as at 30 June 2011, 2012, 2013 and 30 November 2013.

	June 2011 \$'000	June 2012 \$'000	June 2013 \$'000	Nov 2013 \$'000
Financial Position				
Assets:				
Cash	5,040	2,522	12,551	20,514
Investments	144,896	81,394	29,812	*18,443
Receivables	334	1,081	93	150
Plant and Equipment	259	131	29	4
Total Assets	150,529	85,128	42,485	39,111
Liabilities:				
Trade and Other Payables	1,373	479	443	211
Interest Bearing Liabilities	99,709	38,813	-	-
Total Liabilities	101,082	39,292	443	211
Net Assets	49,447	45,836	42,042	38,900
Equity:				
Share Capital	260,651	260,651	260,651	261,151
Reserves	1,557	-	-	-
Retained Profits	(212,761)	(214,816)	(218,609)	(222,251)
Total Equity	49,447	45,835	42,042	38,900

Source: Audited Financial Statements and Unaudited Management Accounts * The 30 November 2013 balance sheet does not take into account any asset revaluations since 30 June 2013.

The balance sheet of Keybridge shows a steadily reducing value in the Company's investment portfolio, declining from \$145 million in 2010 to \$18 million in 2013, reflecting the sale of assets in order to meet corporate debt reduction which was repaid in full by May 2013. This also resulted in the accumulation of more than \$20 million in cash at 30 November 2013.

5. Valuation Methodology

5.1 Valuation Approach

Regulatory Guide 111 states that it is generally appropriate for an expert to consider using the following methodologies:

- the capitalisation of future maintainable earnings;
- the discounted cash flow method (DCF);
- the amount that would be available for distribution to security holders on an orderly realisation of assets;
- the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale; and
- any recent genuine offers received by the company for any business units or assets as a basis for valuation of those business units or assets.

Capitalisation of Future Maintainable Earnings

The capitalisation of future maintainable earnings methodology involves capitalising the estimated future maintainable earnings at a multiple which reflects the risk and opportunities of the business and the stream of income it generates.

In utilising this methodology, it is necessary to determine the appropriate income stream to value, such as:

- Operating Profit After Income Tax (PAT);
- Operating Profit Before Income Tax (EBT);
- EBIT; or
- EBITDA.

The selection of multiple is undertaken by reviewing either listed guideline company data or mergers and acquisition data.

In using the mergers and acquisition data, a review is undertaken of recent transactions of comparable businesses from which the implied earnings multiples are calculated. Multiples are then selected and applied to the subject entity to arrive at an indication of value. The multiples derived are based on an analysis of recent trades of entire companies and therefore reflect value for 100% of the business. However the data often available to determine the implied multiples is less transparent and often forecast data is not available. Furthermore, the price paid for an acquisition normally reflects the fact that there were synergies available to the acquirer. If the target's earnings were adjusted for these synergies, the effective multiple would be lower than that calculated using the actual earnings.

In using guideline company data, a portfolio of public companies is selected based on comparability of the subject company from which valuation multiples and other analytics are calculated. Multiples are then selected and applied to the subject entity to arrive at an indication of value. The multiples derived for guideline companies are based on share prices reflective of the trades of small parcels of shares. As such, they generally reflect multiples reflective of the prices at which portfolio interests change hands. That is to say, there is no premium for control incorporated within such pricing. The multiples may also be impacted by the level of liquidity in the particular stock.

Discounted Cash Flow

The discounted cash flow methodology has regard to the expected future economic benefits discounted to present value. This is considered appropriate where a forecast of future cash flows can be made with a reasonable degree of certainty. This approach is particularly relevant to the valuation of a business in its early growth stage but is equally applicable to any business with expectations of significant growth or with volatility in cash flows.

In undertaking the discounted cash flow methodology regard is generally had to:

- the projected future cash flows;
- an appropriate discount rate; and
- the perpetuity or terminal value, if any.

Asset Based Approach

The asset based approach determines the value of the business having regard to the market value of the underlying assets and liabilities thereof. This approach includes the following methodologies:

- going concern method;
- orderly realisation method; and
- liquidation method.

Under a going concern method, the value is derived by assessing the market value of every asset and liability on a going concern basis. This may include a premium to reflect the value of intangible assets not recorded on the balance sheet, if appropriate, to reflect market position, profitability and overall attractiveness of business. A net asset or cost based methodology is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (eg. real estate holding companies).

The orderly realisation method has regard to the amount that would be distributed to shareholders on the assumption that the entity would be liquidated with the funds realised from the sale of its assets, after payment of all liabilities including realisation costs and taxes, being distributed to shareholders.

The liquidation method is based on the same principles except that in the orderly realisation method, the assets are realised in an orderly manner, whereas, the liquidation method assumes that the assets are sold within a shorter time frame.

Quoted Price

This approach looks at the value of the company having regard to the trades in the subject entity's own equity. There is no premium for control incorporated within such pricing and the pricing may also be impacted by the level of liquidity in the particular stock.

Recent Genuine Offers

Any recent genuine offers received by the company for any business units or assets may be used as a basis for valuation of those business units or assets or for assessing implied multiples which may be utilised when undertaking the capitalisation of future maintainable earnings approach.

5.2 Selection of Approach & Methodology

In valuing Keybridge, we have considered that, as it is an investment entity, the appropriate approach to adopt is an asset based approach on a going concern basis, taking into account the sum of the individual investments.

6. Assessment of Fairness

6.1 Approach

To assess whether the Offer is fair we have undertaken the following:

- Determined the value of a share in Keybridge; and
- Compared the value derived for each share to the cash Offer made by Oceania.

Under RG111 the Offer will be considered fair to Shareholders if the Offer is equal to or greater than the value of each Keybridge share.

6.2 Value of Keybridge

Our assessment of the value of each investment is detailed below and reflects, in most cases, the expected value as at 31 December 2013. In utilising the investment analysis papers prepared by management we have had regard to the fact the 30 June 2013 papers have been provided to Keybridge's auditors, KPMG, and form the support for the asset carrying value in the audited financial statements.

We have accepted that the values of all other assets and liabilities are correctly stated as at 30 November 2013

Furthermore, we note that at 30 June 2013 the Company had a deferred tax benefit of \$49.7 million related to carried forward tax losses plus \$10.728 million related to deductible temporary differences. These were not recognised as assets at that date because it was then currently not probable that future taxation profits will be available against which Keybridge could utilise the benefits of these tax losses and deductible temporary differences. We are not aware of any significant changes in this situation since 30 June 2013 and accordingly have not included any value for these potential tax benefits. On the other hand, the existence of the tax losses means that any revaluation of assets above book values does not require a provision for any tax payable.

Management advised that at 30 June 2013, the Company had accumulated franking credits of \$8.15 million. No value has been attributed to these credits because the benefit (if any) to Shareholders can vary with their individual circumstances.

Detailed below is our assessment of the value of each investment.

PRFG

The value of this loan relates to the estimated realisable value of the Australian Money Exchange business which is currently under external administration and in the process of being sold. Our review of correspondence with the Administrator dated during December 2013 together with discussions with management of Keybridge indicates the estimated recovery for Keybridge to be between \$3.7 million to \$4.5 million. We note that there is no certainty as to the value at which some of the assets will be realised, nor the associated costs. Having regard to the forgoing we have adopted a range of \$3 million to \$4.5 million.

CBP

This is a short term loan advanced in September 2013 which is currently in default. We have sighted the signed Security Deed for the \$300,000 loan, which appears to provide a first ranking fixed and floating charge over all company assets. We note that following its delisting, CBP advised the ASX on 10 December 2013, that it had entered into an agreement to sell its recycling assets. Management expect that following the sale this loan will be repaid in full, which would see the funds, including accrued interest to be repaid. Management have advised that \$45,000 of accrued interest has been received in December 2013. Based on this advice we have valued this investment at \$345,000 as the interest received is not included within cash at 30 November 2013.

Totana Solar Park, Spain

Keybridge is entitled to receive all cash flows in relation to this investment. Accordingly its current market value has been assessed by management using a discounted cash flow methodology.

The key assumptions in that analysis were:

- The facility will continue to operate until the end of the agreement with the Spanish government in December 2038 when it will have zero residual value.
- There will be a solar panel degradation and replacement of 1% per annum.
- Other expenses will increase by 2% per year.
- Revenue is based on the agreed tariffs and the production caps imposed by the Spanish Government.
- Revenue is subject to a maximum allowable earnings being the Spanish 10 year bond rate (currently 4.83%) plus a 3% margin.
- There is no Spanish income tax payable.
- The discount rate is 15% and incorporates an interest rate of 12% on the original loan plus a higher rate for the equity component.
- The valuation is reduced by a further 10% to provide for the risk of further changes in Spanish laws affecting the investment.
- There is currently cash at bank of EUR100,000.

The calculations indicate a present value of EUR4.9 million. We have considered the above assumptions and reviewed the discounted cash flow calculations. Nothing has come to our attention to suggest that they are unreasonable.

Based on the above we have assessed the current market value of this investment as in the order of EUR4.9 million or \$A7.5 million (at an exchange rate of \$A1:EURO.66).

RPE

This investment is a limited recourse loan of US\$4,330,052 to RPE at an interest rate of 14.5% per annum repayable on 31 December 2017.

We sighted the RPE financial reports to 30 September 2013 which indicated that the loan was supported by the value of RFC’s investment which had a fair value at that date of US\$24.2 million.

Based on the above and at the current exchange rate of \$US1=\$A0.89, the current value of the loan is assessed as \$A4,865,000.

PTB

Keybridge’s currently owns 6,749,920 shares (an 18.5% holding) in ASX listed PTB. The last sale to 18 December 2013 was at \$0.28 per share, however the shares have been thinly traded as can be seen from the following graph.



The volume weighted average price over the six weeks from 1 November 2013 was \$0.32.

Having regard to the thin trading of these shares, it may be difficult to realise this value in the market in the short term. On the other hand we understand that the investment is intended as a longer term holding.

In October 2012, the Company received an offer of \$0.28 per share for its shareholding, which was rejected.

Having regard to the above we have assessed the value of these shares in the range of \$0.28 to \$0.32 per share or \$1.89 million to \$2.16 million.

AMW

Keybridge is the sole lender to AMW which has a large shortfall in net assets. Accordingly the value of this investment is represented by the present value of expected future cash flows into the fund from its three remaining loans and has been assessed by management using a discounted cash flow methodology.

The key assumptions in that analysis were:

- The Melbourne loan, will continue to pay monthly interest at 5.3% per year on the principal owing of \$1,200,000 which will be repaid when due in May 2032.
- The two Manly loans will recover \$1,680,000 in December 2014 from an expected sale and settlement by December 2014.
- The discount rate is 12.5% which is equal to the original effective interest rate of the Keybridge loan to AMW.
- Current cash on hand is \$329,000.

The calculations indicate a present value of \$2,296,000. We have considered the above assumptions and reviewed the discounted cash flow calculations. Nothing has come to our attention to suggest that they are unreasonable.

There is a contingent asset being a claim against the valuer who provided the initial valuation for the Manly funding. AMW expects the claim to be defended and accordingly at this time the likelihood of any recovery under this claim is unknown. Accordingly, like management, we have not attempted to place any value on this claim.

Based on the above we have assessed the value of this loan as \$2,296,000.

P & J

This investment is a mezzanine loan for a residential and retail property development. The loan is in default and its realisable value is limited to the estimated proceeds of sale of completed residences, retail spaces and the undeveloped Lot 4, less amounts owing to the senior lenders. No decision has been made to force the sale of Lot 4 at this stage, but realisation of the total investment is expected within 12 months.

The information available indicates that based on a sale of all properties as set out in section 4.1 there would be \$3.9 million recoverable. Management have observed recent comparable property transactions that would suggest the value of Lot 4 could be \$22 million. On the other hand no allowance has been made for any additional unrecognised realisation costs.

Based on the information available we have assessed the value of this loan as between \$3.5 million and \$6.5 million.

Shipping

Keybridge has four junior non-recourse loans for financing of ships. Independent valuations indicate that the market value of these ships is less than the current senior debt balances. We have accepted that these loans have no value. While the working capital loan has been drawn to \$500,000 as at 3 December 2013, we have only incorporated \$169,000 loaned to 30 November 2013, as the balance is included in the cash balance at 30 November 2013.

Listed ASX company

Post 30 June 2013, Keybridge acquired an interest of approximately 5% in a listed ASX company.

We have assessed the value of these shares using the three month low and closing share price to attribute a value of between \$230,000 and \$367,000.

6.3 Value per Share

Based on the above, the value per share in the Company is assessed as follows:

Value of Equity	Low Valuation \$'000	High Valuation \$'000
Investments:		
PRFG	3,000	4,500
CBP	345	345
Totana	7,500	7,500
RPE	4,865	4,865
PTB	1,890	2,160
AMW	2,296	2,296
P & J	3,500	6,500
Shipping	169	169
Listed ASX company	230	367
Total Investments	23,795	28,702
Other assets:		
Cash and cash equivalents	20,514	20,514
Other assets	154	154
Total Assets	44,463	49,370
Liabilities:		
Trade & other payables	211	211
Net assets	44,252	49,159
Value per share (174,570,564 shares)	\$0.25	\$0.28

The above range is significantly above the price at which the Company's shares have traded.

During the month prior to the announcement of the Oceania offer on 28 November 2013 the VWAP was \$0.15 with a low and high range of \$0.13 to \$0.17. During the year to that date the VWAP was \$0.15 with a range of \$0.12 to \$0.18. This represents a large discount to the value determined above. We consider that potential reasons for the difference include the following:

- the Company has significant cash on its balance sheet which is not a high yielding or performing asset;
- the Company is presently unable to pay a dividend;
- the Company's poor earnings performance and impairment of investments in recent years may have diminished confidence in management's ability to turn around profitability particularly given the lack of detailed information available to the market on the status of individual assets and their expected realisation; and
- the lack of stockbroker analysis on the Company.

6.4 Assessment of Fairness

As set out above we consider the value per share to be in the range of \$0.25 and \$0.28 which is considerably higher than the Oceania offer per share of \$0.16. It is therefore our opinion that the Offer is **not fair** to Shareholders as at the date of this report.

7. Assessment of Reasonableness

7.1 Approach

In considering whether the Oceania Offer is reasonable, the factors other than fairness that have been considered include:

- the existing shareholding structure of Keybridge;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of Keybridge shares in the absence of the Oceania Offer; and
- other advantages and disadvantages for Keybridge shareholders of accepting the Oceania Offer as detailed below.

7.2 Advantages of the Offer

The advantages to shareholders of the Offer are as follows:

Advantage	Explanation
The Offer is the only Proposal	The Oceania proposal is the only proposal currently on offer to Shareholders. While the Offer is not fair it does provide Shareholders with a liquidity event.
The Offer provides certainty as to value	Keybridge's historical share price has valued the equity at less than the net assets. The Oceania offer is a cash payment to Shareholders and crystallizes their investment at above historical trading levels. While the price of Keybridge's shares has increased as a result of the offer there is inherent uncertainty as to the future share price should the Offer not be successful.
The Offer provides Shareholders with a liquidity event.	Shares in Keybridge have been thinly traded historically. The Offer provides Shareholders with the ability to sell large parcels of shares in a thinly traded company.

7.3 Disadvantages of the Offer

The disadvantages to Shareholders of the Offer are as follows:

Disadvantage	Explanation
The Offer is not fair	As set out in Section 6.4 the offer is not fair. As such Shareholders accepting the offer will not realise the full value of their shares.
Shareholders would not participate in any uplift in the value of the underlying assets	Keybridge's assets comprise \$20 million cash which is yet to be invested. Shareholders accepting the offer would not participate in any uplift in value of the shares generated from the investment of the cash.
Shareholders would not receive franked, tax free earnings on current and future investments held by Keybridge	Keybridge is in a unique position where it has both tax losses and franking credits. Assuming the tax losses are maintained, this may allow fully franked dividends to be paid before the recoupment of the accumulated losses.

Disadvantage	Explanation
The timing of the Offer is such that Keybridge only completed its asset realisation to repay corporate debt within the last 12 months	Over the past two years Keybridge has been completing a realisation of investments to reduce corporate debt. This project was only completed within the last 12 months. With this program completed management has commenced to identify underperforming assets for sale and is looking for investment opportunities with a focus on undervalued listed assets. Shareholders accepting the Offer will therefore not participate in this new strategy. The success of which is of course unknown.
There is a risk that if Oceania becomes a controlling shareholder, opportunity for a future takeover could be greatly reduced.	Should some but not all shareholders accept the Offer this will result in Oceania having a significant holding or controlling interest in Keybridge. Dependant on the size of such holding this may deter future take over or control events and may also further reduce liquidity.

7.4 Other Considerations

While we are not aware of any other proposals to acquire the Company, the Board has suggested that should the Offer not be successful they may look to complete a share buyback to create a liquidity event for shareholders wanting to exit. This proposal is consistent with the Company's capital management announcement to the market on 7 November 2013.

7.5 Assessment of the Reasonableness of the Offer

In our opinion, after consideration of all issues including those set out above, it is our view that, in the absence of any other information, that the Offer is **not reasonable** to the Shareholders as at the date of this report.

Appendix 1: Glossary of Terms

Term	Description
Announcement Date	28 November 2013
\$	Australian Dollars
AFSL	Australian Financial Services Limited
AMW	Ashe Morgan Winthrop Warehouse Trust No 1
AMX	AMX Money
ASIC	Australian Securities and Investments Commission
Australian Money Exchange	Australian Money Exchange Pty Ltd
CBP	Carbon Polymers Ltd
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Corporations Act	Corporations Act 2001
DCF	Discounted Cash Flow
Directors	Independent directors of Keybridge
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EBT	Operating Profit Before Income Tax
ESS	Employee Share Scheme
EUR	EURO Currency
FOSL	Financial Ombudsman Service Limited
FSG	Financial Services Guide
GFC	Global Financial Crisis
GMT	GMT Global Republic Aviation Limited
GST	Goods and Services Tax
Keybridge	Keybridge Capital Limited
MVD	Motor Vehicle Division of PRFG
MW	Megawatt
Oceania	Oceania Capital Partners Limited
Offer	Cash consideration of \$0.16 per share
P&J	P & J Projects Pty Ltd
PAT	Operating Profit After Income Tax
PDS	Product Disclosure Statement
Pitcher Partners Corporate	Pitcher Partners Corporate Pty Ltd
PRFG	PR Finance Group Ltd
RG	ASIC Regulatory Guide
RPE	Republic Private Equity
Shareholders	Shareholders of Keybridge
US\$	United States Dollars
VWAP	Volume Weighted Average Price

Appendix 2: Sources of Information

In preparing this report we have had regard to the following sources of information:

- Annual audited financial statements for the three years ended 30 June 2013.
- December 2013 Board Papers including investment analysis papers on each of the underlying investments together with relevant supporting documents and valuations received on 16 December 2013.
- Bidder's Statement prepared by Oceania Capital.
- Capital IQ.
- ASX Company announcements for Keybridge.
- www.keybridge.com.au

In addition to the above, we had regard to a management interview with Mr Nicholas Bolton and Mr Adrian Martin on Tuesday 17 December 2013 and to other discussions and responses to questions provided throughout the course of this engagement.

Appendix 3: Qualifications, Declarations & Consents

The report has been prepared at the request of the Independent Directors of Keybridge and is to be incorporated in the Target Statement to be given to Shareholders. Accordingly, it has been prepared only for the benefit of the Independent Directors and those persons entitled to receive the Target Statement and should not be used for any other purpose.

The report represents solely the expression by Pitcher Partners Corporate of its opinion as to whether the Offer is fair and reasonable. Pitcher Partners Corporate consents to this report being incorporated in the Target Statement.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Pitcher Partners Corporate has relied upon the information provided by the Independent Directors and Management of Keybridge. Pitcher Partners Corporate does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us other than as required in accordance with RG111.74 to RG111.78. Drafts of our report were issued to the Independent Directors of Keybridge for confirmation of factual accuracy.

Furthermore, recognising that Pitcher Partners Corporate may rely on information provided by Keybridge and its respective officers and/or associates, Keybridge has agreed to make no claim by it or its officers and/or associates against Pitcher Partners Corporate to recover any loss or damage which Keybridge, or its associates may suffer as a result of that reliance and also has agreed to indemnify Pitcher Partners Corporate against any claim arising out of this engagement, except where the claim has arisen as a result of any proven wilful misconduct or negligence by Pitcher Partners Corporate.

Pitcher Partners Corporate is the wholly owned licensed corporate advisory entity of Pitcher Partners, Chartered Accountants. Pitcher Partners is a chartered accounting firm providing a full range of accounting and advisory services.

The Directors of Pitcher Partners Corporate involved in the preparation of this report were Piera Murone and Michael Sonogo. Piera Murone is a representative of Pitcher Partners Corporate. Both directors have many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Neither Pitcher Partners Corporate, Pitcher Partners, nor any partner or executive or employee thereof has any financial interest in the outcome of the Offer. Pitcher Partners Corporate is to receive a fee relating to the preparation of this report of \$40,000 plus GST based on time spent at normal professional rates.