



NORTH STATE FINANCE LIMITED

A.B.N. 18 003 959 126

31st January, 2012

Stenick Silavecky
Manager Structured Finance
The Trust Company Limited
P O Box 361
MELBOURNE
Collins Street West VIC 8007

Dear Stenick,

RE: TRUST DEED FOR DEBENTURE STOCK AND UNSECURED NOTES

The Directors pursuant to Clause 8.05 of North State Finance Limited (hereinafter called "the Company") hereby certify that as at 31 December, 2011:-

- (i) The Debenture Stock on issue was \$16,742,418.
- (ii) The Security Stock on issue was \$4,000,000.00
- (iii) Actual Security Monies – \$Nil
- (iv) The Unsecured Notes on issue were \$21,771,987.
- (v) All principal and interest which became due and payable on or prior to that date has been duly paid in respect of all interest and in respect of all encumbrances however ranking.

Pursuant to Clause 8.06 of the above Deed, the Directors of the Company hereby certify that during the three months to 31 December, 2011-

- (i) The Company has not exceeded the limitations on the amount that may be borrowed.
- (ii) The Company has observed and performed all covenants and provisions binding upon it by or pursuant to the Deed and Interest.
- (iii) No event has happened which has caused or could cause the Deed to become enforceable or the Interests repayable.
- (iv) There were no circumstances which materially affect any security or charge including in or created by the Deed.
There has been no substantial change in the nature of the business of the Company since the Interests were first issued.

-2-

**General Financiers, Investments & Deposit Facilities
Mortgage & Finance Brokers, General Insurance & Green Slips
a Division of Westlawn Finance Limited**

Registered Office - HO: A.C.L. 387498
46 Park Avenue (PO Box 270)
COFFS HARBOUR NSW 2450
TEL (02) 66487500 FAX (02) 66514079
FREECALL 1800 069 950
e.mail: nsfcoffs@nsf.com.au

Lismore Office:
Lismore Professional Centre
103-105 Molesworth Street (PO Box 1036)
LISMORE NSW 2480
TEL (02) 66222030 . FAX (02) 66220600
e.mail nsflismore@nsf.com.au

- (v) No material trading or capital loss has been sustained by the Company.
- (vi) The Company has not incurred any contingent liabilities.
- (vii) There has been no change in any accounting method or method of valuation of assets and liabilities and no circumstances have arisen which render adherence to the existing method of valuation of assets and liabilities misleading or inappropriate.
- (viii) The current assets of the Company appear in the relevant books at values which in the opinion of the Directors are realisable in the ordinary course of business.
- (ix) The Directors are not aware of any material change in the laws of any place which may affect the enforceability of guarantees and charges given to or in favour of the Trustee.
- (x) The value of the total tangible assets of the Company in New South Wales (there being no assets in other States or Territories) was \$47,515,103.
- (xi) The value of the Interest subscribed for in New South Wales (there being no subscriptions in other States or Territories) was \$42,514,405.

RG69 Ongoing Disclosure

Pursuant to ASIC RG69, the Directors hereby certify that as at 31 December, 2011:-

The Company's then performance against the Benchmarks prescribed by ASIC RG69 were set out at pages 5 to 13 of the Company's Prospectus No. 21. The Prospectus is dated 23.11.2011 and was lodged with ASIC on that date.

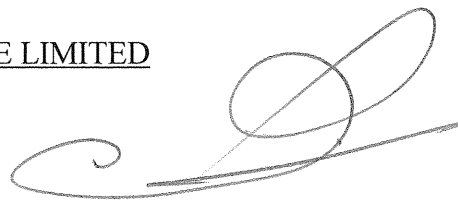
At the present date, there has been no material change to the Company's performance against the Benchmarks.

Yours faithfully

NORTH STATE FINANCE LIMITED



 DIRECTOR



 DIRECTOR



 DIRECTOR

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