

WESTOZ INVESTMENT COMPANY LIMITED

ACN 113 332 942

PROSPECTUS

For a free bonus issue of one (1) Option, exercisable at \$1.00 on or before 30 June 2012, for every four (4) Shares (**Bonus Options**) held by Shareholders as at 5:00pm (WST) on 14 August 2009.

The Bonus Options are being offered free to Shareholders.

SHAREHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RELATION TO THE ISSUE OF BONUS OPTIONS PURSUANT TO THIS PROSPECTUS

THE PORTFOLIO OF WESTOZ INVESTMENT COMPANY LIMITED IS MANAGED BY

**WESTOZ FUNDS MANAGEMENT PTY LTD
AFS LICENCE NUMBER 285607**

IMPORTANT NOTICE

This Prospectus is dated 14 August 2009 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of this Prospectus is at 5.00pm (WST) on that date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No securities may be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to the ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Bonus Options the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Offers under this Prospectus will be made pursuant to an arrangement between the Company and Euroz Securities Limited (ACN 089 314 983) (AFSL 243302) (**Issue Manager**) pursuant to Section 911A(2)(b) of the Corporations Act. The Company will only authorise the Issue Manager to make offers to people and arrange for the issue of Bonus Options by the Company under the Prospectus and the Company will only issue Bonus Options in accordance with such offers if they are accepted.

The Issue Manager's function should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any applicant. The Issue Manager does not guarantee the success or performance of the Company or the returns (if any) to be received by investors. The Issue Manager is not responsible for nor caused the issue of this Prospectus. The Company reserves the right to enter into similar agreements to those with the Issue Manager with other Australian financial services licensees.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Bonus Options the subject of this Prospectus should be considered speculative.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.westozfunds.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, Shareholders Entitlements may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

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INDICATIVE TIMETABLE

Lodgement of Prospectus with the ASIC	14 August 2009
Record Date for determining Entitlements to Bonus Options	14 August 2009
Prospectus and holding statements despatched	24 August 2009
Expected Date for listing on ASX	31 August 2009

The above dates are indicative only and may vary.

1. CORPORATE DIRECTORY

Directors

Peter Diamond – Non-Executive Chairman
Philip Rees – Executive Director
Jay Hughes – Non-Executive Director
Terry Budge – Non-Executive Director

Manager

Westoz Funds Management Pty Ltd
AFSL No 285607
ACN 106 677 721
Level 1, Ernst & Young Building
11 Mounts Bay Road
PERTH WA 6000

Company Secretary

Philip Rees

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Registered Office

Level 1, Ernst & Young Building
11 Mounts Bay Road
PERTH WA 6000

Auditors*

Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

Telephone: (08) 9321 7877
Facsimile: (08) 9321 8288

Share Registry*

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name appears for information purposes only.

2. CHAIRMAN'S LETTER

Dear Investor

I write to introduce to you an offering of securities as outlined in this Prospectus.

When we established Westoz Investment Company Limited (**Company**), our aim was to produce positive returns for shareholders over the medium to long term. Since inception over four years ago, we have grown net assets per share from \$1.00 to \$1.24 and paid out 20 cents in fully franked dividends. As we emerge from probably the most challenging investment environment since the Great Depression, I am encouraged by the fact that our record against this objective remains intact.

Another undertaking we made was to seek quotation for the securities of Westoz Investment Company Limited on the Australian Securities Exchange (**ASX**).

The issue of Bonus Options as set out in this Prospectus is a part of this process. It is intended that the new securities will allow Shareholders an additional means to participate in the Company.

I look forward to our transition into the listed environment and a continuation of our investment success.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Peter Diamond', with a long horizontal stroke extending to the right.

Peter Diamond
Chairman

3. INVESTMENT OVERVIEW AND DETAILS OF THE OFFER

3.1 Important Notice

This section is not intended to provide full information for investors intending to apply for Bonus Options offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.2 Objectives

The strategic objective of the Company is to provide investors with access to the benefits of investments in a range of Permitted Investments. The Company's assets are to be managed with the objective of generating a positive return regardless of the overall direction of the listed share market. However, investors should note that such an objective may not always be achievable and investors should refer to the risks associated with an investment in the Company as set out in section 10.

3.3 Purpose of the Offer and Use of Proceeds

The Offer is being made as a bonus issue of one (1) free Bonus Option for every four (4) Shares held by Shareholders registered at 5.00pm (WST) on the Record Date (**Bonus Options**). Fractional Entitlements will be rounded up to the nearest whole number. As the Bonus Options are being issued for nil consideration, no funds will be raised under the Offer. If all of the Bonus Options issued under the Offer are exercised, the Company will receive approximately \$30,681,300.

Based on the capital structure of the Company, the maximum number of Bonus Options to be issued pursuant to this Offer is approximately 30,681,300.

3.4 Management of the Portfolio

The Company's portfolio of investments is managed by Westoz Funds Management Pty Ltd (**Manager**). A summary of the key terms of the Management Agreement is set out in Section 11.1.

The Manager's mandate under the Management Agreement is to manage a portfolio of "Permitted Investments" with the intention of producing a positive return regardless of the general direction of the share market. Please refer to Sections 4 and 5 for further details.

The Manager receives a monthly management fee of 0.083333% of the Portfolio Value. This fee is calculated and paid monthly in arrears.

In addition, where the Portfolio has increased in value over a 12 month period to 30 June by more than 10% (before fees and taxes), the Manager will be entitled to a Performance Fee. The amount payable under the Performance Fee will be 20% of the increase in the Portfolio Value in excess of 10% (before fees and taxes).

Please refer to Section 11.1 for further details.

3.5 Allotment

Allotment of Bonus Options will take place as soon as practicable after the date of the Prospectus. The Company will allot the Bonus Options on the basis of a Shareholder's Entitlement.

Holding Statements for the Bonus Options will be mailed as soon as possible after the expiry of the Exposure Period.

3.6 ASX Listing

Application for quotation by ASX of the Bonus Options offered pursuant to this Prospectus (and the Company's Shares) will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by ASIC), the Company will not allot or issue any of the Bonus Options. In that circumstance, all applications will be dealt with in accordance with the Corporations Act.

The fact that ASX may grant official quotation of the Bonus Options (and the Company's Shares) is not to be taken in any way as an indication of the merits of the Company or the Bonus Options now offered for subscription.

3.7 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Bonus Options or otherwise permit a public offering of the Bonus Options the subject of this Prospectus in any jurisdiction outside Australia.

3.8 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under the CHESS, the Company will not issue certificates to investors. Instead Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

3.9 Risk Factors

Prospective investors in the Company should be aware that subscribing for securities the subject of this Prospectus involves a number of risks. These risks are set out in Section 10 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 10, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Bonus Options. Accordingly, an investment in the Company should be considered speculative.

3.10 Privacy Statement

The Company collects, holds and will use information to service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules.

3.11 Taxation Implications

Please refer to Section 9 of the Prospectus for details of the potential taxation implications which might apply to different types of potential investors investing in the Bonus Options and/or Shares. The Company, its advisers and its Directors and officers do not accept any responsibility or liability for any taxation consequences. As a result, investors should also consult their own professional tax advisers in connection with subscribing for Bonus Options under this Prospectus.

3.12 Forecasts

The Directors have considered the matters set out in ASIC Policy Statement 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

3.13 Enquiries

Any questions concerning the Offer should be directed to Mr Philip Rees by telephone on (08) 9321 7877.

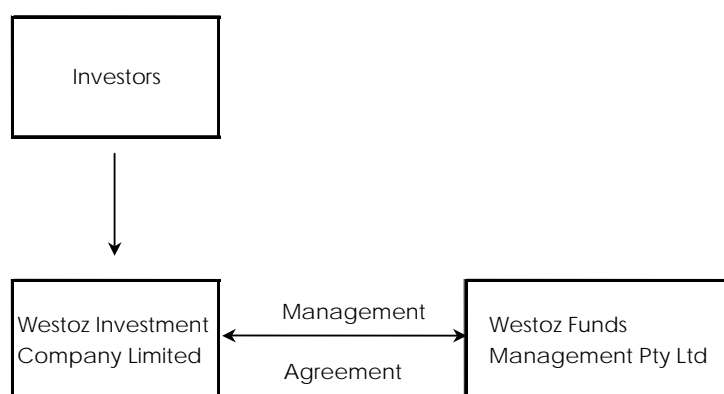
4. WESTOZ INVESTMENT COMPANY LIMITED

4.1 Overview

The Company was established to give investors access to a fund focused on the attainment of consistent positive returns. The management of the fund is undertaken by the Manager, a 100% owned subsidiary of Euroz Limited.

The majority of the Company's funds will be allocated to the Manager to invest in accordance with the Management Agreement (details of the Management Agreement are set out in section 11.1). Details of the investments of the Portfolio at 30 June 2009 are set out in Section 7.6.

The following diagram represents the structure:



4.2 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

Shares	Number
Shares on issue at date of Prospectus	122,724,384
Shares offered under the Offer	Nil
Total Shares on issue at completion of the Offer	122,724,384

Options	Number
Existing Options on issue at date of Prospectus	693,810
Bonus Options offered pursuant to this Prospectus	30,681,300
Total Options on issue at completion of the Offer	31,375,110

Please refer to Section 12.2 for a summary of the terms of the Bonus Options.

4.3 Investment Objectives

The investment objective of the Company is to produce a positive return on funds, regardless of the general direction of the share market, that is consistent with acceptable risk parameters. The performance target is a minimum pre-tax return of 10% per annum over rolling three year periods with the preservation of capital subscribed. This is not a forecast. It is simply a stated performance target and there is no guarantee it will be achieved.

Where available, it is intended to payout a minimum of 50% of realised after tax profits as a dividend income stream to investors.

The following table summarises the key financial indicators of the Company since inception:

	Net tangible assets per share ¹	Dividend per share ²
30 June 2005	100.0 cents	-
30 June 2006	112.4 cents	5.0 cents
30 June 2007	133.0 cents	5.0 cents
30 June 2008	175.6 cents	10.0 cents
30 June 2009	124.1 cents	-

¹ Net tangible assets per share is at the stated date and is calculated after allowance for all fees and taxes, including those on unrealised gains.

² Dividend per share is as provided for at the stated date and payable out of realised profits.

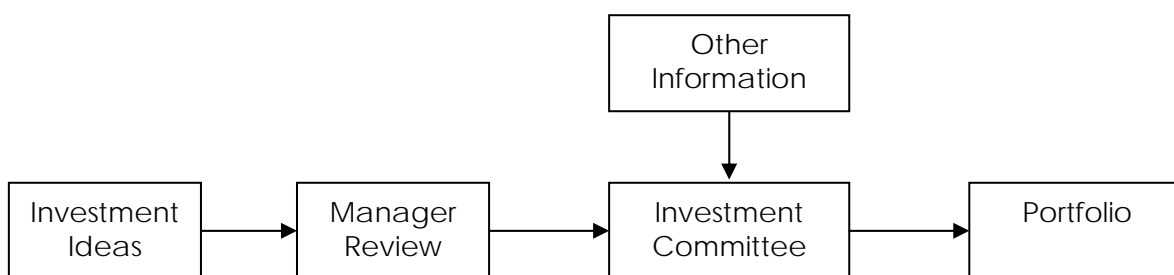
4.4 Investment Philosophy and Focus

Westoz's investment philosophy is based on the premise that financial markets and individual securities can and do deviate away from fair value. By detailed analysis of a range of valuation parameters, active management of a portfolio of equities can be used to generate an acceptable level of absolute return over a range of time frames.

Due to the relative levels of research coverage by the market, Westoz believes that companies outside of the Top 100 will experience greater deviation from fair value. It also considers that, given its geographic location and range of contacts, a greater number of suitable investments will have exposure to the Western Australian economy as it has a comparative advantage in coverage of these stocks due to its location.

4.5 Investment Strategy and Process

The following diagram illustrates the investment strategy and process of the Manager to be adopted for the management of the Portfolio:



Westoz mainly invests in Listed Securities. From time to time, a portion of the Portfolio may be held in short term cash deposits. Derivatives may be used where considered appropriate. Please refer to Section 4.9 for details of the Permitted Investments of the Company.

The Manager uses the research recommendations provided by Euroz Securities as a primary screen to identify suitable investment opportunities.

The “Euroz Universe” of stocks covered generally targets those that are outside the Top 100. Due to the geographic location of its research team, the majority of stocks covered have a presence in Western Australia. From this universe, the Euroz Securities research team selects stocks from this reduced population for detailed research.

A range of parameters are used to assess value, but a key input to the analysis is the expected growth potential of the company. Buy and sell recommendations are placed on stocks that are considered to significantly deviate from fair value.

Investment ideas are subject to review by the Westoz team. This involves an internal proprietary analysis of the company. Westoz also selects stocks for its own analysis outside of the Euroz Securities portfolio. The analysis undertaken by Westoz typically includes:

- (a) an assessment of the past and projected revenue, costs and profits of the company;
- (b) the nature of the assets of the business and the appropriateness of assigned values;
- (c) the mix between tangible and intangible assets;
- (d) the cash flow profile of the business;
- (e) the present value of the anticipated cash flow;
- (f) the projected earnings and cash flow per share;
- (g) an assessment of various parameters to determine an appropriate value, including rate of return on equity employed, price to earnings ratio, price to book value and the internal rate of return over the short, medium and long term;
- (h) the amount of capital expenditure required (if any); and
- (i) an assessment of the management team in place and its ability to deliver on the company’s objectives.

After completing the above analysis, a set of stock recommendations are presented to the Manager’s Investment Committee.

The Manager's Investment Committee reviews the recommendations and puts them in the context of the overall equity environment. It then reviews the Company's current Portfolio in light of the information presented to it and adjusts holdings in the Portfolio to ensure the targeted performance is achieved.

The Manager's Investment Committee can also use a variety of instruments to achieve its performance objectives. Where they are allowed, short positions may be held where a compelling reason exists. Derivatives may also be used to generate additional income in the Portfolio or to protect the Portfolio from market downturns.

4.6 Risk Control

Performance of the Portfolio is generated from investment in suitable stocks. However, diversification of holdings is used to limit the risk where the actual performance of individual stocks does not meet expectations. Risk control features of the Portfolio include:

- (a) no one stock will represent more than 20% of the total Portfolio Value at the time of acquisition;
- (b) no investment will represent more than a 20% stake in the issued securities of a company;
- (c) it is intended that the Portfolio will normally consist of between 10 and 25 stocks at any one time, although more or less may be held depending on the number of securities identified that are expected to meet the performance expectations;
- (d) where suitable stocks can not be identified, the portfolio may invest in cash. Whilst unlikely over the medium term, the Portfolio may consist from time to time of significant cash deposits;
- (e) any short positions will not represent more than 20% of the total Portfolio Value; and
- (f) leverage may be employed in the Portfolio, but total exposure will not exceed 120% of the Portfolio Value excluding any leverage.

Any breach of these risk control measures must be reported to the Company by the Manager and the Company will determine the appropriate action to remedy the breach.

4.7 Dividend Policy

The Company intends to pay dividends from the realised profit, dividend and interest income it receives from the investment of its assets to the extent permitted by law and prudent business practice.

It is the intention of the Company to pay a minimum of 50% of realised after tax profits within the constraints of the dividend policy above.

4.8 Liquidity of Investment

The Company will apply to the ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Bonus Options offered under this Prospectus (and the Company's Shares).

4.9 Permitted Investments

Under the Management Agreement, the Manager is permitted to make investments on behalf of the Company without Board approval. However, if the proposed investment is not in accordance with the investment objectives outlined in this Prospectus or any other guidelines issued by the Company from time to time, the written approval of the Board is required prior to making the investment.

Subject to the conditions of the Australian financial services licence held by the Manager, the Manager may invest in the following types of investments:

- (a) Listed Securities;
- (b) rights to subscribe for or convert to Listed Securities (whether or not such rights are tradeable on a securities exchange);
- (c) Listed Securities for the purpose of short selling;
- (d) warrants or options to purchase any investment and warrants or options to sell any investment;
- (e) discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (f) deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;
- (g) debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or any Australian government authority, or, if authorised by its Directors, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (h) units or other interest in cash management trusts; and
- (i) any other investment, or investment of a particular kind, approved by the Board in writing.

4.10 Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan to allow Shareholders to reinvest all or part of any dividends paid on Shares. Please refer to Section 11.3 for further details.

5. INFORMATION ON THE MANAGER

5.1 Background

The Manager was established to undertake the management of investment funds. As at the date of this Prospectus, the Manager manages approximately \$280 million of assets.

5.2 Performance History

The Manager has managed the Portfolio of the Company using the process as set out in Section 4 of this Prospectus since 31 May 2005.

The following table shows the performance of the Portfolio since funds were initially invested in Listed Securities:

Period	Gross Return ¹ (%)
Financial year ended 30 June 2006	31.0
Financial year Ended 30 June 2007	44.1
Financial year Ended 30 June 2008	77.9
Financial year Ended 30 June 2009	-33.9

¹ Note: Gross return is calculated inclusive of realised and unrealised gains but before allowance for fees and taxes. The past performance data provided above should not be taken as an indication of likely future returns.

5.3 Personnel

The Manager has engaged Philip Rees as Chief Investment Officer and Dermot Woods as Funds Manager to manage its activities and sit on the Manager's Investment Committee. The Manager has also appointed Peter Diamond and Jay Hughes to sit on the Manager's Investment Committee. These individuals are primarily responsible for the investment decisions made by the Manager in relation to the management of the Portfolio.

The profiles of Philip Rees, Dermot Woods, Peter Diamond and Jay Hughes are set out in Section 6.1.

6. DIRECTORS AND CORPORATE GOVERNANCE

6.1 Directors of the Company

Peter Diamond

Mr Peter Diamond has worked in the stockbroking industry in a variety of roles since 1986. Between 1986 and 2000, Mr Diamond was an Executive Director and Associate Director of a Perth stockbroker that was part of a national and international group at the time. In this capacity, he was involved in all aspects of the stockbroking business including trading, underwriting, placements and corporate advice.

From 2000 until the present date, Mr Diamond has worked for Euroz Securities Limited and Euroz Limited and also acts in the capacity of Executive Chairman of both companies. In this capacity, Mr Diamond has dealings with both institutional and high net worth clients on all aspects of equity trading.

Mr Diamond is also Non – Executive Chairman of Ozgrowth Limited and has been since that company's inception.

Mr Diamond holds a Bachelor of Business Degree is an Associate Member of the Australian Society of Accountants.

Mr Diamond is a Non-Executive Director of the Company and is a member of the Manager's Investment Committee. His involvement with the Company involves attending meetings of the Manager's Investment Committee and the Board and providing strategic advice and assistance to the Board from time to time. It is anticipated that the average time to be made available by Mr Diamond to the affairs of the Company will be approximately 8 hours per week.

Jay Hughes

Between 1986 and 2000, Mr Jay Hughes was employed by a Perth stockbroker that was part of a national and international group at the time. From 1994 he acted in the capacity of an Executive Director and before this, as an Associate Director.

From 2000 until the present date, Mr Hughes has worked for Euroz Securities Limited and Euroz Limited and also acts in the capacity of Executive Director and Responsible Officer of both companies. During this time, Mr Hughes has been involved in the institutional sales department of the stockbroking business dealing predominantly with offshore funds. He is also heavily involved in many facets of the management and supervision of both companies.

Mr Hughes is also a Non – Executive Director of Ozgrowth Limited and has been since that company's inception.

Mr Hughes holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He was recognised as an affiliate of ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Securities and Derivatives Industry Association.

Mr Hughes is a Non-Executive Director of the Company and a member of the Manager's Investment Committee. His involvement with the Company involves attending meetings of the Manager's Investment Committee and the Board and providing strategic advice and assistance to the Board from time to time. It is anticipated that the average time to be made available by Mr Hughes to the affairs of the Company will be approximately 5 hours per week.

Philip Rees

Mr Rees is Executive Director and Company Secretary of the Company. He is also Chief Investment Officer of the Manager, sits on the Manager's Investment Committee and is responsible for the operation and development of the Manager's business.

Mr Rees has worked in a range of roles focussed on Australian investment markets for the last 24 years. He was the Director of Investments with the Government Employees Superannuation Board in Western Australia for a 6 year period to September 2000. During this period, he oversaw a major restructuring of that entity's investment portfolio and directly managed funds in Australian equity and fixed interest markets.

Prior to this period, Mr Rees was involved in the management of an Australian equity portfolio with Suncorp and in the analysis of equities for a stockbroker focussed on servicing the Australian institutional market.

Mr Rees has also been involved as Chief Investment Officer of a listed pooled development fund and has managed a number of successful venture capital investments.

Mr Rees has a Bachelor of Commerce Degree and is a Chartered Financial Analyst. He is also a Fellow of the Securities Institute of Australia, a Certified Practising Accountant and a Fellow of the Chartered Institute of Secretaries.

Terry Budge

Mr Budge has had over 30 years experience in the Australian banking industry. Most recently he was Managing Director of BankWest from December 1997 to May 2004. He previously worked at National Australia Bank for 25 years in a number of senior executive roles, including State Manager, Queensland; State Manager, NSW & ACT; General Manager, Group Strategic Development; and Chief Economist.

Mr Budge is Chairman of Leadership WA (appointed 4 August 2004), Chancellor of Murdoch University (appointed to Senate 1 June 2004) and a Director of Aspen Group Limited (appointed 6 May 2005) and a member of the Board of Advice for AON Risk Management Services Australia.

Mr Budge holds a Bachelor of Economics from Monash University and is a Graduate of the Advanced Management Program from Harvard Business School. He is also a Graduate and Fellow of the Australian Institute of Company Directors, a Senior Fellow of the Financial Services Institute of Australia and a Fellow of the Australian Institute of Management

Mr Budge acts as a Non-Executive Director of the Company. His involvement with the Company involves attending meetings of the Board and to providing strategic advice and assistance to the Board from time to time. Mr Budge currently allocates about 5 hours per week to the affairs of the Company.

Other Directors

The Board may appoint further directors to the Board in the future.

The criteria for determining suitable candidates for the Board include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Any director appointed by the Board will be subject to re-election by Shareholders at the next general meeting.

Employees of the Manager

Philip Rees

Mr Philip Rees is Chief Investment Officer of the Manager, sits on the Manager's Investment Committee and is responsible for the operation and development of the Manager's business.

Dermot Woods

Mr Dermot Woods is Fund Manager for the Manager and is responsible for sourcing, analysing and implementing investment ideas. He is a member of the Manager's Investment Committee.

Mr Woods has ten years of investment experience in international equity markets as an equity analyst and a portfolio manager. Prior to joining Westoz Funds Management, Mr Woods was an industrial equity analyst with Euroz Securities. Prior to joining Euroz, Mr Woods was an institutional stockbroker for Merrion Capital in Dublin. Mr Woods commenced his investment career as a portfolio manager with HSBC Asset Management in London where he specialised in European equities.

Mr Woods holds a Bachelor of Commerce Degree in Accounting and Business from Edinburgh University and has completed the Chartered Financial Analyst (CFA) program and been awarded the CFA designation.

6.2 Corporate Governance Statement

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Corporate Governance Council's revised Corporate Governance Principles and Recommendations as published by the ASX Corporate Governance Council.

Information about the Company's corporate governance practices will be available by contacting the Company directly. These policies are also available on the Company's website (<http://www.westozfunds.com.au>).

The Board of Directors

The Company's Constitution provides that the number of Directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

The size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability

to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board, subject to election by Shareholders at the next general meeting. Under the Company's Constitution the tenure of a Director (other than managing director) is subject to reappointment by Shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A managing director may be appointed for the period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

The Board has established an Audit Committee. It considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of other separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions.

The Directors recognise that the Company's business has inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

7. FINANCIAL INFORMATION

7.1 Income Statement

A summary of the Income Statement for the Company is provided below, based on audited accounts as at 30 June 2009 and 30 June 2008.

	30/06/09 \$	30/06/08 \$
Revenue		
Interest revenue	1,747,856	1,661,852
Dividend revenue	3,229,125	2,823,025
Other revenue	150,885	-
Total revenue	<u>5,127,866</u>	<u>4,484,877</u>
Changes in the fair value of investments designated at fair value through profit or loss	(93,293,687)	111,006,478
	<u>(88,165,821)</u>	<u>115,491,355</u>
EXPENSES		
Managers fees	1,525,975	22,738,480
Director fees	55,000	44,000
Professional fees	13,718	105,428
Other expenses	19,864	128,732
Total expenses	<u>1,614,557</u>	<u>23,016,640</u>
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE	(89,780,378)	92,474,715
Income tax (credit)/expense	(27,313,115)	27,256,967
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY	<u>(62,467,263)</u>	<u>65,217,748</u>
(Loss)/earnings per share (cents)		
- Basic	(51.1)	62.1
- Diluted	(51.1)	62.1
Dividend per share (cents)	nil	10.0

7.2 Balance Sheet

A summary of the Balance Sheet for the Company is provided below, based on audited accounts as at 30 June 2009 and 30 June 2008. The issue of Bonus Options will have no impact on the Balance Sheet.

	30/06/2009	30/06/2008
	\$	\$
CURRENT ASSETS		
Cash and Cash Equivalents	46,729,750	19,053,437
Investments in financial assets designated at fair value through profit or loss:		
- Listed Equities and Managed Investment Schemes	110,408,186	240,559,979
Other Current Assets	771,874	1,702,892
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	157,909,810	261,316,308
	<hr/>	<hr/>
TOTAL ASSETS	157,909,810	261,316,308
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade and Other Payables	701,576	436,158
Income Tax Payable	488,898	6,060,865
Dividend Payable	-	11,983,957
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	1,190,474	18,480,980
	<hr/>	<hr/>
NON -CURRENT LIABILITIES		
Deferred Tax Liabilities	4,448,790	32,338,194
	<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES	4,448,790	32,338,194
	<hr/>	<hr/>
TOTAL LIABILITIES	5,639,264	50,819,174
	<hr/>	<hr/>
NET ASSETS	152,270,546	210,497,134
	<hr/>	<hr/>
EQUITY		
Contributed Equity	132,153,168	127,912,493
Retained Earnings	20,117,378	82,584,641
	<hr/>	<hr/>
TOTAL EQUITY	152,270,546	210,497,134
	<hr/>	<hr/>

7.3 Cash Flow Statement

A summary of the Cash Flow Statement for the Company is provided below, based on audited accounts as at 30 June 2009 and 30 June 2008. The issue of Bonus Options will have no impact on the Cash Flow Statement.

	30/06/2009	30/06/2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	1,747,856	1,673,852
Dividends received	3,349,125	2,790,525
Payments to suppliers and employees	(250,822)	(23,688,776)
Income tax paid	(6,148,256)	(900,055)
Other	-	(5,000)
	<hr/>	<hr/>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(1,302,097)	(20,129,454)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments designated as at fair value through profit or loss	68,631,354	166,503,195
Payments for purchases of investments designated as at fair value through profit or loss	(31,909,662)	(164,192,467)
	<hr/>	<hr/>
NET CASH FLOWS FROM INVESTING ACTIVITIES	36,721,692	2,310,728
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	-	18,457,091
Dividends paid	(7,743,282)	(2,352,320)
	<hr/>	<hr/>
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(7,743,282)	16,104,771
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH HELD	27,676,313	(1,713,955)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	19,053,437	20,767,392
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	46,729,750	19,053,437
	<hr/> <hr/>	<hr/> <hr/>

7.4 Statement of Changes in Equity

A summary of the Cash Flow Statement for the Company is provided below, based on audited accounts as at 30 June 2009 and 30 June 2008. The issue of Bonus Options will have no impact on the Statement of Changes in Equity.

FOR THE YEAR ENDED 30 June 2009

	Contributed Equity	Retained Earnings	Total Equity
	\$	\$	\$
AT 1 JULY 2008	127,912,493	82,584,641	210,497,134
Profit for the period	-	(62,467,263)	(62,467,263)
Total income and expense for the period		(62,467,263)	(62,467,263)
Issue of Share Capital	4,240,675	-	4,240,675
Dividend for the Year	-	-	-
At 30 June 2009	132,153,168	20,117,378	152,270,546

FOR THE YEAR ENDED 30 June 2008

	Contributed Equity	Retained Earnings	Total Equity
	\$	\$	\$
AT 1 JULY 2007	106,694,077	29,351,138	136,045,215
Profit for the period	-	65,217,748	65,217,748
Total income and expense for the period	-	65,217,748	65,217,748
Issue of Share Capital	21,218,416	-	21,218,416
Dividend for the Year	-	(11,984,245)	(11,984,245)
AT 30 JUNE 2008	127,912,493	82,584,641	210,497,134

Notes to the Financial Information

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report for the year ended 30 June 2009 has been prepared on a historical cost basis except for investments in financial assets which are carried at fair value.

The Company's functional and presentation currency is the Australian dollar (\$).

(b) **Statement of Compliance**

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) **Investments in financial assets**

All investments are initially recognized at fair value.

When financial assets are initially recognized they are recorded at fair value, plus in the case of investments not at fair value through the profit and loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and when allowed and appropriate, re-evaluates this designation at each financial year end. The classification depends on the purpose for which investments were acquired. Designation is re-evaluated but there are restrictions on reclassifying to other categories.

(i) *Financial assets at fair value through profit or loss.*

Financial assets in the scope of AASB139 "Financial Instruments; Recognition and Measurement" are classified as financial assets at fair value through profit or loss. Financial assets are designated as fair value through profit or loss if the Company manages such investments and makes purchase and sales decisions based on their fair value in accordance with the Company's investment strategies.

For investments that are actively traded in organised financial markets, fair value is determined by reference to the stock exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Gains and losses on investments at fair value through profit and loss are recognised in the income statement.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention

in the market place are recognized on the trade date i.e. the date that the Company commits to purchase the asset.

(ii) *De-recognition of financial assets*

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party lender under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(d) **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and short term deposits, including bank bills with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) **Income Tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow all or part of the deferred income tax to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity, are recognised in equity and not in the income statement.

(f) **Other Taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(g) **Income Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Income - revenue is recognised as interest accrues using the effective interest rate method which is the rate that exactly discounts estimated future cash flows through the expected life of the financial investment to the net carrying value of the financial asset.

Dividend Income – revenue is recognised when the Company’s right to receive the payment is established. This is taken to be the date the share is quoted ex-dividend.

Changes in the fair value of investments – net gains or losses on investments designated as at fair value through profit or loss are calculated as the difference between the fair value at sale and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses but does not include dividend or interest income.

(h) **Trade and Other Payables**

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid on future goods and services received, whether or not billed to the entity. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables include outstanding settlements on the purchase of investments and dividends payable. The carrying period is dictated by market conditions and generally less than 30 days.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(i) **Contributed Equity**

Ordinary share capital is recognised at the fair value of the consideration received by the Company and is classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(j) **Trade and other receivables**

Receivables are recognized and carried at original amount less any provision for uncollectible debts. An estimate of doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified. Amounts are normally received within 30 days of being recorded as receivable.

(k) **Dividends**

Provision is made for the amount of any dividend declared, determined or recommended by the directors on or before the end of the financial year, but not distributed at the balance date.

(l) **Performance Fees**

Performance fees are calculated in accordance with contractual arrangements and are payable in the year in which the returns are generated.

(m) **Significant Accounting Judgements, Estimates and Assumptions**

There are no significant accounting judgments, estimates and assumptions during the financial year.

7.5 Net Tangible Asset Backing

The net tangible asset backing per share in the Company as at 30 June 2009 are as follows:

Net Tangible Asset Backing Per Share	cents
Pre Capital Gains tax on unrealised investments	128.7
Post Capital Gains tax on unrealised investments	124.1

7.6 Portfolio

Industrials	Number of Shares	Fair value at 30 June 2009
Automotive Holdings Group Limited	6,912,690	9,882,272
Amcom Telecommunications Limited	10,573,036	1,585,955
Brandrill Limited	18,047,000	812,115
Clough Limited	32,520,498	23,089,554
iiNet Limited	4,914,148	8,501,476
Neptune Marine Services Limited	8,281,000	4,471,740
Total		48,343,112

Resources	Number of Shares	Fair value at 30 June 2009
Coal of Africa Limited	4,954,414	7,927,062
Indophil Resources NL	7,500,157	3,450,072
Medusa Mining Limited	1,293,125	2,870,738
Northern Iron Limited	5,946,872	7,790,402
OM Holdings Limited	24,247,690	33,219,335
Sphere Investments Limited	3,019,790	2,159,150
Straits Resources Limited	2,213,494	4,648,315
Total		62,065,074
Cash		46,707,628
Total value of Shares and Cash at 30 June 2009		157,115,814

8. INDEPENDENT ACCOUNTANT'S REPORT



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14 August 2009

The Directors
Westoz Investment Company Limited
Level 1
11 Mounts Bay Road
PERTH WA 6000

Dear Sirs

Independent Accountant's Report

1. Introduction

We have prepared this Independent Accountant's Report ("Report") at the request of the Directors of Westoz Investment Company Limited, hereafter referred to as the Company, for inclusion in a Prospectus to be dated on or about 14 August 2009 relating to the offer by the Company of 1 Bonus Option for every 4 ordinary shares at no cost, exercisable at any time prior to 5pm on 30 June 2012, to acquire one ordinary share for \$1.00.

Expressions defined in the Prospectus have the same meaning in this Report.

2. Scope

We have been requested to prepare an Independent Accountant's Report covering the following financial information:

Historical Financial Information

- ▶ the Historical Balance Sheet as at 30 June 2009 and the Historical Income Statement, the Historical Statement of Changes in Equity and the Historical Cash Flow Statement for the year ended 30 June 2009 as set out in Section 7 of the Prospectus; and
- ▶ the Historical Earnings per share (Basic and Fully Diluted) for the years ended 30 June 2008 and 30 June 2009; and
- ▶ the Historical Net Tangible Assets per Share as at 30 June 2008 and 30 June 2009.

(collectively called "Historical Financial Information").

The Historical Financial Information has been extracted from the audited financial statements of the Company for the year ended 30 June 2009, on which an unmodified audit opinion was issued by Ernst & Young. No adjustments have been made to the audited financial statements for the year ended 30 June 2009.

The Directors have prepared and are responsible for the Historical Financial Information. We disclaim any responsibility for any reliance on this report or on the financial information to which it relates for any purposes other than that for which it was prepared. This report should be read in conjunction with the full Prospectus.

Review of Historical Financial Information

We have conducted an independent review of the Historical Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Historical Financial Information is not presented fairly, in all material respects, in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, inquiries of management personnel, analytical procedures applied to the financial data and certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

3. Review Statement

Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Historical Financial Information of the Company as set out in Section 7 of the Prospectus is not presented fairly, in all material respects, in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, including the financial position of Company as at 30 June 2009, and its performance as represented by the results of its operations and its cash flows for the year ended 30 June 2009.

4. Subsequent Events

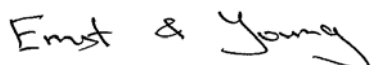
Apart from the matters dealt with in the Pro Forma Financial Information and having regard to the scope of our Report, to the best of our knowledge and belief, no material transactions or events outside the ordinary business of the Company subsequent to 30 June 2009 have come to our attention which require comment on or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

5. Disclosure

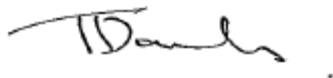
Ernst & Young does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in this matter. Ernst & Young provides audit and tax services to the Company, and will receive a professional fee for the preparation of this Report.

Consent to the inclusion of the Independent Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully



Ernst & Young



T G Dachs
Partner
Perth

9. AUSTRALIAN TAXATION IMPLICATIONS



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14 August 2009

The Directors
Westoz Investment Company Limited
Level 1 11 Mounts Bay Rd
PERTH WA 6000

Dear Phil

Independent Tax Opinion

This opinion has been prepared for inclusion in the Prospectus dated 12 August 2009 for the listing of Westoz Investment Company Limited ("**Company**" or "**Westoz**"). It provides a broad summary of the following tax implications with respect to the ownership of shares in Westoz Investment Company Limited ("**Shares**") and the proposed bonus option ("**Bonus Options**") issue:

- ▶ Australian income tax implications to Australian tax resident individual shareholders, Australian tax resident complying superannuation fund shareholders, Australian tax resident corporate shareholders and non Australian tax resident shareholders who hold their Shares and Bonus Options as capital assets. This opinion does not cover investors holding their Shares through other types of vehicles (for example, trusts) or investors who hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment;
- ▶ Australian stamp duty implications; and
- ▶ Australian Goods and Services Tax ("**GST**") implications.

Disclaimers

This opinion is general in nature. Shareholders should seek appropriate independent professional advice that considers the tax implications in respect of their specific circumstances. We disclaim all liability to any shareholder or other party for all costs, loss, damage and liability that the shareholder or other party may suffer, or incur, arising from, or relating to, or in any way connected with the contents of this opinion, or the provision of this opinion to the shareholder, or other party, or the reliance on this opinion by the shareholder or other party.

The views expressed in this opinion are based on the relevant Australian taxation, GST and stamp duty laws, as of 12 August 2009, all of which are subject to change. If there is a change, including a change having retrospective effect, in any of the legislation or in the prevailing judicial interpretations referred to in this opinion, this opinion would need to be re-evaluated. We have no responsibility to update this opinion for events, transactions, circumstances or changes in any of the facts, assumptions or representations occurring after this date. We further note that:

- ▶ this opinion does not constitute our endorsement of the investment or our recommendation of any participation in the Company by an investor;
- ▶ we give no assurances or guarantee in respect of the successful operation or performance of the investment as outlined in the Prospectus;
- ▶ this opinion is confined to Australian tax, GST and stamp duty issues. There are clearly other matters that investors need to consider when making a decision about the investment;
- ▶ under the Corporations Act, this advice is not required to be provided to an investor by a holder of an Australian Financial Services License ("**AFSL**"); and
- ▶ before making a decision about the investment, investors should consider taking advice from a holder of an AFSL.

Use of this opinion

This opinion may be relied upon by the Directors of the Company for the purpose of inclusion in its entirety in the Prospectus only. This opinion may not be disclosed to any other party, or used by any other party, or relied upon by any other party without our prior written consent.

Scope and facts

In providing this opinion we have relied on the information and representations contained in the Prospectus. We note that a misstatement, or omission of any fact, or a change or amendment in any of the facts, assumptions or representations that we have relied upon may require a modification of all or a part of this opinion.

This opinion is based on the following assumptions:

- ▶ Shareholders will hold their interest in the Company on capital account;
- ▶ The Company will be a listed public company under the Corporations Act. Based on the proposed investment profile of the Company, the Company should qualify as a listed investment company for tax purposes. Should the status of the Company change in the future all shareholders should reconsider their tax position;
- ▶ The Company was incorporated/registered in Western Australia; and
- ▶ The Company does not hold any land or an interest in land in any Australian jurisdiction.

Tax Opinion

1. Bonus Option Issue

Under the proposed arrangement, shareholders will receive one Bonus Option at no cost for every four Shares held.

No taxable event should arise for shareholders upon the grant of the Bonus Options.

In the event that shareholders dispose of the Bonus Options prior to exercising the option, a capital gains tax event arises for the shareholder at the time of disposal. A shareholder will derive a capital gain on the disposal of their Bonus Options where the capital gains tax proceeds received on disposal exceed the capital gains tax cost base of those options. Given the Bonus Options are issued for no consideration, the capital gains tax cost base should generally include only any incidental costs of acquisition. A shareholder disposing of a Bonus Option may qualify for the capital gains tax concession referred to at section 2.3 below if the necessary conditions are satisfied. A shareholder will incur a capital loss on the disposal of their Bonus Options where the capital proceeds received on disposal are less than the reduced capital gains tax cost base of their options.

Where shareholders elect to exercise the Bonus Options, no capital gain or loss will crystallise at the time the options are exercised. For capital gains tax purposes, the acquisition time of the Shares acquired as a result of the exercise of the Bonus Options is the time the options are exercised. The capital gains tax cost base of the Shares acquired will be the amount paid to exercise the Bonus Options (refer Section 2 Taxation of Future Share Disposals).

In the event that the Bonus Options lapse, no taxable event should arise.

2. Taxation of future share disposals

2.1 Australian Tax Resident Shareholders

Australian resident shareholders must consider the impact of the Australian capital gains tax rules on the disposal of their Shares.

A shareholder will derive a capital gain on the disposal of their Shares where the capital gains tax proceeds received on disposal exceed the capital gains tax cost base of those Shares.

A shareholder incurs a capital loss on the disposal of their Shares where the capital proceeds received on disposal are less than the reduced capital gains tax cost base of their Shares.

All capital gains and losses for the income year are added together to produce a net capital gain for that income year. A net capital gain for an income year is included in the shareholder's assessable income and is subject to taxation in Australia. A net capital loss is effectively quarantined and may generally be carried forward to the next income year to be deducted against future capital gains.

2.2 Non Australian Tax Resident Shareholders

Non Australian tax resident shareholders may be subject to Australian capital gains tax upon disposal of their Shares. Whether the disposal is subject to capital gains tax depends on whether the shares meet the definition of an "indirect Australian real property interest". Shareholders should seek appropriate tax advice regarding this aspect. If the disposal is subject to capital gains tax, the capital gains tax implications are the same as those outlined at 2.1 above. The application of relevant double taxation agreements must also be considered.

2.3 Capital Gains Tax Concession

Individual shareholders, whether resident or non resident of Australia for tax purposes, may be entitled to a concession on the amount of capital gains tax assessed. The concession is available to all individual shareholders who hold their Shares for at least twelve months prior to disposal. The concession results in only 50% of any capital gain being assessable. Capital losses must be applied first to reduce capital gains before applying the discount.

The capital gains tax treatment of Australian tax resident complying superannuation funds is, in general, the same as that set out for individuals, except that the capital gains tax discount is 33% rather than 50%.

The concession is not available to companies.

3. Taxation of Dividends

Dividends are generally paid to shareholders from the accounting profits of the Company. Shareholders will receive franking credits for any Australian corporate tax that has been paid on these profits. It should be noted that the definition of dividend for Australian income tax purposes is broad and can include certain capital returns and share buy-back proceeds.

The ability of shareholders to be entitled to a "tax offset" in relation to franked dividends is subject to complex tax rules, which are not detailed in this opinion.

One such rule provides that, in broad terms, if shareholders have held their Shares "at risk" for at least 45 days (excluding the dates of acquisition and disposal), they should be able to claim a tax offset for the amount of any franking credits attaching to the dividend. The "45 day rule" is complex and contains other tests which must be satisfied to be entitled to the tax offset.

Shareholders should seek their own advice in relation to their specific circumstances in determining whether they are able to claim a tax offset in relation to dividends received. The comments below are on the basis that shareholders are entitled to a tax offset.

3.1 Australian Tax Resident Shareholders – Individuals

Individual shareholders who are resident of Australia for tax purposes will need to include dividends in their assessable income in the year in which the dividend is paid. In addition, to the extent that the dividends are franked, the franking credits attaching to the dividends must also be included in their assessable income (that is, the dividend is grossed-up to the extent that it is franked). Individual shareholders are taxed at their prevailing marginal rate on the dividend and franking credits received.

Individual shareholders will be entitled to a tax offset equal to the amount of franking credits received. Individual shareholders will receive a tax benefit if the franking credits attached to the dividend exceed their tax payable on the dividend. Individual shareholders will need to pay additional tax if their tax payable on the dividend exceeds the franking credits attached to the dividend. Individual shareholders are entitled to claim a refund for any excess franking credits.

To the extent that the dividend is unfranked, there is no gross-up and individual shareholders would generally be taxed at their prevailing marginal rate on the dividend received, with no tax offset.

3.2 Australian Tax Resident Shareholders – Corporate

Corporate shareholders who are resident of Australia for tax purposes will need to include dividends in their assessable income in the year the dividend is paid. To the extent that the dividends are franked, then the franking credits attaching to the dividend must also be included in assessable income (that is, the dividend is grossed-up). The Australian resident corporate shareholder may be entitled to a tax offset equal to the amount of franking credits received. This would result in the dividend being free of further corporate tax to the extent that it is fully franked. A fully franked dividend should generally be free of tax to an Australian resident corporate shareholder.

To the extent that the dividend is unfranked, there is no gross-up and Australian resident corporate shareholders should generally be taxed at the corporate tax rate on the dividend received, with no tax offset. Australian resident corporate shareholders are also entitled to a credit in their franking account equal to the franking credit attaching to the dividend. Australian resident corporate shareholders can then use the credit to make franked distributions to their shareholders.

3.3 Australian Tax Resident Shareholders – Complying Superannuation Funds

Generally, superannuation funds will treat the receipt of a dividend in the same way as individuals outlined in section 3.1 above.

3.4 Non Australian Tax Resident Shareholders

Unfranked dividends payable to non-resident shareholders will normally be subject to dividend withholding tax. Australian dividend withholding tax is imposed at 30% unless the shareholder is a resident for tax purposes of a country that has concluded a double taxation agreement with Australia. In these circumstances, the withholding tax is generally reduced. Fully franked dividends are not subject to Australian dividend withholding tax.

3.5 Dividends Attributable to Listed Investment Company (“LIC”) Capital Gains

It is likely that the Company should qualify as an LIC for income tax purposes. On this basis, shareholders of the Company may be able to take advantage of certain benefits. These benefits accrue where all or some part of a dividend paid by the LIC is reasonably attributable to LIC capital gains that would be discount capital gains had they been made by an individual, a trust, or a complying superannuation entity. The benefits allow shareholders, who receive a dividend that includes a LIC capital gain amount, a deduction that is similar to the capital gains tax discount the shareholder could have claimed if they had made the capital gain directly. This will need to be considered on a case by case basis. For further information regarding LIC’s and LIC gains refer to Appendix 1.

4. Tax File Number and Australian Business Number

A shareholder is not obliged to quote a tax file number (“TFN”), or where relevant, Australian Business Number (“ABN”), to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable, tax is required to be deducted on dividends paid by the Company at the highest marginal rate plus Medicare Levy.

5. Stamp Duty

5.1 Issue of Bonus Options

On the basis that the Company was incorporated/registered in Western Australia, the issue of the Bonus Options should not be subject to share duty in any Australian jurisdiction. In addition to share duty, land rich/landholder duty could also be payable if the Company was land rich in any Australian jurisdiction. Based on our understanding that the Company does not hold land or an interest in land in Australia, land rich/landholder duty should not be payable in any Australian jurisdiction on the issue of the Bonus Options or Shares.

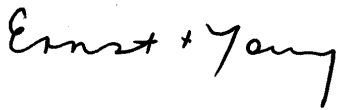
5.2 Dividends

No stamp duty should be payable on the declaration or payment of a cash dividend. There may be stamp duty implications if there is any in-specie distribution of property as a dividend where that property is located in and is subject to stamp duty in that Australian jurisdiction.

6. GST

Under current Australian law, GST will not be payable in respect of any issue or transfer of Bonus Options or Shares.

However, as the issue or transfer of shares results in input taxed financial supplies, shareholders will be required to determine the impact of the financial acquisitions threshold (“FAT”). The FAT requires shareholders who are registered for GST to determine whether they can claim input tax credits on costs incurred in association with the acquisition or disposal of shares.



Ernst & Young

10. RISK FACTORS

10.1 Introduction

The Bonus Options offered under this Prospectus should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports.

10.2 Individual Investment Risk

Individual investments within the Portfolio may fall in value for many reasons such as changes in the entity's internal operations, management or in its business environment. If this occurs the value of the NTA After Tax of the Company will fall.

10.3 Interest Rate Risk

Changes in interest rates can have an impact directly or indirectly on investment valuations and returns on any cash deposits held.

10.4 Company Risk

Risks particular to the Company include that the Company may give different after-tax results than investing individually because of income or capital gains accrued in the Company.

10.5 Derivatives Risk

The risk of loss associated with derivatives can be substantial due to the leverage associated with these financial instruments. Importantly, the Company will not use any form of derivative to leverage its net assets except as outlined in section 4.5 and 4.9. Accordingly, the primary risks associated with the use of derivatives by the Company are that they may perform differently and be less liquid than the underlying securities.

10.6 Price: NTA Discount to Market

If a significant number of sellers of Shares and Bonus Options (by volume or number) arises, it may have an adverse impact on the Share and Bonus Option price and the volatility of the Share and Bonus Option prices. These factors may result in the Share price and derived Bonus Option price being below the underlying level of net tangible assets per share.

10.7 Liquidity

There is no guarantee that an active market in the Shares and Bonus Options will develop or that the price of the Shares and Bonus Options will increase. There

may be relatively few buyers or sellers of Shares and Bonus Options on the ASX at any particular time.

10.8 Industry Risk

There are a number of industry risk factors that may affect the future operational performance of the Company. These factors are outside the control of the Company. Such factors include increased regulatory and compliance costs, unforeseen Government legislation, and collapse in equity markets.

10.9 Reliance on key Personnel

The Company has instructed the Manager to put in place systems and processes to mitigate the risk of losing key personnel. However, the loss of key personnel both within the Company and the Manager could have a negative impact on the Company.

10.10 Licensing Requirements

The ability of the Manager to continue to manage the Portfolio in accordance with this Prospectus and the Corporations Act is dependent on the maintenance of the Manager's Australian financial services licence and its continued solvency. Maintenance of the Australian financial services licence depends, among other things, on the Manager continuing to comply with the ASIC imposed licence conditions and the Corporations Act.

10.11 Financial Market Volatility

A fall in global or Australian equity markets, global or Australian bond markets or a rapid change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on Share prices.

10.12 Performance of other Asset Classes

Good performance, or anticipated performance, of other asset classes can encourage individuals to divert money away from equity markets. This may have a negative impact on the price of the Portfolio.

10.13 Absolute Performance versus Relative Performance

It is the objective of the Company to show positive returns on its investment regardless of the underlying movement in value of the Australian share market. With such an objective, the Portfolio Value may not change in line with the overall movements in the market and its performance may differ significantly from funds that seek to measure performance against the broader share market.

10.14 Tax

Taxation and changes to tax systems can have an effect on returns but also the relative merit of putting monies in various asset classes and in an individual security. All of these items may have a negative impact on the Company or the price of Shares and Bonus Options.

10.15 Past Performance not a Guide to Future Performance

The past performance of funds managed by the Manager is not necessarily a guide to future performance of the Manager or Company.

10.16 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or any market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

11. MATERIAL CONTRACTS

11.1 Management Agreement

Parties

The Company and the Manager.

Appointment

The Company appoints the Manager to manage the Portfolio.

The Manager may undertake similar services for other parties unless, in the reasonable opinion of the Company, the services conflict with the management of the Portfolio.

Term

The Management Agreement has an Initial Term expiring ten (10) years after the date that the Company is admitted to the official list of ASX. After the expiry of the Initial Term, the Management Agreement shall continue until terminated in accordance with its terms.

Powers of Manager

Subject to the further terms set out in the Management Agreement, the Manager may manage the Portfolio in its absolute discretion and do all things considered necessary or desirable in relation to the management of the Portfolio, including, without limitation:

- (a) investigation of, negotiation for, acquisition of, or disposal of any investment or proposed investment;
- (b) to sell, realise or deal with all or any investments or to vary, convert, exchange or add other investments in lieu of those investments;
- (c) if any investment is redeemed or the capital paid on it is wholly or partly repaid by the entity by which that investment was created or issued, to convert that investment into some other investment or accept repayment of the capital paid or advanced on the investment and any other monies payable in connection with that redemption or repayment and to invest any of those monies;
- (d) retain or sell any securities or other property received on behalf of the Company by way of bonus, or in lieu of, or in satisfaction of, a dividend in respect of any investments or from the amalgamation or reconstruction of any company;
- (e) to sell all or some of the rights to subscribe for new securities in an investment, to use all or part of the proceeds of sale of such rights for the subscription for Securities or to subscribe for Securities pursuant to those rights; and
- (f) to make or redeem any mortgage, loan or other security.

Permitted Investments

The Manager is permitted to undertake investments on behalf of the Company without the prior approval of the Board in the following types of investments:

- (a) Listed Securities;
- (b) rights to subscribe for or convert to Listed Securities (whether or not such rights are tradeable on a securities exchange);
- (c) Listed Securities for the purpose of short selling;
- (d) warrants or options to purchase any investment and warrants or options to sell any investment permitted under the Management Agreement;
- (e) discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (f) deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;
- (g) debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or any Australian government authority, or, if authorised by its Directors, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (h) units or other interest in cash management trusts; and
- (i) any other investment, or investment of a particular kind, approved by the Board in writing.

Valuations

The Manager must arrange for the value of the Portfolio to be calculated as at the last Business Day of each calendar month (or at such more frequent times as requested by the Board).

Management Fee

In consideration for the performance of its duties as Manager of the Portfolio, the Company has agreed to pay to the Manager a monthly management fee equal to 0.83333% of the Portfolio Value.

Performance Fee

- (a) The Company has agreed to pay to the Manager a Performance Fee in respect of each Performance Calculation Period of 20% of OP, where OP is calculated in accordance with the following formula:

$$OP = EP - [IP \times 1.10]$$

Where:

OP is a dollar value not less than zero and is the amount to be used in calculating the performance fee;

EP is the Portfolio Value on the last day of the Performance Calculation Period; and

IP is the greater of:

- (i) the Portfolio Value on the last day of the preceding Performance Calculation Period; and
 - (ii) the number of Shares on issue in the Company at the start of the Performance Calculation Period multiplied by \$1.00.
- (b) 'Performance Calculation Period' means:
- (i) initially, the period from the commencement date under the Management Agreement to 30 June 2005;
 - (ii) for each subsequent period, the period from the first day after the preceding Performance Calculation Period to 30 June of the succeeding year; and
 - (iii) if the Management Agreement is terminated, the period from the first day after the preceding Performance Calculation Period to the date the Management Agreement is terminated.
- (c) In calculation of the Performance Fee for a Performance Calculation Period, changes in the Portfolio Value as a result of non investment cash flows either positive or negative caused by the Company will be disregarded or adjusted for that Performance Calculation Period in a manner determined by the Company's auditor at the conclusion of that Performance Calculation Period.
- (d) In the event of a dispute as to the amount of the Performance Fee, the Company's auditor has the power to determine the correct calculation of the Performance Fee and the decision of the auditor will be final and binding on the parties.

Expenses

The Company is liable for and must pay out of its assets, not including the Portfolio, or reimburse the Manager for the following fees, costs and expenses incurred by the Manager in connection with the management of the Portfolio:

- (a) fees payable to any securities exchange, the ASIC or other regulatory body;
- (b) all costs, stamp duty, bank account debits tax and legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage incurred by the Company or the Manager in connection with:
 - (i) the acquisition and negotiation of any investment or proposed investment;

- (ii) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any investment;
 - (iii) the receipt of income or other entitlements from the investments of the Portfolio; or
 - (iv) the engagement of a custodian to hold any investment on behalf of the Company;
- (c) outgoings in relation to the Portfolio such as rates, levies, duties, taxes and insurance premiums;
 - (d) any fees which relate to the accounting and administration of the Company or the Portfolio, including but not limited to, accounting fees, audit fees and company secretarial fees;
 - (e) all costs which relate to the establishment of the Company or the Portfolio, including, without limitation, printing and legal costs in relation to the Prospectus, experts' reports and due diligence; and
 - (f) any fees which relate to compliance with the Corporations Act and other regulations, including but not limited to, legal fees and compliance audit fees.

Notwithstanding the above, the Manager is solely responsible for payment of the fees of any investment manager engaged by the Manager to assist it in the performance of its obligations under the Management Agreement.

For the avoidance of doubt, any tax, management fee or Performance Fee incurred by the Company will be paid by the Company out of its own funds and not as a deduction from the Portfolio.

Termination

The Company may terminate the Management Agreement at any time if:

- (a) the Manager or any of its directors or servants are found guilty of grave misconduct in relation to the affairs of the Company;
- (b) the Manager's Australian financial services licence is suspended or cancelled at any time for any reason;
- (c) the Manager commits a fundamental default or breach of its obligations under the Management Agreement or is in breach of any conditions of its Australian financial services licence and such default or breach is not remedied within thirty (30) days after the Company has notified the Manager in writing to remedy that default or breach;
- (d) the Manager enters into liquidation (except voluntary liquidation for the purpose of reconstruction);
- (e) a receiver or receiver and manager is appointed to the whole or part of the undertaking of the Manager;

- (f) the Manager is guilty of any gross default, breach, non-observance or non-performance of any of the terms and conditions contained in the Management Agreement; or
- (g) the Manager is not lawfully able to continue to provide services to the Company pursuant to the terms of the Management Agreement.

The Company may terminate this Agreement by giving three (3) months written notice to the Manager if at any time after the Initial Term the Shareholders of the Company pass an ordinary resolution approving the termination of this Agreement at a general meeting.

The Manager may terminate the Management Agreement if at any time:

- (a) the Company fails to make payment of any fees due under the Management Agreement and the failure continues for twenty one (21) days from the delivery of a written notice by the Manager to the Company requesting payment;
- (b) the Company enters into liquidation (except voluntary liquidation for the purpose of reconstruction);
- (c) the Company is guilty of any gross default, breach, non-observance or non-performance of any of the terms and conditions contained in the Management Agreement;
- (d) a receiver or receiver and manager is appointed to the whole or part of the undertakings of the Company; or
- (e) the Manager has given three (3) months written notice to the Company of its intention to terminate, such notice not being given within three (3) years of the commencement date of the Management Agreement.

Company Indemnity

The Company must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers, employees or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, default, fraud or dishonesty of the Manager or its officers or employees.

Manager Indemnity

The Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any negligence, default, fraud or dishonesty of the Manager or its officers or supervised agents.

11.2 Deeds of Indemnity, Insurance and Access

The Company has entered into a Deed of Indemnity, Insurance and Access with each of the Directors (**Deeds**).

Pursuant to the Deeds, the Company agrees to indemnify each officer (to the maximum extent permitted by the Corporations Act) against any liability arising as a result of the officer acting as an officer of the Company. The Company may, at its discretion, maintain insurance policies for the benefit of the relevant officer for the term of the appointment (and for at least 7 years after the officer ceases to be an officer of the Company) and must also allow the officers to inspect board papers in certain circumstances.

11.3 Dividend Reinvestment Plan

The Company operates a dividend reinvestment plan (**Dividend Reinvestment Plan**). The Dividend Reinvestment Plan is designed to provide Shareholders with an opportunity to apply any cash dividend distributed by the Company towards the subscription for new Shares.

A summary of the Dividend Reinvestment Plan is set out below.

General

Participation in the Dividend Reinvestment Plan by Shareholders is optional.

To participate in the Dividend Reinvestment Plan, a Shareholder must elect to be a participant in the Dividend Reinvestment Plan on an election form.

Operation of Plan

Each dividend which is payable to a participant in the Dividend Reinvestment Plan in respect of Shares which that participant has nominated as being participating Shares and which is available for payment to the participant will, upon payment, be applied by the Company on the participant's behalf in subscribing for that number of Shares using the formula set out in the Dividend Reinvestment Plan.

Shares allotted under the Dividend Reinvestment Plan will rank equally in all respects with the existing Shares of the Company.

It is intended that Shares allotted under the Dividend Reinvestment Plan will be offered at NTA After Tax or at a discount to NTA After Tax (as determined by the Board), as calculated and announced to Shareholders in the month preceding the closing date of an offer under the Dividend Reinvestment Plan.

No brokerage, commission, stamp duty or other transaction costs will be payable by participants in respect of any allotment of any Shares under the Dividend Reinvestment Plan.

Prospectus

Section 708(13) of the Corporations Act exempts the Company from preparing a prospectus for the issue of any Shares under the Dividend Reinvestment Plan.

12. ADDITIONAL INFORMATION

12.1 Rights Attaching to Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend, the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend, all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act.

(f) **Variation of Rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the issued capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

12.2 **Terms of the Bonus Options**

The Bonus Options issued pursuant to this Prospectus will entitle the holder to subscribe for and be allotted Shares as follows:

- (a) the Bonus Options expire at 5pm (WST) on at 30 June 2012 (**Expiry Date**). Bonus Options not exercised on or before the Expiry Date will automatically lapse;
- (b) the Bonus Options may be exercised wholly or in part at any time by notice in writing to the Company's Share Registry (**Notice of Exercise**) received by it any time prior to the Expiry Date;
- (c) the Bonus Options entitle the holder to subscribe (in respect of each Bonus Option held) for a Share at an exercise price per Bonus Option of \$1.00;
- (d) a Bonus Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Bonus Option can be exercised;

- (e) the Company will apply for Official Quotation by the ASX of all of the Bonus Options;
- (f) upon the exercise of the Bonus Options and receipt of all relevant documents and payment, Shares will be issued ranking pari passu with the then issued Shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Bonus Options;
- (g) a summary of the terms and conditions of the Bonus Options including the Notice of Exercise is sent to all holders of Bonus Options when the initial holding statement is sent;
- (h) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise at the Bonus Option Exercise Date immediately following the day such notice is received;
- (i) there are no participating entitlements inherent in the Bonus Options to participate in new issues of capital which may be offered to shareholders during the currency of the Bonus Options. Prior to any new pro rata issue of securities to shareholders, holders of Bonus Options will be notified by the Company and will be afforded at least seven (7) Business Days before the Record Date (to determine entitlements to the issue), to exercise their Bonus Options; and in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Bonus Optionholder are to be changed in a manner that is equitable but does not confer any additional benefit to the holder of the Bonus Option.

12.3 Disclosure of Interests of Directors

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in Shares and Options as set out in the table below:

Director	Shares	Existing Options	Total Entitlement to Bonus Options
Philip Rees	220,929	-	52,233
Peter Diamond	201,236	-	50,309
Jay Hughes	398,206	-	99,552
Terry Budge	156,907	-	39,227

12.4 Remuneration

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed \$200,000 per annum.

The annual remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee. The annual

remuneration payable to each of the Directors as the date of this Prospectus is as follows:

Director	Remuneration
Philip Rees	Nil
Peter Diamond	Nil
Jay Hughes	Nil
Terry Budge	\$50,000

Mr Terry Budge is the only Director currently remunerated by the Company and Messrs Philip Rees, Peter Diamond and Jay Hughes are remunerated by entities within the consolidated group of Euroz Limited.

12.5 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no:

- (a) Director of the Company;
- (b) person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (c) promoter of the Company; or
- (d) underwriter (but not a sub-underwriter) to the Offers or a financial services licensee named in the Prospectus as a financial services licensee involved in the Offers,

has, or had within 2 years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or
- (c) the offer of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

Ernst & Young have acted as the Independent Accountant and Taxation Expert and have prepared an Independent Accountant's Report and Taxation Report which has been included in Sections 8 and 9 of this Prospectus respectively. The Company estimates Ernst & Young will charge a total of \$19,510 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with

the ASIC, Ernst & Young has received fees from the Company of \$117,780 for accountancy and taxation services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers and has been involved in due diligence enquiries on legal matters. The Company estimates it will pay Steinepreis Paganin \$15,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees from the Company of approximately \$12,000 for legal services.

Westoz Funds Management Pty Ltd has acted as the Manager to the Company in relation to the Company's Portfolio. The Company will pay the Manager in accordance with section 11.1 of this Prospectus for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Manager has received fees from the Company of \$24,358,422 for managing the Company's Portfolio.

12.6 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Ernst & Young have given their written consent to being named as Independent Accountant and Taxation Expert in this Prospectus and to the inclusion of the Independent Accountant's Report and the Taxation Report in Sections 8 and 9 respectively in the form and context in which this report is included. Ernst & Young has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin have given their written consent to being named as the solicitor to the Company in this Prospectus and have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Ltd has given its written consent to being named the Company's Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Westoz Funds Management Pty Ltd has given its written consent to being named as the Manager of the Company's Portfolio in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Euroz Limited has given its written consent to being named in various sections throughout this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Euroz Securities Limited has given its written consent to being named in various sections throughout this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

12.7 Expenses of the Offers

Assuming all Entitlements are accepted under this Prospectus, the total expenses of the Offer is estimated to be approximately \$156,286 and is expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount
ASIC Fees	\$2,010
ASX fees	\$111,273
Professional Fees	\$35,000
Printing and Marketing	\$8,000
Total	\$156,283

12.8 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12.9 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company using the contact details set out in this Prospectus and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the website of the Company at www.westozfunds.com.au.

12.10 Related Party Transactions

As at the date of this Prospectus, the Company is a party to the following transactions with related parties:

- (a) the Company has entered into the Management Agreement with the Manager. The Manager will receive fees in connection with its role as Manager of the Portfolio. Please refer to Section 11.1 for further details. Further, Jay Hughes and Peter Diamond are directors of both the Company and the Manager and are substantial shareholders in Euroz Limited. Phil Rees is also a director of both the Company and the Manager; and
- (b) each Director has entered into a Deed of Indemnity, Insurance and Access with the Company. Please refer to Section 11.2 for further details.

12.11 AFS Licensees

The Company does not hold an Australian financial services licence. Accordingly, the Company will only issue Bonus Options pursuant to this Prospectus under an arrangement with Euroz Securities Limited (AFSL 243302) pursuant to Section 911A(2)(b) of the Corporations Act.

13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Peter Diamond
Chairman
For and on behalf of
Westoz Investment Company Limited

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or **\$** means an Australian dollar.

ASIC means Australian Shares & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors as constituted from time to time.

Business Day means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

Bonus Option means an option to acquire one Share on the material terms set out in Section 12.2 of this Prospectus.

Bonus Optionholder means the holder of a Bonus Option.

Company or **Westoz** means Westoz Investment Company Limited (ACN 113 332 942).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company at the date of this Prospectus.

Dividend Reinvestment Plan has a meaning as set out in Section 4.10 of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Euroz Securities means Euroz Securities Limited (ABN 23 089 314 983).

Existing Option means an existing option to acquire a Share that has an exercise price of \$1.20 and an expiry date of 30 June 2010.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Listed Securities means securities in a class which:

- (a) are admitted to quotation on ASX;
- (b) in the reasonable opinion of the Manager, are likely to be admitted to quotation on ASX within a period of twelve (12) months from the date of the investment in those securities; or
- (c) are admitted to quotation on any other securities exchange approved by the Board in writing.

Manager means Westoz Funds Management Pty Ltd (ACN 106 677 721).

Management Agreement means the management agreement entered into between the Company and the Manager, further details of which are set out in Section 11.1 of this Prospectus.

Manager's Investment Committee means the investment committee of the Manager, further details of which are set out in Section 5.3 of this Prospectus.

NTA After Tax means the net tangible asset value per Share after provision for tax on realised and unrealised gains, dividends, operating costs, interest and fees, calculated as at the last day of each month and announced by the Company.

Offer means the Offer of one (1) free bonus Option for every (4) Shares held by Shareholders registered at 5:00pm (WST) on the Record Date.

Option means either a Bonus Option or Existing Option as the context requires.

Performance Calculation Period has a meaning as set out in Section 11.1 of this Prospectus.

Performance Fee has a meaning as set out in Section 11.1 of this Prospectus.

Permitted Investments has a meaning as set out in Section 4.9 of this Prospectus.

Portfolio means the portfolio of investments of the Company from time to time, as managed by the Manager pursuant to the Management Agreement.

Portfolio Value means the value of the Portfolio before any provision for tax calculated on the last Business Day of each month.

Prospectus means this prospectus.

Record Date means 14 August 2009.

Rights means the rights to subscribe for Bonus Options pursuant to this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Ltd.

Shareholder means a holder of Shares.

WST means Western Standard Time as observed in Perth, Western Australia.