

## **Market Update**

Further to our recent announcements made on 10 and 12 October 2011 concerning the Notice of Intention to make a full takeover offer ("Proposed Offer") received from Australasian Equity Partners Fund No. 1 LP ("AEP"), Pyne Gould Corporation Limited ("PGC") wishes to advise by way of a market update, the following information concerning the Proposed Offer:

1. The independent directors of PGC, Bryan Mogridge and Bruce Irvine have been appointed to form a committee of disinterested directors ("Committee") to deal with all aspects of the Proposed Offer.
2. Grant Samuel has been appointed as the independent appraiser with the task of preparing an independent appraisal report on the Proposed Offer. Grant Samuel's appointment has been approved by the Takeovers Panel in accordance with the provisions of the Takeovers Code.
3. The Committee are proposing to send out Grant Samuel's independent appraisal report with PGC's Target Company Statement (concerning the Proposed Offer) to the shareholders along with AEP's Takeover Offer, once the independent appraisal report is ready to be sent to shareholders. It is anticipated these will be sent out to shareholders on 9 November 2011. The Committee believes a joint mailing of the Target Company Statement, the independent appraisal report and AEP's Takeover Offer is in the best interests of the shareholders to ensure that the shareholders receive all necessary information concerning the Proposed Offer at the same time. This will enable the shareholders to make a fully informed decision on the Proposed Offer.
4. The Committee also reiterate the recommendation made by Bryan Mogridge in the announcement of 12 October 2011, that shareholders may wish to wait until they receive a copy of the Target Company Statement (including the independent appraiser's report) before taking any further action regarding the Proposed Offer.
5. PGC wishes to advise that although Bruce Irvine is standing for re election at the upcoming Annual General Meeting he will retire as a director of PGC early next year. As previously signalled, Mr Irvine has remained as a director in a transitional role until the major restructure of PGC and Heartland New Zealand Limited were completed. Whether the takeover by AEP is successful or not Mr Irvine will be replaced as an independent director on the board by end of February 2012.

For more information, please contact:  
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