



ASX ANNOUNCEMENT

29 August 2008

Indigo Pacific advises provision for impairment at 30 June 2008

The directors of Indigo Pacific Capital wish to advise the following:

The interest payment of \$1.1 million due from Indigo Group by 31 July 2008 was received by that date.

Given the nature of Indigo Pacific's business which is providing finance for development projects undertaken by Indigo Group, the directors of Indigo Pacific are constantly monitoring the security and considering any possible impairment to the loan facility.

At 30 June 2008 the directors did not consider the loan to be impaired but because of the turbulent economy decided to get a number of the projects independently assessed. These independent assessments were completed on 28 August 2008 and confirm the directors' opinion to within approximately \$300,000 or 0.6% of the principal and interest due at 30 June 2008.

The directors have, however, decided that it would be prudent in the present economic climate to book a **provision** for impairment of \$5,105,000.

The directors note that after this provision the net assets of Indigo Pacific exceed 55 cents per share.

Steve Mackay
Managing Director