

Premium Income Fund

NSX Release: 6 May 2011



Placement and Non-Renounceable Rights Issue

Wellington Capital Limited as responsible entity of the Premium Income Fund, is pleased to announce:

- a Placement of units at 10 cents per unit to raise \$11.3 million, and
- a non-renounceable Rights Issue to eligible Unitholders on the basis of one new unit for every three units held, at an issue price of 10 cents per unit to raise up to \$22.6 million.

The Rights Issue will be available to all eligible Unitholders who hold units on 24 May 2011 (Record Date). Units issued pursuant to both the Placement and the Rights Issue will rank equally with other units on issue.

The purpose of the Placement and the Rights Issue is to raise up to \$33.9 million.

A proposed timetable for the Rights Issue is set out in the table below:

Date	Event
6 May 2011	Announce Rights Issue
24 May 2011	Record Date
27 May 2011	Despatch of Information Booklet, and Entitlement & Acceptance Form
17 June 2011	Rights Issue closes (5.00pm)
20 June 2011	Premium Income Fund notifies NSX of subscriptions
22 June 2011	Allotment of new units
24 June 2011	Trading of new units expected to commence on NSX
24 June 2011	Despatch of holding statements in relation to new units
25 August 2011	Date by which shortfall of new units may be placed

All dates and times are indicative only and are subject to change. Wellington Capital Limited as responsible entity of the Premium Income Fund reserves the right to vary these dates and times without prior notice, including the right to close the offer early, withdraw the offer or accept late applications.

Capital structure

The capital structure of the Fund following the issue of new units, assuming the maximum number of units is issued under the Placement and Rights Issue, will be as follows:

Units on issue as at 5 May 2011	755,032,768
Placement units	113,000,000
New units to be issued under Rights Issue	251,677,589
Total units on issue after Placement and Rights Issue	1,119,710,357

The new units will rank equally in all respects with the Fund's existing units. If an eligible Unitholder's entitlement results in a fraction of a new unit, the Unitholder's entitlement will be rounded up to the nearest whole number.

There will be no deferred settlement trading in respect of the new units to be issued pursuant to the Rights Issue. Trading in the new units is expected to commence on 24 June 2011.

An application for quotation of the new units will be lodged with the National Stock Exchange separately.

Jenny Hutson, Managing Director of Wellington Capital Limited, said,

'My aim has been to ensure that the Fund can structure arrangements to maximise the value of its assets without the need for debt. A number of current assets require capital to optimise their net realisable value. There are three land based projects which will be prioritised. These are located in the Townsville, Hunter Valley and Gold Coast areas.

'This capital raising ensures new equity of at least \$11.3 million, with current Unitholders also having the opportunity to participate on the same terms as new external unitholders. The capital will enable a number of the Fund's smaller assets to be finalised and sold.

I am pleased to have new unitholder interest in the Fund. The new capital will enable the Fund to fast-track the next phase.

The strategy announced on 30 March 2011 of optimising the current assets, selling them and returning the net capital to Unitholders, remains unchanged. Over 50% of the assets of the Fund will be taken to the market this year.'

For further information please contact:

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