



19 April 2011

Dear Debentureholder

**Donovan Oates Hannaford Mortgage Corporation Limited
(Receivers & Managers Appointed) (in Liquidation) ACN 086 879 307
("DOHMC" or the "Company")**

Twelfth Report to Debentureholders – Interim short-form report

This twelfth report represents a brief update for Debentureholders on the April 2011 Distribution and future reports.

Section 1: April 2011 Distribution

We advise that we will be making a distribution of 3 cents in the dollar on or around 27 April 2011. We expect to make another distribution in July 2011, however the size of the distribution will depend on property sales in the meantime.

To date we have distributed \$124.4m to Debentureholders, which represents a return of 59% of the total balance owing to Debentureholders at the date of our appointment. Of this amount, \$121.5m is classified as a return of principal.

Table 1: Historic Distributions Summary

Date	Distribution to Debentureholders (\$)	Worked Example (\$)*	Comments
As at 1 February 2011	\$ 111,753,703.56	\$ 5,299.69	1.3% Interest distribution 51.7% Principal distribution
14/02/2011	\$ 12,646,584.64	\$ 600.00	6.0% Principal distribution
Total	\$ 124,400,288.20	\$ 5,899.69	59% Total distribution

* This column provides an example of distributions to a Debentureholder with a \$10,000 face value Debenture. The interest component of distributions was based on interest accruing at 8.2% per annum.

We continue to remain confident that we will be able to achieve an ultimate return to Debentureholders of approximately 70 cents in the dollar. We will provide you with further details on the success of our property realisation strategy and estimated final return in our next detailed report to you during September 2011.

Section 2: Communication

- Visit the website www.pwcrecovery.com by selecting 'Donovan Oates Hannaford Mortgage Corporation' under 'Businesses under Management' for past updates and information in relation to DOHMC;
- Call the DOHMC Port Macquarie Office on 1300 654 849, Monday to Wednesday between 8:30am to 5:00pm; or Thursday between 8:30am to 3:00pm; or

PricewaterhouseCoopers, ABN 52 780 433 757
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DX 77 Sydney, Australia
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

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- Write to: Greg Hall, Receiver and Manager, Donovan Oates Hannaford Mortgage Corporation Limited (Receivers and Managers appointed) (in Liquidation), C/- PricewaterhouseCoopers, GPO Box 2650, Sydney NSW 1171.

Section 3: Next Steps

We intend to make our next payment to Debentureholders **on or around 27 April 2011 equivalent to 3 cents in the dollar** of Debentureholders' principal balance outstanding as at the time of the Receivers' appointment.

We will provide another **short form report on or around 30 June 2011**, which will provide further information on the proposed July 2011 distribution. We will provide Debentureholders with a **detailed report during September 2011** which will provide an update on our property realisation strategy and further information regarding the ultimate return to debentureholders.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Greg Hall', with a large, sweeping flourish at the end.

Greg Hall
Receiver and Manager

A handwritten signature in black ink, appearing to read 'Ian England', with a large, sweeping flourish at the end.

Ian England
Receiver and Manager