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Company Announcements Office
Australian Stock Exchange Limited

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INVESTMENT IN TWO ADVISORY & FINANCIAL PLANNING FIRMS DIVESTMENT - GARNAUT PRIVATE CLIENT ADVISERS

Advisory & Financial Planning Investments

Prime Financial Group Ltd (Prime) is pleased to announce a 50% investment in advisory & accounting firms, Strategic PBS (Strategic) in Hobart Tasmania and Rundles Chartered Accountants (Rundles) in Melbourne Victoria.

In conjunction with the advisory & accounting firm investments, Prime will develop the financial planning business (50/50 equity structure) with each firm, allowing Strategic and Rundles to leverage off Prime's financial planning scale and resources to build additional revenue for both parties and deliver further value added services and grow their "integrated financial advice" model for clients.

Collectively, the firms have more than 2,000 clients and self managed super fund client assets of \$100.0M+, presenting future growth opportunities in accordance with Prime's investment criteria.

The investments will be earnings per share accretive and will contribute to Prime's earnings from the first quarter of the 2008 financial year.

Prime's investments and operations now extend to five states & capital cities throughout Australia, including Melbourne, Sydney, Brisbane, Perth and Hobart.

Divestment

Prime is divesting its 40% ownership in Garnaut Private Client Advisers (GPCA) to GPCA's founder & CEO Mr Chris Garnaut.

Prime realises a \$1.0M profit on the divestment/sale and is receiving \$7.5M cash as settlement. The funds from the divestment will be invested in entities/businesses that meet Prime's growth profile.

In association with the transaction Mr Chris Garnaut & his associates have agreed to voluntary escrow arrangements for approximately half their Prime shares until 30 June 2008 and to provide Prime with the first opportunity to place their shares.

Prime

Prime is a 'national diversified financial services & advisory group' operating across financial advice, funds management, corporate advisory and finance.

Prime currently has investments in 44 financial services & advisory businesses nationally, combining over 200 staff and 31 financial advisers.

Prime's overall strategy is to continue to establish, grow and invest in businesses within the financial services & advisory sector, firmly aligning the interests of Prime and investee company shareholders. Prime will build upon existing key operational activities, deliver further value added services, and capitalise upon aggregation opportunities as and when they become available.

For more information on this announcement please contact Simon Madder (Managing Director/CEO) or Campbell Kennedy (CFO & Company Secretary) on 03 9827 6999.

Simon Madder (Managing Director/CEO)