

MEDIA RELEASE

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INVESTOR TAKES STRATEGIC STAKE IN OFM

Listed funds manager and financial services company, OFM Investment Group Limited (OFM), today announced that Sterling Grace Corporation, a New York based investment fund that specialises in making investments in financial services sector, is making a strategic investment in the company.

Sterling Grace is best known in Australia for the sale in November 2001 of the Spicers/Monitor Money wealth management group to AXA Australia. Sterling Grace's advisor in Australia, First City Corporate Advisory, identified OFM as an opportunity with appreciation potential.

OFM's Chief Executive Officer, Mr. Rick Curtis, said, "OFM is very pleased to have such a highly regarded strategic investor on its register. The success of the recent placements to institutions is an endorsement of OFM's strategy of developing additional property and mortgage funds management businesses."

"The Board of OFM will look to develop a close association with Sterling Grace Corporation to explore mutually beneficial opportunities in funds management."

A total of 2,330,000 shares will be issued to Sterling Grace Corporation and its associates, which approximately represents the 5% maximum permitted under OFM's Constitution.

Last week OFM announced the placement of 3,758,851 shares to other institutional investors. At the completion of this placement to Sterling Grace OFM will have raised approximately \$10.046 million through the issue of 6,088,851 shares at \$1.65 per share to institutional clients of Bell Potter Securities Limited.

This approximately equals the maximum 15% of share capital allowed to be raised by the company without shareholder approval in any 12 month period. Shares issued under the placements will rank equally in all respects with all existing fully paid ordinary shares in OFM as from their allotment, except they will not be eligible to participate in the final dividend for the financial year 2003.

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