

**CUSTODIAN SUNBURY
SYNDICATE LIMITED (“Company”)**

30 August 2011

Dear Investor,

By way of update we advise the development works associated with stage one (comprising 63 allotments and a medium density site) are progressing.

It is anticipated (weather and construction practicalities permitting) that stage one development works will be completed by November 2011.

Finance is in place to fund the development works associated with stage two of the project (comprising 52 residential allotments). Stage two works are anticipated to commence (local and statutory authority approvals permitting) during September 2011.

We are pleased to report the overall timing of the project is in accordance with the assumptions on which the forecast in the prospectus was based.

The Company holds unconditional contracts for the sale of 40 of the residential allotments in stage one, for a total contract value of \$7,561,500 (being an average of \$189,037), in addition to the 20 allotments that are the subject of the Referral Agreement with the JLF Corporation Pty Ltd.

The average allotment sale price achieved by the Company for stage one allotments (\$188,628) exceeds the forecast sale price of \$162,222 as advised by the Independent Valuer (please refer to page 63 of the Replacement Prospectus for the assessment by the Independent Valuer).

We will continue to keep you informed of the Company’s progress with the project. Should you have any queries in the meantime, please contact us on 1800 174 999.

Kind regards,



John Fitzgerald
CEO, Custodian Sunbury Syndicate Limited

Please note this is not an offer to subscribe in securities. Any investment in Custodian Sunbury Syndicate Limited can only be made on the Application Form contained in the Supplementary Prospectus dated 30 August 2010 and lodged with the Australian Securities and Investments Commission. The comments made in this letter do not take into account your specific objectives, financial situation or needs. Accordingly, before deciding to apply for shares in the Company, you should seek advice from an appropriately qualified and independent adviser.