

MEETING DOCUMENT TO SHAREHOLDERS

INCLUDING

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT INDEPENDENT EXPERT'S REPORT

Time and: 11.00 am
Date of Meeting on Wednesday, 4 April 2012

Place of Meeting: Sofitel Sydney Wentworth
The Boardroom
Lobby Level
61 - 101 Phillip Street
Sydney, New South Wales

IMPORTANT NOTICE

The General Meeting is being convened by shareholder, Data Base Systems Limited (and not the Company), pursuant to section 249F of the Corporations Act.

This Meeting Document is important and requires your immediate attention. If you are unsure what to do or have any questions in relation to the General Meeting, you should contact your legal, financial or other professional adviser. If you have already sold all of your Bentley Shares, please ignore this document.

Shareholders should note that in the absence of you specifying a proxy, your proxy will be the Chairman of the meeting who will cast your votes on the resolution (if you have not given a direction) at his discretion. If you wish to vote in favour or against the resolution, please specifically direct the Chairman to vote accordingly.

This Notice of General Meeting and Explanatory Statement is dated 24 February 2012.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of Bentley Capital Limited A.C.N. 008 108 218 (**BEL or Company**) will be held at Sofitel Sydney Wentworth, The Boardroom, Lobby Level, 61 - 101 Phillip Street, Sydney, New South Wales at 11.00 am on Wednesday, 4 April 2012.

AGENDA

Resolution - Approve Acquisition of 5.94 Million Shares

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That shareholders approve the acquisition by Data Base Systems Limited of 5,940,000 shares in the Company on-market at 22 cents per share on 7 April 2011, and otherwise as set out in the Explanatory Statement accompanying this Notice”

NOTE: This resolution is being put to shareholders pursuant to an Undertaking agreed to between DBS and the Takeovers Panel (“the Undertaking”) (see section 3 of the Explanatory Statement accompanying this Notice of Meeting). Under the terms of the Undertaking the resolution is described as being to seek approval pursuant to Item 7 of Section 611 of the *Corporations Act 2001*. Shareholders should note that Item 7 of Section 611 of the *Corporations Act 2001* does not provide for post dated approvals and to that extent this approval is properly to be considered as an approval required by the Takeovers Panel pursuant to the terms of the Undertaking.

NOTE: Any votes cast on the resolution by Data Base Systems Limited, Mrs Ambreen Chaudhri, Mr Farooq Khan, Mr Azhar Chaudhri, Orion Equities Limited and Queste Communications Limited, or any of their associates, will be disregarded. DBS will request that BEL conduct a poll of the votes cast on the Resolution.

Dated: 24th day of February 2012

Executed by shareholder, Data Base Systems Limited,



**Ambreen Chaudhri
Director**

EXPLANATORY STATEMENT

This Explanatory Statement is provided to the shareholders of Bentley Capital Limited (**Bentley** or **Company** or **BEL**) pursuant to and in satisfaction of the *Corporations Act (Cth) 2001 (Corporations Act)*. This Explanatory Statement is intended to be read in conjunction with the Notice of General Meeting and Independent Expert's Report. Shareholders should read this Meeting Document in full to make an informed decision regarding the resolution to be considered at this General Meeting. Defined terms and abbreviations in this Explanatory Statement are as defined in the Glossary section.

KEY SUMMARY

Data Base Systems Limited ("DBS") is calling this general meeting in order to comply with the Undertaking agreed between it and the Takeovers Panel. Refer to section 3 below and Schedule 1 to this Explanatory Statement for details of the Undertaking. If the Resolution is passed in compliance with the Undertaking, the Acquisition by DBS of 5,940,000 shares in BEL on 7 April 2011 will have been approved.

Provided that approval is obtained in a manner that satisfies the Undertaking, DBS has voluntarily agreed to offer to BEL shareholders the opportunity to purchase some of the Approval Shares from DBS (refer section 4.2(j) below for details) for 13.5 cents per share (the "BEL Share Entitlement Offer").

If the Acquisition is not approved by BEL shareholders in compliance with the Undertaking, DBS has agreed, subject to the outcome of the application for Judicial Review (as to which see section 4.2(m)), to implement divestment of the Approval Shares pursuant to the Undertaking (see section 4.2(j)B below for details of the divestment steps).

RSM Bird Cameron has prepared an Independent Expert's Report and has provided an opinion that the Resolution is both **fair and reasonable** to the Shareholders of the Company not associated with DBS and its Associates.

1. MEETING CALLED AND ARRANGED TO BE HELD UNDER SECTION 249F OF CORPORATIONS ACT

Section 249F of the Corporations Act allows any member with at least 5% of the votes that may be cast at a general meeting to call and arrange to hold a general meeting of a company, at the expense of that member. DBS is a Shareholder of the Company and currently holds 13,421,544 Shares, or 18.30% of the issued Shares of the Company.

Pursuant to the Undertaking, DBS has called and arranged to hold this General Meeting under section 249F at its own expense.

2. VOTING CONSTRAINTS

By clause 4.3(a) of the Undertaking DBS agreed to prepare this notice of meeting, with explanatory statement, such that it includes a statement that any votes cast on the resolution by DBS, Mrs Ambreen Chaudhri, Mr Farooq Khan, Mr Azhar Chaudhri, Orion Equities

Limited ("Orion") and Queste Communications Ltd ("Queste"), or any of their associates, will be disregarded. Please note however that:

- a) both Orion and Queste have advised that they believe they are entitled to vote on the Resolution;
- b) the Takeovers Panel and ASIC consider that the obligation upon DBS to divest itself of the Approval Shares (see paragraph 4.2(j)B(ii) below) will be triggered if the Resolution is passed only by reason that votes of Orion and/or Queste have been counted; and
- c) it is open to the Takeovers Panel to make application to the Federal Court of Australia to seek an order that DBS divest itself of the Approval Shares if the Takeovers Panel considers that the Resolution has been passed other than in accordance with the Undertaking.

3. BACKGROUND

On 6 July 2011 the Takeovers Panel determined:

1. that DBS, Mrs Ambreen Chaudhri and Mr Farooq Khan were associates, in relation to BEL, on 7 April 2001 when DBS acquired the Approval Shares; and
2. that Mrs Ambreen Chaudhri and Mr Azhar Chaudhri were associates, in relation to Queste, on 7 April 2011 when DBS acquired the Approval Shares;

(together **the Decisions**).

On 5 July 2011 DBS agreed with the Takeovers Panel to the terms of the Undertaking, the text of which is reproduced in full as Schedule 1 to this explanatory statement.

As detailed in section 4.2(m) Mrs Ambreen Chaudhri and DBS and, in a separate application, Mr Azhar Chaudhri, are seeking Judicial Review of the Decisions.

4. INFORMATION IN RELATION TO THE RESOLUTION

The Resolution seeks shareholder approval in respect of DBS acquiring 5,940,000 Shares on-market at 22 cents per share on 7 April 2011, as DBS's voting power in the Company, according to the Decisions, increased by reason of that acquisition from 40.959% to 49.141% (now 48.64% as a consequence of subsequent changes in the total issued share capital of the Company).

4.1 *Corporations Act* provisions

Pursuant to Section 606(1) of the *Corporations Act*, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

A person (**second person**) will be an "associate" of the other person (**first person**) if:

- (a) the first person is a body corporate and the second person is:
 - (i) a body corporate the first person controls;
 - (ii) a body corporate that controls the first person; or
 - (iii) a body corporate that is controlled by an entity that controls the person;
- (b) the second person has entered or proposed to enter in a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Company's board or the conduct of the Company's affairs; and
- (c) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the Company's affairs.

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

Power or control includes:

- (a) power or control that is indirect; and
- (b) power or control that is, or can be, exercised as a result of, a means of or by the revocation or breach of:
 - (i) a trust; or
 - (ii) an agreement; or
 - (iii) a practice; or
 - (iv) any combination of them;whether or not they are enforceable; and
- (c) power or control that is, or can be made, subject to restraint or restriction.

It does not matter whether the power or control is express or implied, formal or informal, exercisable alone or jointly with someone else. It does not matter that the power or control cannot be related to a particular security.

A person has the relevant interests in any securities that any of the following has:

- (a) a body corporate, or managed investment scheme, in which the person's voting power is above 20%;
- (b) a body corporate, or managed investment scheme, that the person controls.

Paragraph (a) does not apply to a relevant interest that the body corporate or scheme itself has in the securities merely because of the operation of that paragraph in relation to another body corporate or managed investment scheme.

A person controls a body corporate if the person has the capacity to determine the outcome of decisions about the body corporate's financial and operating policies.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

According to the Decisions DBS, Mrs Ambreen Chaudhri and Mr Farooq Khan are associates with respect to BEL and Mrs Ambreen Chaudhri and Mr Azhar Chaudhri are associates with respect to Queste.

4.2 Required Information

The information set out below is required to be provided to Shareholders under the Undertaking and the *Corporations Act*.

(a) The identity of DBS, its directors and its associates (by whom the Acquisition was made)

The person by whom the Acquisition was made is DBS. DBS is an investment company incorporated in Malaysia which holds investments in cash and shares. The sole director of DBS is Mrs Ambreen Chaudhri. Mrs Ambreen Chaudhri is also the controlling shareholder of DBS. According to the Decisions, Mr Farooq Khan (the brother of Mrs Ambreen Chaudhri), Mrs Ambreen Chaudhri and DBS are associates with respect to BEL and Mrs Ambreen Chaudhri and Mr Azhar Chaudhri (the husband of Mrs Ambreen Chaudhri) are associates with respect to Queste.*¹

(b) The extent of the increase in DBS's voting power in the Company that resulted from the Acquisition

The extent of the increase in DBS's voting power in the Company that resulted from the Acquisition was 8.182% and is now 8.098% (as a consequence of subsequent changes in the total issued share capital of the Company).

(c) The voting power that DBS has as a result of the Acquisition

The voting power in the Company that DBS has as a result of the Acquisition, according to the Decisions was 49.141% and is now 48.64%. This reduction in voting power is the consequence of DBS not reinvesting, pursuant to the BEL dividend reinvestment plan, the dividends recently received by it from BEL.

(d) The voting power that DBS will have if the Acquisition is approved

Based on the Decisions, the voting power in the Company that DBS will have if the Acquisition is approved is 48.64%. Of this, based on the Decisions, 18.298% is a direct holding and the balance is a deemed interest.

* Neither Mr Azhar Chaudhri nor Mr Farooq Khan hold any shares in Bentley. Mr Khan holds 20.48% of the total voting power in Queste. As this holding is greater than 20%, Mr Khan is deemed under the Corporations Act to have an interest in the shares in Bentley held by Queste and by Orion.¹

(e) The extent of the increase in the voting power of each of that person's associates that resulted from the Acquisition

The extent of the increase in the voting power of the persons that, according to the Decisions, are associates of DBS was 8.182% and is now 8.098%.

(f) The voting power that each of that person's associates would have as a result of the Acquisition

The voting power of each of the following persons that, according to the Decisions, are associates of DBS with respect to BEL, obtained as a result of the Acquisition is, according to the Decisions, 49.14% (now 48.64%):

Farooq Khan	- was 49.14% (now 48.64%)
Ambreen Chaudhri	- was 49.14% (now 48.64%)

(g) The voting power that each of the Associated Parties would have if the Acquisition is approved

"Associated Parties" for the purposes of the Undertaking means Mr Farooq Khan, Mrs Ambreen Chaudhri, DBS and "any of their associates". According to the Decisions the only relevant "associate" is Mr Azhar Chaudhri as an associate of Mrs Ambreen Chaudhri with respect to Queste. Mr Chaudhri holds no shares in BEL. Island Australia Pty Ltd is an associate of Mr Khan with respect to Queste. Island Australia Pty Ltd holds no shares in BEL. There are no other associates of the Associated Parties with respect to BEL. According to the Decisions the voting power that each of the Associated Parties would have if the Acquisition is approved is was 49.14% and is now 48.64%.

(h) The voting power that DBS would have if the Acquisition is not approved

If the Acquisition is not approved then, subject to the outcome of the application for Judicial Review, DBS will be required to divest itself of the Approval Shares with the consequence that its voting power will decrease by 8.098% (was 8.182%) such that, according to the Decisions, its voting power would become 40.54% (was 40.96%).

(i) The voting power that each of the Associated Parties would have if the Acquisition is not approved

If the Acquisition is not approved the voting power of each of the Associated Parties would be, according to the Decisions, 40.54% (was 40.96%) following the divestment by DBS of all of the Approval Shares.

(j) Intentions of DBS and Associated Parties

As noted above DBS is an investment company. Its objectives are to obtain a return on its investments in shares by investing in companies where it supports the objectives of the company and considers there is a potential for dividends and capital growth. DBS invested in BEL because it supported the investment mandate adopted by BEL shareholders and it identified the potential for capital growth taking account of both

the investment mandate and the significant disparity between BEL's share price and its net tangible assets. Since investing DBS has not sought representation on the Board nor to make any changes to the business or operations of BEL nor has DBS reinvested in BEL through the dividend reinvestment plan. According to the Decisions however Mr Khan, who is the Chairman of BEL, is an associate of DBS with respect to BEL. The intentions of DBS with respect to BEL are consistent with the DBS strategy to be a passive investor in BEL.

DBS advises that, as at the date of this Notice of Meeting and on the basis of the facts and information available to it:

A. if Shareholders approve the Resolution in a manner that satisfies the Undertaking, it :

- (i) has no intention of making any significant changes to the business of the Company (to the extent that it is capable of having influence on the Company in this regard);
- (ii) does not intend to inject additional capital into the Company;
- (iii) does not propose to change the current employment arrangements of the Company (to the extent that it is capable of having influence on the Company in this regard);
- (iv) does not intend to redeploy any fixed assets of the Company (to the extent that it is capable of having influence on the Company in this regard);
- (v) has no intention to change the Company's existing policies in relation to financial matters or dividends (to the extent that it is capable of having influence on the Company in this regard);
- (vi) has no intention to change the Board of the Company (to the extent that it is capable of having influence on the Company in this regard);
- (vii) has no intention of acquiring additional shares in the Company; and
- (viii) will invite Offeree Shareholders, under the BEL Share Entitlement Offer , to purchase up to 3,712,500 of the Approval Shares at a price of 13.5 cents per share on the following basis:
 - (a) each Offeree Shareholder will be invited, by notice of offer despatched within 14 days of approval of the Resolution, to acquire shares pro-rata to their shareholding in BEL;
 - (b) no Offeree Shareholder will be entitled to acquire shares greater in number than their pro-rata entitlement per paragraph (a) above;
 - (c) no Offeree Shareholder shall be entitled to acquire more shares than they would otherwise be entitled to acquire pursuant to Chapter 6; and
 - (d) the invitation to purchase shall be open to the Offeree Shareholders to accept for a period of no less than 21 days.

B. if Shareholders do not approve the Resolution in a manner that satisfies the Undertaking:

- (i) it will proceed with the application for Judicial Review; and
- (ii) subject to the outcome of the application for Judicial Review and to any stay of

the Undertaking granted by the Federal Court or agreed by the Takeovers Panel, it will proceed to implement the Undertaking regarding divestment of the Approval Shares by taking the following steps:

DBS will invite Offeree Shareholders to purchase the Approval Shares at a price of \$0.22 per share on the following basis:

- (a) each Offeree Shareholder will be invited, by notice of offer despatched within 14 days of disapproval of the Resolution, to acquire shares pro-rata to their shareholding in BEL subject to paragraph (e);
- (b) any Offeree Shareholder will be entitled to apply for additional shares at a price of \$0.22 per share;
- (c) if not all shares available for purchase pursuant to paragraph (a) are taken up, any Offeree Shareholder who has applied to purchase additional shares pursuant to paragraph (b) shall be entitled to take up these additional shares subject to paragraphs (d) and (e);
- (d) in the event there are not enough shares to satisfy all applications under paragraph (b), those applications will be accepted pro rata to the holdings of those Offeree Shareholders prior to the offers;
- (e) no Offeree Shareholder shall be entitled to acquire more shares than they would otherwise be entitled to acquire pursuant to Chapter 6; and
- (f) the invitation to purchase shall be open to the Offeree Shareholders to accept for a period of no less than 21 days.

Any Approval Shares that have not been sold to Offeree Shareholders will be vested in the Appointed Seller on trust for DBS.

The Appointed Seller will be instructed to:

- (a) sell the remaining Approval Shares in accordance with paragraphs (b) to (f) below;
- (b) account to DBS for the proceeds of sale, net of the costs, fees and expenses of the sale and any costs, fees and expenses incurred by ASIC;
- (c) dispose of all of the remaining Approval Shares within 3 months from the date of its engagement;
- (d) use the most appropriate sale method to secure the best available sale price for the remaining Approval Shares reasonably available at that time in the context of complying with these undertakings, including the stipulated timeframe for the sale of the Approval Shares;
- (e) unless the Appointed Seller sells the remaining Approval Shares on market, obtain from any prospective purchaser of the remaining Approval Shares a

statutory declaration that the prospective purchaser is not associated with any of the Associated Parties, Mr Azhar Chaudhri, Orion or Queste; and

- (f) not sell any of the remaining Approval Shares to the Associated Parties, Mr Azhar Chaudhri, Orion or Queste or any of their associates.

C. Whether or not Shareholders approve the Resolution:

- (i) DBS and Mrs Chaudhri will each dispose of their entire shareholding in Queste;
(ii) DBS will continue to have a role as a passive shareholder in BEL;
(iii) DBS will continue to be supportive of the current Board of BEL and the investment mandate of that Board.

D. If the Resolution is approved Mr Chaudhri intends to dispose of his shares in DBS such that he will have no interest whatsoever in DBS.

E. If the Resolution is approved, Mr Khan intends to reduce his shareholding in Queste such that his voting power in Queste is below 20%, the effect of which will be that Mr Khan will no longer have a relevant interest in the shares in BEL held by Orion and Queste.

F. Relevant interests and voting power following disposals:

Following the disposals referred to in paragraphs C(i), D and E above and assuming all 3,712,500 of the Approval Shares offered to Offeree Shareholders by DBS at a price of 13.5 cents per share under the BEL Share Entitlement Offer are acquired by Offeree Shareholders, the relevant interests and voting power of the following entities in BEL will be as specified below:

Ambreen Chaudhri / DBS : 9,709,044 Shares or 13.236%

Farooq Khan: According to the Decisions, 9,709,044 Shares or 13.236%

Azhar Chaudhri: Nil

The final relevant interests and voting power of the above entities will be higher if not all of the Approval Shares offered to Offeree Shareholders are taken up.

(k) Directors' Interest in the Acquisition

None of the directors of BEL have any direct interest in the Acquisition.

By reason of the Decisions, the Takeovers Panel have determined that as at 7 April 2011 Mr Khan had voting power in the Approval Shares by reason of the determination of the Takeovers Panel that Mr Khan was associated with DBS on 7 April 2001 when DBS acquired the Approval Shares.

(l) Directors' Recommendations

Mr Khan does not wish to give a recommendation as to how Shareholders should vote on the Resolution because the Takeovers Panel determined that Mr Khan was an associate of DBS (the acquirer) at the time of the Acquisition.

DBS has been advised that the directors of BEL, other than Mr Farooq Khan, intend to issue a letter to BEL shareholders in relation to this Notice of Meeting and Explanatory Statement.

(m) Application for Judicial Review

DBS and Mrs Chaudhri have sought Judicial Review of the Decisions in the Federal Court of Australia. Mr Azhar Chaudhri has also separately sought Judicial Review of the Decisions.

If the Resolution is passed in a manner that satisfies the Undertaking:

- a) the application for Judicial Review by DBS and Mrs Chaudhri is not expected to have any effect on the Company or the Shareholders as at that stage DBS will have complied with the Undertaking in full;
- b) DBS and Mrs Chaudhri will give consideration to the merits of discontinuing with their application for Judicial Review; and
- c) DBS will offer 3,712,500 Approval Shares to Offeree Shareholders as specified at 4.2(j)A(viii).

If the Resolution is not passed in a manner that satisfies the Undertaking, DBS currently intends to seek a stay of clause 5 of the Undertaking on the basis that if DBS was required to divest the Approval Shares prior to the determination of the application for Judicial Review this would substantially deprive DBS of the benefit of the Judicial Review process. The Takeovers Panel agreed to a stay in similar circumstances in another matter in 2011. If such a stay was granted, the offer by DBS to BEL shareholders to sell the Approval Shares would be delayed, and depending on the outcome of the application for Judicial Review may not occur at all.

(n) Additional Information Known to DBS

There is no additional information known to DBS considered material to the decision of Shareholders on how to vote on the Resolution.

4.3 Reasons to Vote to Approve the Acquisition

DBS is of the view that the following non-exhaustive list of reasons to vote for the Resolution may be relevant to a Shareholder's decision on how to vote on the Resolution:

- (a) Shareholders will, if the Acquisition is approved in a manner that satisfies the Undertaking, have the opportunity to participate in the BEL Share Entitlement Offer by acquiring additional shares in BEL at 13.5 cents per share, being a significant discount to the current NTA of BEL and a discount to the current market price and VWAP of BEL shares over the last 3 months. The most recent NTA of BEL shares is 27.2 cents per share (being the pre and post tax NTA backing as at 31 January 2012) and the most recent market price of BEL shares is 16.5 cents (being the last sale/closing price on 23 February 2012). The VWAP of BEL shares over the 3 month period between 24 November 2011 and 23 February 2012 is 15.9 cents;

- (b) DBS will hold shares in BEL (other than those shares taken up by shareholders under the BEL Share Entitlement Offer), as a passive investor that supports the current investment mandate of BEL;
- (c) the approval of the Acquisition will bring finality to the matters raised with the Takeovers Panel which gave rise to the Decisions. The finality will arise by reason that the matters raised with the Takeovers Panel concerned unacceptable circumstances considered by the Takeovers Panel to exist. Performance of the Undertaking will remedy the unacceptable circumstances and the Undertaking will have been fully performed;
- (d) none of the Approval Shares will, if the Acquisition is approved in a manner that satisfies the Undertaking, be vested in the Appointed Seller and therefore there is no risk that a significant parcel of up to 8% of the Company's shares will be placed on the market for sale which could, at least temporarily, have a detrimental effect on the Company's share price.
- (e) RSM Bird Cameron has prepared an Independent Expert's Report and has provided an opinion that the Resolution is both **fair and reasonable** to the Shareholders of the Company not associated with DBS and its Associates. (Refer section 4.5 for further details).

4.4 Reasons to Vote Against Approval of the Acquisition

DBS is of the view that the following non-exhaustive list of reasons to vote against the Resolution may be relevant to a Shareholder's decision on how to vote on the Resolution:

- (a) the fact that the Approval Shares will be either acquired by existing Shareholders or retained by DBS may reduce the prospect of another party making a bid to acquire the Company at a premium to the existing market price.
- (b) the fact that, according to the Decisions, the Associated Parties will have increased by 8.182% (now 8.098%) their level of control, and potential to influence, by exercising their voting power, the affairs, of BEL. BEL shareholders will not have received any compensation, by way of an offer from DBS, other than the BEL Share Entitlement Offer, or otherwise, or increase in value for this increase in voting power.
- (c) Given that BEL shares are relatively illiquid and the offer price under the BEL Share Entitlement Offer will be at a discount to current market price, and assuming it remains at a discount at the time the offer is accepted by accepting Offeree Shareholders:
 - i. there is a potential for the offer to cause, at least temporarily, a reduction in the market price for BEL shares; and
 - ii. BEL Shareholders wishing to sell BEL shares may be disadvantaged by the BEL Share Entitlement Offer having taken up market demand for BEL shares.

4.5 Independent Expert's Report

The accompanying Independent Expert's Report assesses whether the Resolution is fair and reasonable to the Shareholders who are not associated with DBS and its Associates. The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Acquisition the subject of the Resolution. This assessment is designed to assist all Shareholders in reaching their voting decision.

RSM Bird Cameron has provided the Independent Expert's Report and has provided an opinion that the Resolution is fair and reasonable to the Shareholders of the Company not associated with DBS and its Associates. It is recommended that all Shareholders read the Independent Expert's Report in full.

5. GLOSSARY

Acquisition	The acquisition by DBS of the Approval Shares
Judicial Review	Federal Court Application WAD 329/2011 by Mrs Ambreen Chaudhri and Database Systems Ltd against the Takeovers Panel and others under section 5 of the Administrative Decisions (Judicial Review) Act 1977 (Cth) and section 39B (1A) of the Judiciary Act 1903 (Cth).
Approval Shares	The 5,940,000 Shares acquired by DBS on-market on 7 April 2011 at a cost of 22 cents per Share
Appointed Seller	The investment bank or stockbroker nominated by ASIC, who has first provided to ASIC a statutory declaration declaring that, after having made proper inquiries, the investment bank or stock broker is not aware of any interest, past, present, or prospective which could conflict with the proper performance of the functions in relation to the disposal of the remaining Breach Shares
ASIC	Australian Securities and Investments Commission
Associated Parties	In relation to Bentley means according to the Decisions, DBS, Mrs Ambreen Chaudhri, Mr Farooq Khan, and any of their associates
Bentley or BEL	Bentley Capital Limited A.C.N. 008 108 218
Board	the current board of directors of the Company.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Company	Bentley

Corporations Act	Corporations Act 2001 (Cth).
Directors	the current directors of the Company.
Explanatory Statement	the explanatory statement accompanying the Notice of Meeting.
General Meeting	the meeting convened by the Notice of Meeting.
DBS	Data Base Systems Limited
Notice of Meeting or Notice of General Meeting	this notice of General Meeting including the Explanatory Statement.
on market	in the ordinary course of trading on Australian Securities Exchange and not by crossing or special crossing
Offeree Shareholders	Bentley shareholders other than:
(a)	those registered in overseas jurisdictions where it is not reasonable as set out in listing rule 7.7.1 to make the invitation; and
(b)	the Associated Parties, Mr Azhar Chaudhri, Orion and Queste or any of their associates
Orion or OEQ	Orion Equities Limited A.C.N. 000 742 843
Queste or QUE	Queste Communications Ltd A.C.N. 081 688 164
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of a Share.
VWAP	volume weighted average share price.

SCHEDULE 1**“AUSTRALIAN SECURITIES AND
INVESTMENTS COMMISSION ACT 2001 (CTH)
SECTION 201A
UNDERTAKING****BENTLEY CAPITAL LIMITED 01R**

Pursuant to section 201A of the Australian Securities and Investments Commission Act 2001 (Cth), Database Systems Limited and Mrs Ambreen Chaudhri undertake to the Panel:

1. *Substantial holding disclosure undertaking*
 - 1.1. *The Associated Parties must, as soon as practicable, give notice of their substantial holding in relation to their voting power in Bentley and their association, including disclosing:*
 - (a) *the name of each associate who has a relevant interest in voting shares in Bentley;*
 - (b) *the nature of their association*
 - (c) *the relevant interest of each associate and*
 - (d) *details of any relevant agreement through which they have a relevant interest in Bentley shares.*
2. *Standstill undertaking*
 - 2.1. *Until either order 4 or order 5 is satisfied, the Associated Parties must not:*
 - (a) *acquire any further shares or interests in shares in Bentley or otherwise increase their voting power in Bentley*
 - (b) *dispose, transfer or grant any security interest over any shares or interests in shares in Bentley or*
 - (c) *exercise any voting rights attaching to the Breach Shares.*
3. *Operation of shareholder approval and divestment undertakings*
 - 3.1. *DBS must give written notice to Bentley and the Panel immediately these undertakings are accepted that DBS proposes to seek shareholder approval for the acquisition of the Breach Shares.*
 - 3.2. *The Associated Parties will do all things necessary to cause the meeting to be conducted in accordance with undertaking 4.*
 - 3.3. *If Bentley shareholders fail to approve the acquisition of the Breach Shares, then undertaking 5 applies.*

4. Shareholder approval undertaking

- 4.1. DBS must call, and arrange to hold, a general meeting of Bentley under s249F to put before the members a resolution to consider, and if thought fit, to approve the acquisition of the Breach Shares pursuant to Item 7 of s611 in accordance with these undertakings.
- 4.2. DBS must commission an independent expert selected from a list provided by ASIC to prepare an independent expert's report.
- 4.3. DBS must prepare a notice of meeting and explanatory memorandum for the shareholder meeting that includes the following:
 - (a) a statement that any votes cast on the resolution by any of the Associated Parties, Mr Azhar Chaudhri, Orion and Queste, or any of their associates, will be disregarded
 - (b) all material information known to any of the Associated Parties required for shareholders to consider the acquisition of the Breach Shares by DBS in April 2011, including
 - (i) the identity of DBS, its directors, and its associates
 - (ii) the voting power that DBS would have if the acquisition is approved
 - (iii) the voting power that each of the Associated Parties would have if the acquisition is approved
 - (iv) the voting power that DBS would have if the acquisition is not approved
 - (v) the voting power that each of the Associated Parties would have if the acquisition is not approved
 - (vi) the effect of the undertakings given to the Panel and
 - (c) a copy of the independent expert's report.
- 4.4. The notice of meeting and explanatory memorandum must be in a form reviewed by ASIC and to which it has no objection.
- 4.5. DBS must arrange for the meeting be held at an appropriate venue in the central business district of Sydney.
- 4.6. DBS must arrange for the meeting be chaired by either Mr Christopher Ryan or Mr William Johnson, or if neither Mr Ryan or Mr Johnson is available, the meeting must be chaired by a person independent of the Associated Parties, Mr Azhar Chaudhri, Orion and Queste as elected by the meeting.
- 4.7. DBS must reimburse Bentley any costs that it incurs associated with the meeting.

5. Divestment undertaking

- 5.1. This undertaking takes effect upon the happening of the event in undertaking 3.3.
- 5.2. Following compliance with undertaking 5.3 DBS will invite offeree shareholders to purchase the Breach Shares at a price of \$0.22 per share on the following basis:

- (a) *each offeree shareholder will be invited to acquire shares pro-rata to their shareholding in Bentley subject to paragraph (e);*
- (b) *any offeree shareholder will be entitled to apply for additional shares at a price of \$0.22 per share;*
- (c) *if not all shares available for purchase pursuant to paragraph (a) are taken up, any offeree shareholder who has applied to purchase additional shares pursuant to paragraph (b) shall be entitled to take up these additional shares subject to paragraphs (d) and (e);*
- (d) *in the event there are not enough shares to satisfy all applications under paragraph (b), those applications will be accepted pro rata to the holdings of those offeree shareholders prior to the offers;*
- (e) *no offeree shareholder shall be entitled to acquire more shares than they would otherwise be entitled to acquire pursuant to Chapter 6; and*
- (f) *the invitation to purchase shall be open to the offeree shareholders to accept for a period of no less than 21 days.*

5.3. *DBS will:*

- (a) *If the shareholders meeting referred to in undertaking 4 does not approve the acquisition, within 7 days of the date of that meeting prepare a draft form of offer to comply with undertaking 5.2 and provide it to Bentley for comments, which Bentley shall provide to DBS with 2 business days of receiving the draft from DBS;*
- (b) *within 9 business days after the date of the Bentley shareholders meeting referred to in paragraph (a) above submit the draft offer (after taking into consideration comments received from Bentley) to ASIC for its review prior to dispatch to Bentley shareholders;*
- (c) *within 7 days of ASIC having no objection dispatch those invitations to the offeree shareholders;*
- (d) *within 3 business days of the close of the invitation period (and third party invitation period referred to in undertaking 5.2(f) above) provide to the parties, Panel and ASIC details of all shares proposed to be transferred by DBS as a result of the invitations including details of the proposed transferees; and*
- (e) *transfer the relevant shares upon receipt of 'no objection' statements from the Panel and ASIC and upon receipt of payment for the shares such payment to be held on account of DBS.*

5.4. *DBS must reimburse Bentley for any costs it incurs associated with the invitation to purchase the shares.*

5.5. *DBS agrees that any Breach Shares that have not been sold to offeree shareholders will be vested in the Appointed Seller on trust for DBS.*

5.6. *The Appointed Seller will be instructed to:*

- (a) *sell the remaining Breach Shares in accordance with these undertakings*

- (b) *account to DBS for the proceeds of sale, net of the costs, fees and expenses of the sale and any costs, fees and expenses incurred by ASIC*
- (c) *dispose of all of the remaining Breach Shares within 3 months from the date of its engagement*
- (d) *use the most appropriate sale method to secure the best available sale price for the remaining Breach Shares reasonably available at that time in the context of complying with these undertakings, including the stipulated timeframe for the sale of the Breach Shares*
- (e) *unless the Appointed Seller sells the remaining Breach Shares on market, obtain from any prospective purchaser of the remaining Breach Shares a statutory declaration that the prospective purchaser is not associated with any of the Associated Parties, Mr Azhar Chaudhri, Orion or Queste and*
- (f) *not sell any of the remaining Breach Shares to the Associated Parties, Mr Azhar Chaudhri, Orion or Queste or any of their associates.*

5.7 *DBS and Mrs Chaudhri agree:*

- (a) *that neither they nor their associates will seek to acquire any of the remaining Breach Shares that may be sold on market and*
- (b) *to use best endeavours to ensure that none of Mr Farooq Khan, Mr Azhar Chaudhri, Orion or Queste or any of their associates seek to acquire any of the remaining Breach Shares that may be sold on market.*

5.8. *None of the Associated Parties may take into account any relevant interest or voting power that any of them or their respective associates had, or have had, in the Breach Shares when calculating the voting power referred to in Item 9(b) of s611 of a person six months before an acquisition exempted under Item 9 of s611.*

6. *DBS and Mrs Chaudhri agree to confirm in writing to the Panel when they have satisfied their obligations under this undertaking.*

Interpretation

In this undertaking:

Term	Meaning
<i>Appointed Seller</i>	<i>The investment bank or stock broker nominated by ASIC, who has first provided to ASIC a statutory declaration declaring that, after having made proper inquiries, the investment bank or stock broker is not aware of any interest, past, present, or prospective which could conflict with the proper performance of the functions in relation to the disposal of the remaining Breach Shares.</i>
<i>ASIC</i>	<i>Australian Securities and Investments Commission</i>

<i>Associated Parties</i>	<i>In relation to Bentley means Mr Farooq Khan, Mrs Ambreen Chaudhri, DBS and any of their associates</i>
<i>Bentley</i>	<i>Bentley Capital Limited</i>
<i>Breach Shares</i>	<i>The 5,940,000 fully paid ordinary shares in Bentley acquired by DBS on or about 7 April 2011</i>
<i>DBS</i>	<i>Data Base Systems Limited</i>
<i>on market</i>	<i>in the ordinary course of trading on Australian Securities Exchange and not by crossing or special crossing</i>
<i>offeree shareholders</i>	<i>Bentley shareholders other than:</i> <ul style="list-style-type: none"><i>• those registered in overseas jurisdictions where it is not reasonable as set out in listing rule 7.7.1 to make the invitation and</i><i>• the Associated Parties, Mr Azhar Chaudhri, Orion and Queste or any of their associates</i>
<i>Orion</i>	<i>Orion Equities Limited</i>
<i>Queste</i>	<i>Queste Communications Limited</i>

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The General Meeting of the shareholders of Bentley Capital Limited will be held at:

Sofitel Sydney Wentworth The Boardroom Lobby Level 61 - 101 Phillip Street Sydney, New South Wales	commencing	11.00 am (Sydney time) Wednesday, 4 April 2012
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Voting Rights

- At any meeting of the members, each member entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a member which is a corporation, by representative.
- It is intended to conduct voting on the Resolution by a poll. Every member who is present in person, by proxy, by power of attorney or by corporate representative shall, on the poll, have one vote in respect of every fully paid share held by him, her or the corporation represent.

Voting in Person

To vote in person, attend the General Meeting on the date and at the venue specified above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and return it to the Company Secretarial office, either:

- by facsimile to (08) 9322 1515; or
- by mail or delivery to Bentley Capital Limited, Level 14, The Forrest Centre, 221 St Georges Terrace, Perth WA 6000,

so that it is received **not later than 11.00 am Sydney time on Monday, 2 April 2012.**

Bodies Corporate

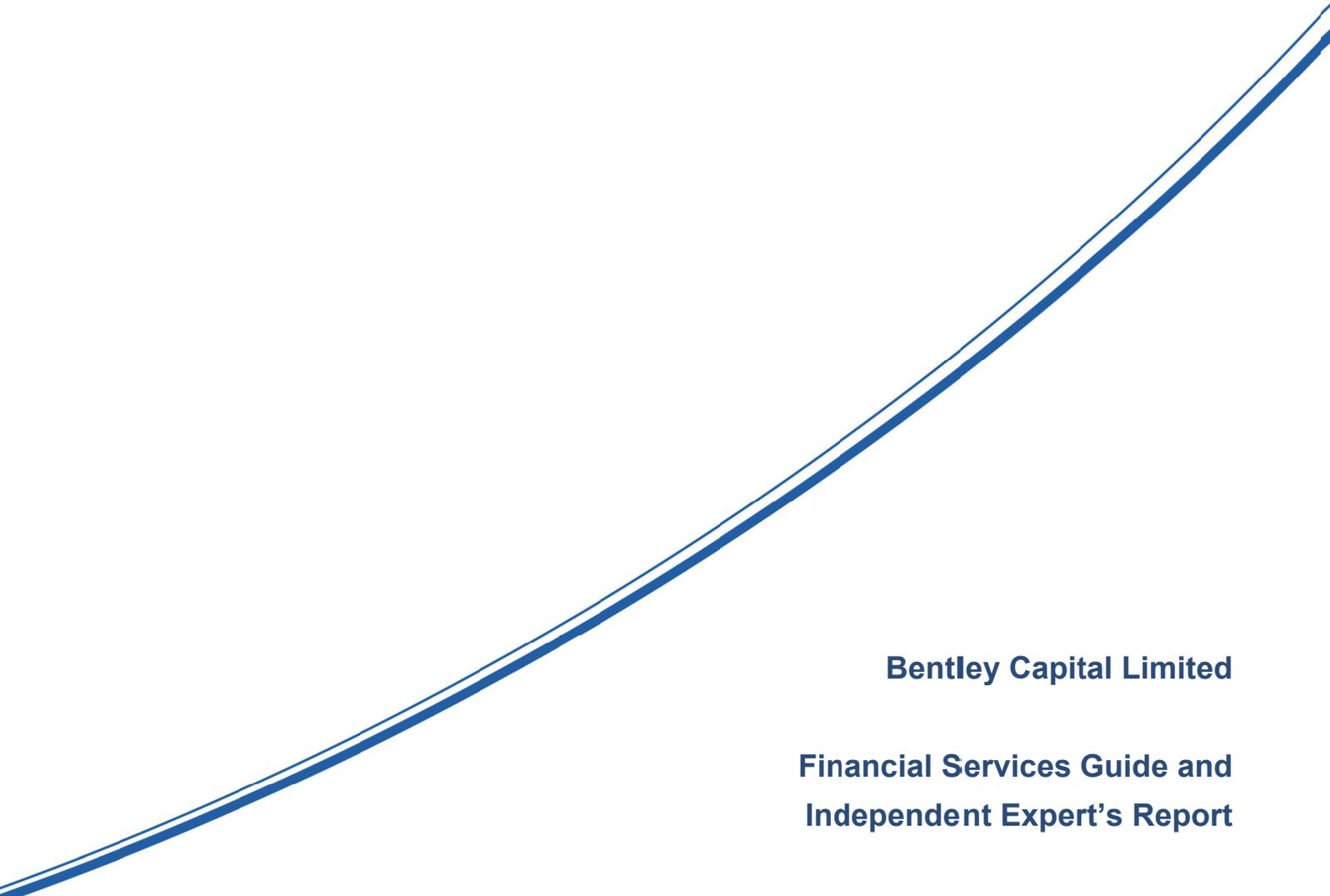
A body corporate may appoint an individual as its authorised corporate representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. A properly-executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the General Meeting. Previously-lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.

Voting by Attorney

A Shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the General Meeting, the original instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the General Meeting. Previously-lodged Powers of Attorney will be disregarded by the Company.

Voting Entitlement

In accordance with section 1074E(2)(g)(i) of the *Corporations Act* and regulation 7.11.37 of the *Corporations Regulations*, DBS has determined that for the purposes of the Annual General Meeting all Shares in the Company will be taken to be held by the persons who held them as registered shareholders at 8:00pm Sydney time on Monday, 2 April 2012 (**Voting Entitlement Time**). Subject to the voting exclusions noted in the Explanatory Statement accompanying the Notice of Meeting, all holders of Shares in the Company as at the Voting Entitlement Time will be entitled to vote at the General Meeting.



Bentley Capital Limited

**Financial Services Guide and
Independent Expert's Report**

23 February 2012

Financial Services Guide

RSM Bird Cameron Corporate Pty Ltd ABN 82 050 508 024 (“RSM Bird Cameron Corporate Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
 - (a) basic deposit products;
 - (b) deposit products other than basic deposit products.
- interests in managed investments schemes (excluding investor directed portfolio services); and
- securities (such as shares and debentures).

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither RSM Bird Cameron Corporate Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Bird Cameron Partners.

From time to time, RSM Bird Cameron Corporate Pty Ltd, RSM Bird Cameron Partners, RSM Bird Cameron and / or RSM Bird Cameron related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Bird Cameron Corporate Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

Independent Expert's Report

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Appendix 3 – Glossary of terms and abbreviations

RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

Direct Line: (08) 9261 9447
Email: andy.gilmour@rsmi.com.au

AJG/JUMO
23 February 2012

The Directors
Database Systems Limited
C/- Mr Paul Fletcher
Paul Fletcher & Co Commercial Lawyers
3rd Floor, 45 St Georges Terrace
PERTH WA 6000

Dear Sirs

Independent Expert's Report

1. Introduction

- 1.1. This Independent Expert's Report ("Report") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice of Meeting") for a General Meeting of Shareholders of Bentley Capital Limited ("BEL" or "the Company") to be held on 4 April 2012.

Resolution

"To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"That shareholders approve the acquisition by Data Base Systems Limited of 5,940,000 shares in the Company on-market at 22 cents per share on 7 April 2011, and otherwise as set out in the Explanatory Statement accompanying this Notice." Referred to hereafter as "the Transaction".

- 1.2. The Directors of Data Base Systems Limited ("DBS") have requested that RSM Bird Cameron Corporate Pty Ltd ("RSMBCC"), being independent and qualified for the purpose, express an opinion as to whether the Resolution is fair and reasonable to BEL shareholders not associated with the Transaction ("the Non-Associated Shareholders").
- 1.3. The Non-Associated Shareholders comprise all holders of ordinary shares in the Company other than DBS, Mrs Ambreen Chaudhri, Mr Farooq Khan, Mr Azhar Chaudhri, Orion Equities Limited and Queste Communications Ltd and any of their associates which includes Island Australia Pty Limited a company controlled by Mr Khan which owns shares in Queste.

2. Summary of Transaction

Overview

- 2.1. BEL is an investment company listed on the Australian Securities Exchange (“ASX”).
- 2.2. On 7 April 2011, Database Systems Limited (“DBS”), a company registered in Malaysia, made an on-market purchase of approximately 8.18% of the share capital of BEL being 5,940,000 (“Approval Shares”) fully paid ordinary shares for \$1,306,800 at \$0.22 per share. As a result of the Transaction, DBS’s total shareholding in BEL increased from 10.31% to 18.49% as at the date of the purchase.
- 2.3. Mrs Ambreen Chaudhri is the major shareholder in DBS with the remaining shares in DBS being held by Mrs Chaudhri’s husband, Mr Azhar Chaudhri. Mrs Chaudhri is the sister of the Chairman of BEL, Mr Farooq Khan. Mrs Chaudhri, Mr Chaudhri and Mr Khan hold interests in Queste Communications Limited (“Queste”) and Orion Equities Ltd (“Orion”), companies which are listed on the ASX, which in turn hold interests in the ordinary shares in BEL.
- 2.4. On 6 July 2011 the Takeovers Panel of the Australian Government determined the following, (collectively “the Decisions”):
 - 2.4.1. That DBS, Mrs Ambreen Chaudhri and Mr Farooq Khan were associates, in relation to BEL, on 7 April 2011 when DBS acquired the panel of 5,940,000 fully paid ordinary shares (“Approval Shares”); and
 - 2.4.2. That Mrs Ambreen Chaudhri and Mr Azhar Chaudhri were associates, in relation to Queste, on 7 April 2011 when DBS acquired the Approval Shares.
- 2.5. Therefore the Takeovers Panel found that the Transaction breached Section 606 of the Corporations Act 2001 which prohibits any person with a voting power of less than 20% in a listed company from increasing their voting power to greater than 20% or, if their current holding is more than 20% per cent increasing that holding by more than 3% in any six month period, in the absence of a takeover offer.
- 2.6. For the purposes of this Report Mr Azhar Chaudhri, Mrs Ambreen Chaudhri, Mr Farooq Khan, DBS, Queste and Orion are defined as the Associated Shareholders.
- 2.7. The figure below has been extracted from the Takeover Panels reason for decision and sets out the relationships of the Associated Shareholders and their shareholdings in the aforementioned companies as at the date of the Decisions. We note that the figure contains an error in that there are 1,522,500 votes attached to the partly paid shares owned by Chi Tung in Queste and not the 1,550,000 referenced.

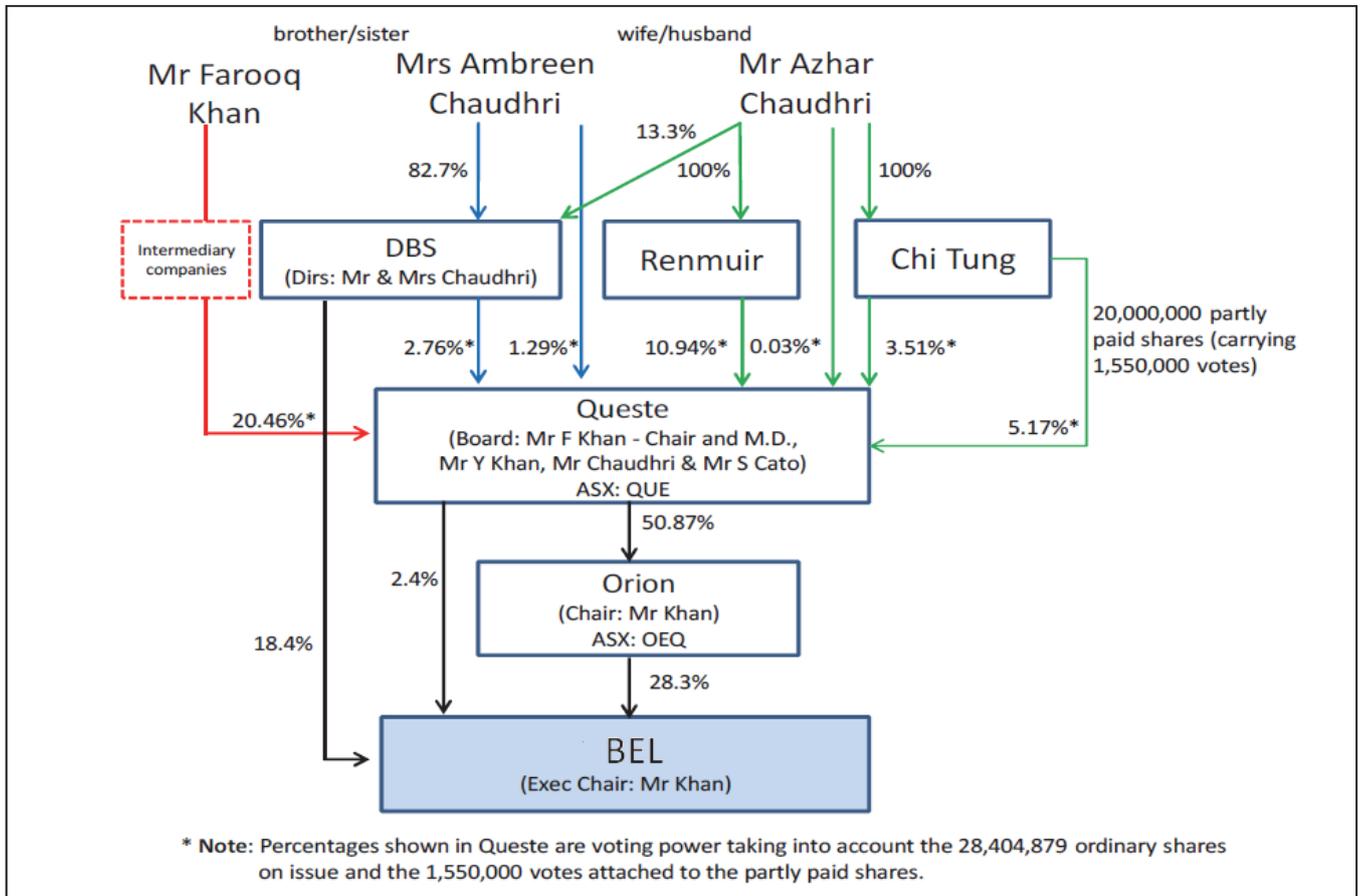


Figure 1: Associated Shareholders interests in BEL

- 2.8. The Decisions, found that Mr Khan and Mrs Chaudhri were associates, and as their combined voting power in Queste exceeds 20%, they have a deemed relevant interest in Orion's interest in BEL, which stood at 28.3% and Queste's direct interest in BEL which stood at 2.4% as at the date of the Decisions, and as such the combined voting interest of the Associated Shareholders in BEL ("Associated Shareholders Interest") as at the date of the Decisions was 49.1% as summarised in Figure 1 above.
- 2.9. As at the date of this Report the Associated Shareholders Interest has subsequently fallen to 48.64% including the Approval Shares and 40.54% excluding the Approval Shares, due to a share buy-back of 665,961 BEL shares by the Company and the issue of 1,417,700 BEL shares through a dividend reinvestment plan in the intervening period as summarised in the table below.

	Including Approval Shares		Excluding Approval Shares	
	No#	%	No#	%
DBS	13,421,544	18.30%	8,021,544	10.20%
Queste	1,740,625	2.37%	1,740,625	2.37%
Orion	20,513,783	27.97%	20,513,783	27.97%
Total	35,675,952	48.64%	30,275,952	40.54%
Non-Associated Shareholders interest	37,674,589	51.36%	43,074,589	58.72%
Total shares on issue	73,350,541	100.00%	73,350,541	100.00%

Table 1: Associated Shareholders Interest in BEL

- 2.10. On 5 July 2011 DBS and Mrs Ambreen Chaudhri gave a written undertaking to the Takeover Panel in relation to the Approval Shares (“the Undertaking”) which the Takeover Panel accepted, in summary the terms of the Undertaking:-
- Require Mr Khan, Mr Chaudhri, Ms Chaudhri and DBS to lodge substantial holder notices disclosing the nature of their association and their voting power;
 - Allow BEL Non-Associated Shareholders to consider, and if thought appropriate, to approve the acquisition of the Approval Shares in BEL on or about 7 April 2011 pursuant to item 7 of Section 611 of the Corporations Act;
 - If BEL Non Associated Shareholders fail to approve the acquisition of the Approval Shares require those shares to be offered to BEL shareholders; and
 - Require any remaining Approval Shares to be sold under the supervision of the ASIC.
- 2.11. Consequently, in accordance with the Undertaking set out above DBS has called a general meeting of BEL shareholders to request approval of the Transaction from the Non Associated Shareholders. DBS is currently seeking Judicial Review of the Decisions.
- 2.12. Mr Khan also gave a separate undertaking to the Takeovers Panel. In summary the terms of Mr Khan’s undertaking were as follows:-
- Require Mr Khan to lodge a substantial holder notices disclosing the nature of their association and their voting power; and
 - Require that Mr Khan does not acquire or dispose of any shares in BEL or grant security of any shares in BEL until DBS and Mr Ambreen Chaudhri have satisfied the terms of the Undertaking.

4. Purpose of this Report

- 4.1. The Corporations Act 2001 (“The Act”) Section 606 of the Act provides a general prohibition against any person with a Voting Power of less than 20 per cent in a listed company from increasing their Voting Power to greater than 20 per cent or, if their current holding is more than 20 per cent increasing that holding by more than 3 per cent in any six month period, in the absence of a takeover offer.
- 4.2. The Transaction resulted in the Associated Shareholders Interest in BEL increasing from 40.96% to 49.14%. As at the date of this Report the Associated Shareholders Interest in BEL is 48.64% including the Approval Shares.
- 4.3. There are, however, various exceptions to the general prohibition under Section 606. Under Section 611(7) such acquisition is allowed if a majority of a company’s non-associated shareholders pass an ordinary resolution at a general meeting approving the proposed transaction.
- 4.4. The resolution which seeks approval of the Transaction from the Non-Associated Shareholders is pursuant to the Undertaking agreed between DBS and the Takeovers Panel. Under the terms of the Undertaking the resolution is described as being to seek approval pursuant to Item 7 of section 611 of the Corporations Act 2001 (“The Act”). However Item 7 of Section 611 of the Act does not provide for post dated approvals of transactions which occur and therefore breach Section 606 of the Act prior to shareholder approval being received, and as such the approval being sought from the Non-Associated Shareholders is to be considered as an approval required by the Takeovers Panel pursuant to the Undertaking and not approval under Item 7 of Section 611 of the Act.

Regulatory Guidelines

- 4.5. Section 611 states that shareholders must be given all information that is material to the decision on how to vote at the meeting. Regulatory Guide 111 content of Expert Reports (“RG 111”) issued by the Australian Securities and Investments Commission (“ASIC”) advises the commissioning of an Independent Expert’s Report in such circumstances and provides guidance on the content.
- 4.6. In evaluating the Transaction we have given regard to the views expressed by ASIC in RG 111.
- 4.7. RG 111 provides ASIC’s views on how an expert can help security holders make informed decisions about transactions. Specifically it gives guidance to experts on how to evaluate whether or not a transaction is fair and reasonable.
- 4.8. RG 111 states that the expert report should focus on:
 - The issues facing the security holders for whom the report is being prepared; and
 - The substance of the transaction rather than the legal mechanism used to achieve it.
- 4.9. It specifically provides guidance on how an expert should evaluate the impact of transactions on non associated shareholders when approval of a sale of securities is sought under item 7 of Section 611 of the Act. Whilst we acknowledge that approval of the Transaction is not being sought under Item 7 of Section 611 as set out above, given the similarities in the nature of the Transaction and a proposed transaction involving the sale of securities pursuant to Item 7 of 611 of the Act we have considered RG11 guidance in determining our basis of assessment, which we discuss below.

Basis of Assessment

- 4.10. RG 111 provides guidance as to the assessment of the approval of a sale of securities under item 7 of Section 611. Item 76 of Section 611 envisages that shareholders approving such a transaction may be foregoing:
- The opportunity of receiving a takeover bid; and
 - Sharing in any premium of control
- 4.11. In assessing a sale of securities the expert should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction. In contrast with the analysis for an issue of shares under item 7 of section 611, the expert should provide an opinion;
- either that the advantages of the proposal (in this case the approval of Transaction) outweigh the disadvantages;
 - or that the disadvantages of the proposal outweigh the advantages.
- 4.12. When assessing a sale of securities such as the Transaction, the sale is considered to be fair and reasonable to the Non-Associated Shareholders if the advantages to the Non-Associated Shareholders of approving the Transaction outweigh the disadvantages.
- 4.13. In these unusual circumstances with the Transaction having already taken place some time ago, and as such both the circumstances of BEL and the Non-Associated Shareholders have changed significantly, we consider it appropriate to consider whether or not the advantages of approving the Transaction outweigh the disadvantages as at the date of this Report,.
- 4.14. In assessing whether the advantages of the Transaction outweigh the disadvantages we have had regard to:-
- The existence of a control premium being provided to the vendor of the Approval Shares at the detriment of the Non-Associated Shareholders.
 - The position of the Non-Associated Shareholders as at the date of this Report;
 - The stated intentions of DBS if the Transaction is approved or if it is not approved; and
 - The advantages and disadvantages to the Non-Associated Shareholders of BEL as a consequence of the Transaction being approved.
- 4.15. Our assessment of the Transaction is based on economic, market and other conditions prevailing at the date of this Report.

5. Summary and Conclusions

- 5.1. In our opinion and for the reasons set out in Section 8 of this Report the Transaction is fair and reasonable to the Non Associated Shareholders of BEL.
- 5.2. This opinion is based on our view that the advantages outweigh the disadvantages and consequently the Non-Associated shareholders will be better off if the Transaction is approved than if it is not.
- 5.3. The principal factors affecting our opinion are summarised below and are discussed in more detail in Section 8 together with other factors we have considered.

Stated intentions of DBS if the Transaction is approved or if it is not approved

- *Investment strategy and involvement in BEL's affairs*
 - DBS has stated that its investment in BEL has been and remains, a passive one, and that its future intentions for BEL are consistent with strategy as a passive investor regardless of whether the Transaction is approved or not. However the Decisions found Mr Khan the Chairman of BEL to be an associate of DBS
- *Interest of the Associated Parties in DBS, Orion and Queste*
 - Regardless of whether the Transaction is approved DBS will dispose of its interest in Queste.
 - Should the Transaction be approved Mr Khan, Chairmen of BEL will reduce his interest in Queste to below 20%, with the effect being that Mr Khan will no longer have a relevant interest in the shares of BEL held by Orion and Mr Chaudhri intends to dispose of his shares in DBS such that he will have no remaining interest whatsoever in DBS; and
 - If the Transaction is approved DBS, Mr Khan, Mrs Chaudhri and Mr Chaudhri's combined interest in Queste will fall from 44.11% to 40.86%, assuming Mr Khan reduces his interest to 19.99%, and as such collectively they will still have significant influence over the affairs of Queste and as such its 50.67% investment in Orion and as such Orion's 27.97% investment in BEL.
- *The Approval Shares*
 - Should the Transaction be approved by the Non-Associated Shareholders DBS will invite the Non-Associated shareholders to purchase up to 3,712,500 of the Approval Shares at a price of \$0.135 per share pro rata to their shareholdings in BEL, this would result in DBS retaining an interest in BEL in the range of 13.24% to 18.3% and the Associated Shareholders retaining an interest in BEL in the range of 43.58% to 48.64%.
 - Should the Transaction not be approved DBS will proceed with the Application for Judicial Review of the Decisions and subject to the outcome of this application and to any stay of the undertaking granted by the Federal Court or agreed by the Takeovers Panel, DBS will proceed to implement the Undertaking regarding divestment of the Approval Shares as follows;

- DBS will invite the Non-Associated shareholders to purchase the Approval Shares at a price of \$0.22 per share pro rata to their shareholdings in BEL.
- If not all the shares are taken up by the Non-Associated shareholders the Non-Associated Shareholders will be entitled to purchase additional shares at a price of \$0.22 per share;
- Any remaining Approval Shares not taken up by the Non-Associated Shareholders will be vested to an appointed seller (an investment bank or stock broker nominated by ASIC), who will be required to dispose of the shares within three months of being engaged by the most appropriate sale method to secure the best available price.
- Disposal in accordance with the Undertaking results in DBS's interest in BEL falling from 18.3% (Including the Approval Shares) to 10.20% and the Associated Shareholders interest in BEL falling from 48.64% to 40.54%.

Advantages to Non-Associated Shareholders of approving the Transaction

- *Avoid further management distraction*
 - The Takeovers Panel considered that the purchase of the Approval Shares by DBS gave rise to unacceptable circumstances; however the Takeovers Panel accepted that if fully complied with, the Undertaking given by DBS remedied the unacceptable circumstances. Should the Non-Associated Shareholders approve the Transaction, the Undertaking will have been fully complied with and as such this will bring the matters which have been raised by the Takeovers Panel to an end and avoid creating further distraction for BEL management and directors.
- *Provides shareholders with the opportunity to purchase shares at below market prices*
 - Should the Non-Associated Shareholders approve the Transaction they will have the opportunity to purchase shares at a price which is currently below the recent market price for BEL securities. DBS is offering to sell a parcel of 3,712,500 shares to the Non-Associated Shareholders on a pro rata basis at a price of \$0.135 per share, this represents a discount of \$0.03 discount to the last traded price of a BEL share on the date of this report 23 February 2012 of \$0.165, a \$0.015 discount to the 30 day, and \$0.019 discount to 60 day VWAP's of BEL shares to the 23 February 2012.
- *Avoid possible risk of share price depreciation*
 - If the Transaction is not approved DBS will divest of the Approval shares subject to the outcome of the Judicial Review in accordance with the Undertaking which is likely in the Approval being put in the hands of the Appointed Seller who will be required to sell these shares within 3 months of being engaged, with the most likely method for sale being an on market sale. Our analysis (see paragraph 7.25) indicates that the BEL's shares are very illiquid with only 1,544,606 of the Company's shares being traded in the past 90 days, which equates to approximately 2.11% of the total shares on issue. Given the illiquidity in BEL's shares, in our opinion, there are likely to be few buyers for a parcel of shares of the size of the Approval Shares and to achieve a disposal of the Approval Shares is likely to result in a significant depreciation in the market price of BEL's shares and as such the value the Non-Associated shareholders investment in BEL. Approval of the Transaction would avoid this

possible risk in share price depreciation as DBS would not be required to sell the Approval Shares through the Appointed Seller.

- *No control premium paid to vendors of Approval Shares*
 - In our opinion the vendors from whom DBS acquired the Approval Shares from did not receive a control premium and therefore the vendor has not received a benefit at the disadvantage of the Non-Associated Shareholders.

Disadvantages to Non- Associated Shareholders of Approving the Transaction

- *Increased level of control of the Associated Shareholders*
 - As a result of approving the Transaction the associated shareholders will increase their interest in BEL from 40.54% to a minimum of 43.58% and up to a maximum of 48.64% which is dependent on the up take of the offer to the Non-Associated Shareholders to purchase the 3,712,500 shares. As a result of approving the Transaction the Associated Shareholder have increased their level of control and therefore their level of ability to influence the affairs of BEL without any takeover offer being tabled by DBS to the Non Associated Shareholders or any compensation or increase value being provided to the Non-Associated Shareholders either directly or indirectly, which may have been in the form of intangible value such as management expertise. However DBS has confirmed they will continue to remain a passive investor in BEL regardless of whether the Non-Associated Shareholders approve the Transaction or not and as such will not be providing any indirect benefits to the Non-Associated Shareholders. We note the Decisions found Mr Khan the Chairman of BEL to be an associate of DBS.
 - Should the Non-Associated Shareholders approve the Transaction the Associated Shareholders could acquire up to an additional 3% of the shares in BEL on market in the next six months, and further 3% increments in six monthly periods thereafter, without requiring shareholder approval. Were the Associated Shareholders to acquire an additional 3% stake in BEL in the next 6 months the Associated Shareholders Interest would rise to a minimum 46.58% and maximum 51.64%, which at the maximum level would provide the Associated Shareholders with outright control.
 - Non-Associated Shareholders should also be aware that the Company still has the capacity to buy-back a further 5,993,929 shares in the Company until 31 August 2012 under the share buy-back scheme announced on 17 August 2011. Further details on the share buy-back scheme are set out a paragraph 7.5. Were all these shares to be bought back from the Non-Associated shareholders the Associated Shareholders Interest could rise to a maximum of 52.92% which would provide them control of BEL, and minimum of 47.41%, dependent on the uptake by the Non-Associated Shareholders of the parcel of shares being offered for purchase by DBS should the Transaction be approved.
- *Reduction of prospect of takeover offer and possible future control premium*
 - The approval of the Transaction will result in DBS retaining an interest in BEL of a minimum 13.24% and the Associated Shareholders minimum interest to 43.58%, this may reduce the attractiveness of another party making a bid to acquire the Company and as such the Non-Associated Shareholders may be foregoing the opportunity to receive a control premium to the prevailing market price of BEL shares.

- However should the Transaction not be approved and as such DBS will divest of the Approval Shares, they would still have a direct interest of 10.20% and the Associated Shareholders would have an interest in BEL of 40.54%, held by three shareholders. Thus in our opinion an interest of this level is likely to deter prospective purchasers making a takeover offer for BEL and as such the resultant increase in interest of the Associated Shareholders in BEL as a result of approving the Transaction is unlikely to have a material impact on the decision of whether prospective purchasers will make a takeover for BEL in the future.
 - *Possible reduction in BEL's share price*
 - Should the Non-Associated Shareholders approve the Transaction 3,712,500 shares will be offered for sale. Given the market for BEL's shares is relatively illiquid, the offer is likely to make it more difficult for Non-Associated Shareholders to sell BEL shares during the period of the offer should they wish to do so. In addition there is also risk that the offer may reduce the market price of BEL shares in the short term as it is priced at a discount to current market prices.
- 5.4. This opinion should be read in conjunction with, and not independently of, the information set out in the remainder of this Report.

6. Industry Profile

Australian Financial Investment Industry

- 6.1. BEL engages in investment activities in primarily Australian equities.
- 6.2. Producer of industry reports IBIS World ("IBIS"), estimates that the financial asset investment industry generated revenues of around \$16.6 billion and profits of \$11.3 billion in the year ending 30 June 2012 with the value of the assets of financial investors in the industry estimated at \$285.5 billion.
- 6.3. The past four years have been one of the most volatile periods in the history of the Australian financial investment industry. The plummeting asset values and industry revenues, caused by the Global Financial Crisis which characterised the 2008 and 2009 financial years, have been followed by a record growth in revenues in 2010, as investors rushed back into investment, and solid if not spectacular growth being recorded in 2011. However global financial markets have deteriorated rapidly over the past 12 months as concerns about the US recovery and Europe's sovereign debt disaster weigh on investor appetite, and as such IBIS World expects industry revenues to fall by 7.3% and asset values to fall by 1.1% compared to 2010-11 in 2011-12.
- 6.4. IBIS states that trusts (primarily equity trusts and cash management trusts) comprise over 90% of the total assets of financial asset investors in the industry. Within such trusts, equities comprise the single largest asset class accounting for nearly 70% of total industry assets. Other investment vehicles used within the industry include listed investment companies, mortgage trusts and hedge funds.

Major Participants

- 6.5. According to the Australian Bureau of Statistics ABN National Accounts: Financial Accounts, June 2010, almost 30% of listed and unlisted Australian equities are held by foreign investors (individuals and corporations outside of Australia). Pension funds account for 23.1% of the industry, followed by households (12.1%) and private, non-financial corporations (11.2%) with the remaining 23.8% consisting of banks, life insurance groups, financial intermediaries and others.
- 6.6. The industry is highly competitive and saturated, with no one participant holding a market share in excess of 5%. The largest players in the industry are trusts or companies that have a large number of unit holders or shareholders that pool funds together for investment purposes, these entities are principally listed and unlisted public trusts and publically listed cash management trusts and friendly society products.
- 6.7. The largest listed investment companies in Australia include the Australian Foundation Investment Company, Argo Investments, Dejerriwarrh Investments and Milton Corporation, however each only holds approximately 2% individually of the industries total assets.

Demand Determinants

- 6.8. There are a number of key demand determinants in this industry. Household savings, driven by fluctuations in the level of economic prosperity (and hence the availability of disposable income), determine the extent of investment in financial assets as opposed to investments in non-financial assets and general consumption expenditures. Similarly, growth in real wages and employment growth increase the capital available for financial investments.
- 6.9. Taxation also plays a significant role in determining demand. Where the government increases the taxation of financial assets, the demand for such assets will be reduced.

Critical Success Factors

6.10. We consider the primary success factors for entities operating in the financial asset investment industry to be as follows:

- *Diversified investment portfolio* – Participants must have an investment portfolio that is sufficiently diversified against unsystematic risks including market and credit risks.
- *Performance monitoring* – Possessing the means to closely monitor investments and markets is integral for compliance with investment objectives and strategies.
- *Access to highly skilled workforce* – Attracting and retaining a highly skilled workforce with a sound understanding of markets, products and tax implications, or where necessary, outsourcing to experts, is key to an organisation being able to compete for further investment.
- *Proven track record* – Maintaining a reputation for achieving returns at or above the market level is conducive to generating further investment.

Barriers to Entry

6.11. The barriers to entry to the industry are considered to be medium, and the industry is characterised by high competition and low market concentration. We consider the barriers to entry to include:

- *Access to highly skilled staff* – Obtaining and maintaining skilled and reputable staff with the requisite asset management knowledge and experience, especially in a highly competitive market for such skills is a key barrier for industry entrants.
- *Reputation* – Larger industry players will often have long and proven track records which will require new entrants to work harder and faster to build a strong reputation with current and prospective investors.
- *Technology infrastructure* – Investment in an appropriate technology infrastructure is necessary to adapt to the dynamic market and to maintain necessary information flows to stay competitive with other industry participants.

Industry Outlook

6.12. IBIS estimates average revenue growth within the industry of 2.6% per annum over the coming five years, increasing to \$18.8 billion in 2015-2016 and asset values to grow by 1.8% per annum. However this growth rate masks expected larger year on year increases and declines which are expected to occur due to the industries revenues being highly volatile because;

- it reflects returns on assets both capital movements and yields; and
- the returns generated are highly sensitive to the performance of investments, share market, interest rates and the state of the economy.

6.13. The industry is expected to remain volatile in the short term due to a number of uncertainties regarding the outlook of the global economy, most notably the lack of a resolution of Europe sovereign debt crisis and the stalling recovery of the US economy.

7. Profile of BEL

Overview

- 7.1. BEL is an Australian domiciled investment company, whose shares are listed on the ASX.
- 7.2. The Company was incorporated in South Australia in June 1986 and has been listed on the ASX since October 1986. BEL's principal objective is to invest in equity securities listed on major international stock markets.
- 7.3. BEL's investment objectives include:
- Achieving a high real rate of return over the medium term, comprising both income and capital growth, whilst operating within acceptable risk parameters set by the Directors of BEL; and
 - Delivering a regular income stream for shareholders in the form of franked dividends.
- 7.4. Since 1 May 2010, the Company's Investment Committee has focused its activities on several key well defined investment sectors which the Directors of BEL believe to offer the opportunity to collectively generate overall returns for shareholders materially in excess of the benchmark ASX All Ordinaries Index. These sectors are:
- Strategic investments in listed companies with either an active or passive participation;
 - Corporate financing;
 - Promotion of IPOs; and
 - Participation in, and funding of, corporate restructurings.
- 7.5. On 17 August 2011 the Company announced that it intended to conduct an on market share buy-back of up to 6,599,890 BEL shares, which represents approximately 9% of the Company's ordinary share capital. The Company outlined that it intended to only acquire shares under the buy back at a price no higher than 65% of its post tax Net Tangible Asset ("NTA") backing per share and that the buy-back would continue until the earlier of it reaching the 6,599,890 limit or 31 August 2012, subject to the Company exercising its right to suspend or terminate the buy-back or amend its terms at any time.
- 7.6. The rationale for the buy-back is to provide those wishing to sell with an active buyer (i.e the Company), in an investment which is fairly illiquid (see paragraph 7.17 for further details on BEL's share structure) at a price (i.e 65% of NTA) which delivers a net benefit to remaining shareholders.
- 7.7. At the date of this Report the Company had purchased back a total of 665,961 shares, in three tranches, at a total cost of \$143,991 which equates to average price of \$0.216, as announced to the market on 15 September 2011 (177,980 shares), 21 September 2011 (381,620 shares) and on 18 October 2011 (106,361 shares).

Financial Performance

7.8. The financial performance of BEL for the years ended 30 June 2011 ("FY11") 30 June 2010 ("FY10") and the half year ended 31 December 2011 ("H1FY12") are summarised in the table below.

	Half year ended 31-Dec-11 <i>Unaudited</i> \$	Year ended 30-Jun-11 <i>Audited</i> \$	Year ended 30-Jun-10 <i>Audited</i> \$
Investment income			
Dividend income	5,287	149,635	98,624
Interest income from financial assets held at fair value through profit or loss	-	-	10,289
Interest income from financial assets not held at fair value through profit or loss	133,498	357,803	204,565
Other income			
Net gains (Loss) / Gains on financial assets held at fair value through profit or loss	(2,835,737)	1,306,400	3,649,162
Other income	21,998	57,865	186,598
Total income	(2,674,954)	1,871,703	4,149,238
Expenses			
Investment expenses	-	-	175,431
Occupancy expenses	72,454	139,083	16,427
Finance expenses	2,382	4,676	1,587
Borrowing cost	-	-	1,974
Corporate expenses	128,460	59,900	53,448
Administration expenses	619,083	1,094,064	798,722
	822,379	1,297,723	1,047,589
Profit before tax	(3,497,333)	573,980	3,101,649
Income tax	-	-	-
Profit after tax	(3,497,333)	573,980	3,101,649
Other comprehensive income	-	-	-
Total comprehensive income	(3,497,333)	573,980	3,101,649

Table 2: BEL Financial Performance for the years ended 30 June 2011 ,30 June 2010 and half year ended 31 December 2011 (Source: 2011 Bentley Capital Limited full year report and draft management accountants for the half year ended 31 December 2011)

7.9. The Company's profit before tax fell from \$3.1 million in FY10 to \$0.6 million in FY11. The key driver of the fall in profit was a reduction in realised and unrealised gains generated on the Company's investment in Sydney based fund manager FSP Equities Management, FSP Equities Leaders Fund ("FSP Fund"), which fell from \$3.7 million in FY10 to \$1.3 million in FY11. Further information on the Company's relationship with FSP Equities management is set out at paragraph 7.13.

7.10. The draft management accounts for the half year ended 31 December 2011 set out that the Company generated a total comprehensive loss of \$3.4 million, with the majority of the loss being generated by a \$2.9 million fall in the value of the Company's investment portfolio, approximately \$2.2 million of this loss was generated on BEL's investment in the FSP Fund.

Financial Position

7.11. The financial position of BEL as at 30 June 2011 and 31 December 2011 is set out in the table below.

	Paragraph Ref.	As at 31-Dec-11 <i>Unaudited</i> \$	As at 30-Jun-11 <i>Audited</i> \$
Current Assets			
Cash and equivalents	7.12	7,907,178	155,948
Financial assets held at fair value through profit and loss	7.13 - 7.14	11,606,087	28,467,511
Trade and other receivables		42,120	157,378
Other current assets		19,969	24,887
		<u>19,575,354</u>	<u>28,805,724</u>
Non-Current Assets			
Resource project	7.15	64,862	63,871
Property, plant and equipment		10,983	12,501
		<u>75,845</u>	<u>76,372</u>
Total Assets		<u>19,651,199</u>	<u>28,882,096</u>
Current Liabilities			
Trade and other payables		<u>295,568</u>	<u>58,811</u>
		295,568	58,811
Non-Current Liabilities			
Provisions		<u>22,283</u>	<u>16,813</u>
		22,283	16,813
Total Liabilities		<u>317,851</u>	<u>75,624</u>
NET ASSETS		<u>19,333,348</u>	<u>28,806,472</u>
Equity			
Issued capital		22,801,301	26,308,733
Retained earnings		<u>(3,467,953)</u>	<u>2,497,739</u>
TOTAL EQUITY		<u>19,333,348</u>	<u>28,806,472</u>
Post tax Net Tangible Asset value per share (Cents)	7.16	<u>26.40</u>	<u>39.68</u>

Table 3: BEL Financial Position as at 31 December 2011 and 30 June 2011 (Source: 2011 Bentley Capital Limited full year report and draft management accountants for the half year ended 31 December 2011)

7.12. As at 31 December 2011 the Company had cash and cash equivalents of \$7.9 million up from \$0.2 million as at 30 June 2011. The increase in cash is a result of the sale of investments predominately in the FSP

Fund which generated net proceeds of approximately \$14 million, offset by dividend payments of \$2.2 million, a return of capital of 5 cent per share totalling \$3.6 million, costs of purchase of the Company's own shares of \$0.1 million under the share buy-back scheme and other outflows of \$0.3 million.

- 7.13. Historically the Company has held the majority of its investment funds under management with FSP Equities Management, in the FSP Fund. The FSP fund is a wholesale investment fund which is not open to retail investors, with its objective to outperform the S&P ASX 200 Accumulation Index over the medium term. As at 30 June 2011 BEL had 76.4% or \$21.8 million of the total value of its financial assets held at fair value through profit and loss of \$28.5 million invested in the FSP Fund. Out of the remaining 6.7 million, \$4.8 million was invested in the ordinary shares of MEO Australia Limited ("MEO"), an ASX listed Australian based Energy Company holding exploration permits located in the Carnarvon Basin, Timor Sea and North West Shelf of Western Australia, with the balance of \$1.9 million being held in a variety of other listed and unlisted securities.
- 7.14. During the period to 31 December 2011 the value of the Company's financial assets has reduced to \$11.6 million, as the Company has significantly reduced its investment in the FSP Fund to provide cash to fund the share buy-back, dividend payments and return of capital (See paragraph 7.12 for further information) and funds to pursue more direct investments similar to the nature of the Company's investment in MEO.
- 7.15. The balance of approximately \$65,000 categorised as resource project relates to tenement application costs.
- 7.16. The Company's post tax Net Tangible Asset ("NTA") per share has decreased from 39.68 cents per share as at 30 June 2011 to 26.40 cents per share as at 31 December 2011, reflecting the impact of the dividends paid during the period, the return of capital of 5 cents and the decrease in the value of the Company's remaining investments.

Capital Structure

- 7.17. As at the date of this report, BEL has 73,350,541 ordinary shares on issue. The number of shares held by BEL's top ten shareholders as at 6 February 2012 is set out in the table below.

Shareholder	No. Shares	% of total
ORION EQUITIES LIMITED	20,513,783	28.0%
DATABASE SYSTEMS LTD	13,421,544	18.3%
EQUITAS NOMINEES PTY LIMITED	3,436,746	4.7%
QUESTE COMMUNICATIONS LIMITED	1,740,625	2.4%
MR JOHN ROBERT DILLON	1,390,113	1.9%
MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN	808,035	1.1%
MR ROBERT JAMES CRAIG	674,023	0.9%
PATJEN2 PTY LTD	557,441	0.8%
MRS LEANNE MAREE ROCKEFELLER	352,015	0.5%
EDDAGATE PTY LIMITED	346,618	0.5%
Top 10	43,240,943	59.0%
Other	30,109,598	41.0%
Total	73,350,541	100.0%

Table 4: BEL Significant Shareholders (Source: BEL Share register as at 6 February 2012 provide by BEL)

- 7.18. BEL's shares are very tightly held with the top 2 shareholders, Orion and DBS holding approximately 46.3% of the Company's ordinary share capital and the top 10 shareholders holding a combined 59% of the total shares on issue.

Share Performance

7.19. The chart below summarises BEL's closing share price and trading volumes over the period 1 January 2011 to 23 February 2012.

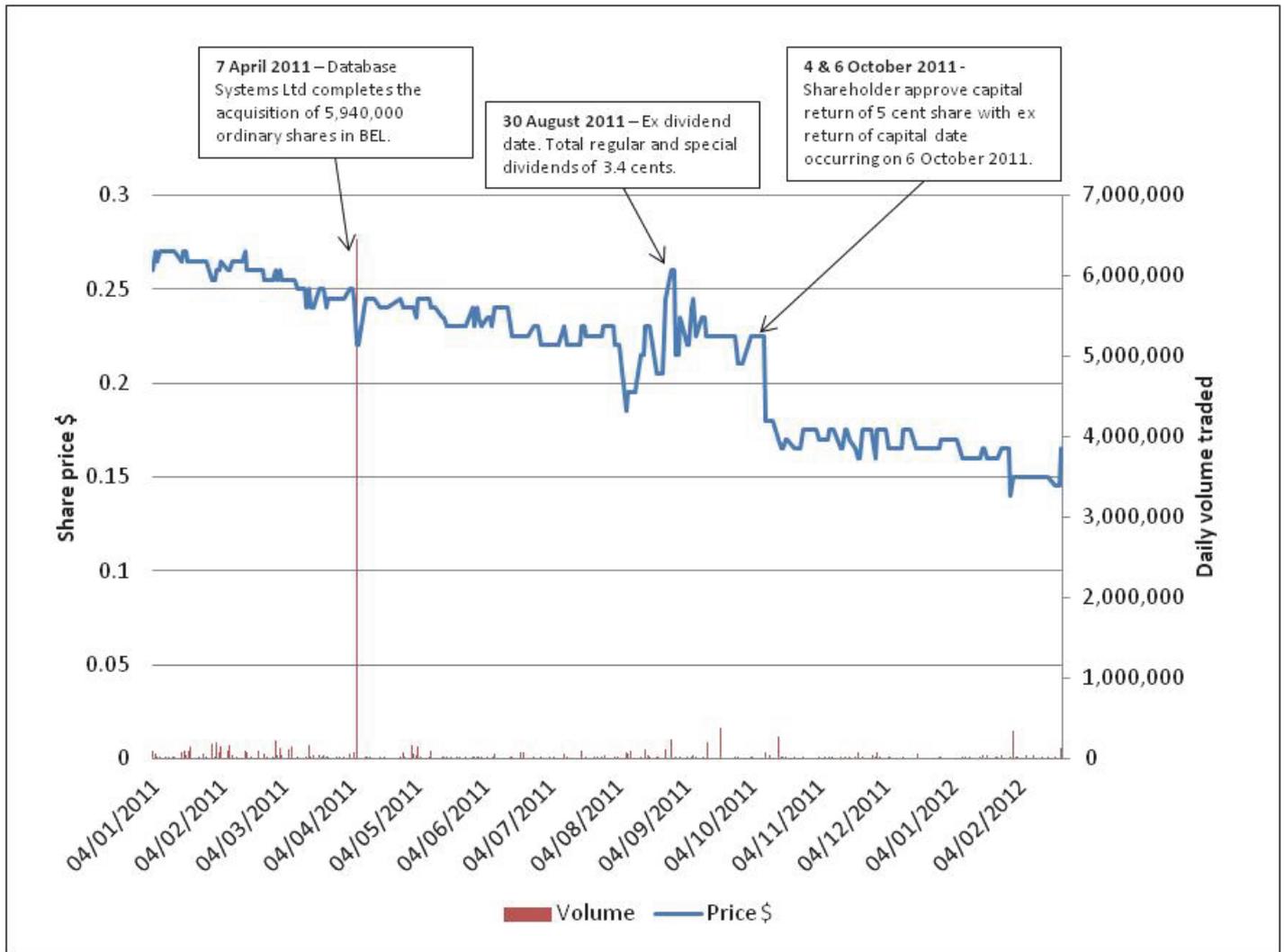


Figure 2: BEL share price and traded volume history (Source: Bloomberg)

- 7.20. During the period, the daily price of a BEL share has traded in a range of a low of \$0.14 on 31 January 2012, and a high of \$0.27 on various dates in January 2011 and on 15 February 2011. As at 23 February 2012 the date of this Report, BEL's share price closed at \$0.165.
- 7.21. In the period 1 January 2011 through to the beginning of August 2011 BEL's share price gradually depreciated from around \$0.27 to \$0.22 before falling sharply to \$0.185 on 18 August 2011.
- 7.22. The share price recovered between 18 August 2011 to \$0.26 on 29 August 2011 before the ex dividend date on 30 August 2011 when shareholders received a total dividend of 3.4 cents per share.
- 7.23. On 11 October 2011 BEL's share price fell to \$0.18 a fall of 4.5 cent on the previous trade on 5 October 2011 reflecting the impact of the 5 cent per share capital return shareholders received (with the ex return of capital date being on 6 October 2011).

- 7.24. In the period since the capital return BEL's shares have traded between \$0.14 and \$0.18, however, the volume of trades have been low.
- 7.25. An analysis of the volume of trading and Volume Weighted Average Price ("VWAP") of BEL's shares for various periods to 23 February 2012 is set out in the table below.

Period (Trading days)	VWAP \$	Share price low \$	Share price high \$	Cumulative volume traded	As a % of issued share capital
5	0.159	0.145	0.165	145,480	0.20%
10	0.157	0.145	0.165	192,197	0.26%
30	0.150	0.14	0.17	793,091	1.08%
60	0.154	0.14	0.175	1,041,967	1.42%
90	0.159	0.14	0.175	1,544,606	2.11%
120	0.182	0.14	0.245	2,439,789	3.33%
180	0.198	0.14	0.26	3,792,484	5.17%

Table 5: Analysis of traded volumes of BEL shares up to 23 February 2012 (Source: Bloomberg)

- 7.26. The trading volumes of BEL's shares in the past 6 months have been very low with the only significant trade being DBS's acquisition of the Approval Shares on 7 April 2011. The analysis illustrates that the market for BEL's shares is fairly illiquid.

8. Evaluation of the Transaction

8.1. In forming our opinion as to whether or not the advantages of the Transaction outweigh the disadvantages to the Non Associated Shareholders we have had regard to:-

- Whether the vendor of the Approval Shares received a control premium;
- The position of the Non-Associated Shareholders as at the date of this Report;
- The stated intentions of DBS if the Transaction is approved or if it is not approved; and
- The advantages and disadvantages to the Non-Associated Shareholders of BEL as a consequence of the Transaction being approved.

Control premium of Vendor

8.2. RG 111 stipulates that a specific issue the expert should determine is whether the vendor is to receive a premium for control. The Transaction which the Non-Associated Shareholders are being asked to approve involved DBS acquiring 5,940,000 shares in BEL on market at 22 cents on 7 April 2011, and as set out in the Takeover Panel's reason for decision published on the 13 July 2011, the vendor of the shares purchased by DBS was most likely the Simpson family, the family of deceased former BEL director Mr Peter Simpson. We set out below an extract from the Takeover Panel's reasons for decision which sets out the events which led up to the purchase of the Approval Shares by DBS.

"1.20 In December 2010, the Simpson family engaged the stockbroking firm Taylor Collison Limited to sell the Simpson family's shareholding in Bentley (**Simpson parcel**). Mr Hamish Nairn was a director of Taylor Collison and was responsible for the sale of the Simpson parcel. Mr Nairn provided a signed witness statement to the applicants. It was provided to the initial Panel by the applicants on 5 May 2011. Mr Khan submitted that his recollection of discussions with Mr Nairn was "broadly consistent, although not identical with, Mr Nairn's statement".

121. Mr Nairn's preferred strategy was to find a buyer for the entire Simpson parcel as Bentley was an illiquid stock. In early March 2011, Mr Nairn approached Mr Khan, as Chairman of Bentley, to suggest that Bentley buy-back the Simpson parcel. Bentley was not willing to do so, although Mr Khan submitted that he supported doing so.

122. In mid-March 2011, Mr Khan offered to acquire the Simpson parcel in exchange for "a combination of cash and shares in ITS Capital Investments (ASX:ITS)". On 17 March 2011, Mr Nairn advised Mr Khan that the Simpson family was not willing to sell on the terms proposed.

123. In late-March 2011, Mr Khan informed Mr Nairn that he was meeting someone who may be interested in acquiring the Simpson parcel and asked the price at which the Simpson family may be willing to sell. On 1 April 2011, Mr Nairn responded that the Simpson family would be willing to sell 6.53 million shares at 25 cents per share.

124. Mr Khan discussed the purchase of the Simpson parcel with Mrs Chaudhri.

125. Mrs Chaudhri submitted:

With respect to the most recent purchase of shares in [Bentley], my brother approached me advising that the estate of Peter Simpson (a director of [Bentley] who had passed away) was a seller of shares and whether

(sic) I would be interested in buying approx 6.5m shares in [Bentley]. He said he felt obliged to tell me that he had as Chairman of [Bentley] sought to have [Bentley] buy back the shares but that the board and investment committee of [Bentley] had rejected this. He was also interested himself once [Bentley] declined but could not reach terms on a sale.

126. Mr Nairn and Mr Khan had several conversations in the period leading up to the eventual sale of the Simpson parcel to DBS. During these conversations Mr Nairn and Mr Khan negotiated terms of the sale including the price and number of shares the subject of the sale.
127. On 7 April 2011, Mr Nairn and Mr Khan agreed that Mr Khan's (undisclosed) purchaser would acquire 6 million Bentley shares from the Simpson family at 22 cents per share (ie \$1.32 million). Mr Nairn then spoke to Mr Troy Valentine of Patersons Securities Limited, DBS's stock broker, at Mr Khan's request in order to co-ordinate putting the sale through the market.
128. On 7 April 2011, DBS acquired 5,940,000 shares in Bentley on market for \$1,306,800 (ie 22 cents per share) On 7 April 2011, Rochester No 39 Pty Ltd (a company associated with the Simpson family) sold 6,372,575 shares in Bentley on market. The volume of shares traded on ASX on 7 April 2011 was 6,449,363. This indicates that most, if not all, the 5,940,000 shares in Bentley that DBS acquired on 7 April 2011 were from the Simpson family.
129. During the negotiations, the identity of Mr Khan's purchaser was not disclosed to Mr Nairn and it seems that at no point did Mrs Chaudhri have any direct contact with Mr Nairn. We infer that Mr Khan led the negotiations on behalf of DBS."

8.3. The above extract indicates that the purchase of the Approval Shares, whilst on market, was brokered between the Simpson family and DBS by BEL chairmen Mr Khan. In our opinion DBS did not provide the vendor with a control premium as;

- The 5, 10, 30, 60, 90 day Volume Weighted Average Price ("VWAP") of BEL shares prior to the purchase was higher than the purchase price of \$0.22 as summarised in the table below, which indicates that DBS did not pay above recent market prices; and

Period (Trading days)	VWAP	Share price low \$	Share price high \$	Cumulative volume traded	As a % of issued share capital*
5	0.247	0.245	0.250	150,059	0.20%
10	0.246	0.240	0.250	212,074	0.29%
30	0.251	0.240	0.260	1,356,824	1.85%
60	0.258	0.240	0.275	3,136,872	4.28%
90	0.259	0.240	0.275	3,840,328	5.24%
120	0.259	0.240	0.275	4,350,524	5.93%
180	0.253	0.225	0.275	5,677,311	7.74%

Table 6: Analysis of traded volumes of BEL shares in the period to 7 April 2011 (Source: Bloomberg)

- The post tax NTA Value of BEL as at 31 March 2011 was \$0.439 which in relation to an investments of the nature of BEL is considered to be the underlying value of a share including a premium for control, was higher than the purchase price.

Stated intentions of DBS if the Transaction is approved or if it is not approved

8.4. We summarise DBS's intentions in relation to the approval / non approval of the Transaction by the Non-Associated Shareholders below. Full details of DBS stated intentions should the Transaction be approved or not approved are set out in section 4.2(j) of the Notice.

Investment strategy and involvement in BEL's affairs

8.5. DBS has stated that its investment in BEL has been and remains, a passive one as evidenced by the fact that since investing in BEL DBS has not sought to make any changes to the business or operations of BEL nor has BDS reinvested in BEL through the dividend reinvestment plan, however we note that the Decisions found Mr Khan the Chairman of BEL to be an associate of DBS.

8.6. DBS has stated that its future intentions for BEL are consistent with strategy as a passive investor regardless of whether the Transaction is approved or not.

Interest of the Associated Parties in DBS, Orion and Queste

8.7. Regardless of whether the Transaction is approved DBS will dispose of its interest in Queste.

8.8. Should the Transaction be approved Mr Khan, Chairmen of BEL will reduce his interest in Queste to below 20%, with the effect being that Mr Khan will no longer have a relevant interest in the shares of BEL held by Orion.

8.9. Should the Transaction be approved Mr Chaudhri intends to dispose of his shares in DBS such that he will have no interest whatsoever ever in DBS.

8.10. If the Transaction is approved DBS, Mr Khan, Mrs Chaudhri and Mr Chaudhri's combined interest in Queste will fall from 44.11% to 40.86% as set out in the table below, and as such collectively they will still have significant influence over the affairs of Queste and as such its 50.67% investment in Orion and as such Orion's 27.97% investment in BEL.

	Current shareholding			Post Approval of Transaction
	No#	No#	%	%
Personal	2,461,367			
Island Australia Pty Ltd	3,668,577			
Total interest of Mr Farooq Khan		6,129,944	20.48%	19.99%
Personal	10,000			
Chi Tung (100% owned by Mr Chaudhri)	1,050,000			
Renmuir (100% owned by Mr Chaudhri)	3,277,780			
Chi Tung - Voting rights attached to partly paid shares	1,522,500			
Total interest of Mr Azhar Chaudhri		5,860,280	19.58%	19.58%
Mrs Ambreen Chaudhri		386,500	1.29%	1.29%
DBS		826,950	2.76%	0%
Total interest in Queste		13,203,674	44.11%	40.86%
Other shareholders		16,723,705	55.89%	59.14%
Total Queste shares on issue		28,404,879		
Voting rights attached to partly paid shares held by Chi Tung		1,522,500		
Total Queste votes		29,927,379	100%	100%

Table 7: Associated Shareholders interest in Queste (Source: Queste share register as at 15 February 2012 and RSMBCC Calculations)

The Approval Shares

- 8.11. Should the Transaction be approved by the Non-Associated Shareholders DBS will invite the Non-Associated shareholders to purchase up to 3,712,500 of the Approval Shares at a price of \$0.135 per share pro rata to their shareholdings in BEL, this would result in DBS retaining an interest in BEL in the range of 13.24% to 18.3% and the Associated Shareholders retaining an interest in BEL in the range of 43.58% to 48.64% as summarised in Table 8 below.
- 8.12. Should the Transaction not be approved DBS will proceed with the Application for Judicial Review of the Decisions and subject to the outcome of this application and to any stay of the undertaking granted by the Federal Court or agreed by the Takeovers Panel, DBS will proceed to implement the Undertaking regarding divestment of the Approval Shares as follows;
- DBS will invite the Non-Associated shareholders to purchase the Approval Shares at a price of \$0.22 per share pro rata to their shareholdings in BEL.
 - If not all the shares are taken up by the Non-Associated shareholders the Non-Associated Shareholders will be entitled to purchase additional shares at a price of \$0.22 per share;
 - Any remaining Approval Shares not taken up by the Non-Associated Shareholders will be vested to an appointed seller (an investment bank or stock broker nominated by the ASIC), who will be required to dispose of the shares within three months of being engaged by the most appropriate sale method to secure the best available price.
 - Disposal in accordance with the Undertaking results in DBS's interest in BEL falling from 18.3% (Including the Approval Shares) to 10.20% and the Associated Shareholders interest in BEL falling from 48.64% to 40.54% as summarised in Table 8 below.

	Potential shareholdings assuming Transaction is approved				Transaction is not approved	
	Including 5,400,000 Approval Shares		Assuming sale of 3,712,500 of Approval Shares		Excluding 5,400,000 Approval Shares	
	No#	%	No#	%	No#	%
DBS	13,421,544	18.30%	9,709,044	13.24%	7,481,544	10.20%
Queste	1,740,625	2.37%	1,740,625	2.37%	1,740,625	2.37%
Orion	20,513,783	27.97%	20,513,783	27.97%	20,513,783	27.97%
Total Associated Shareholders	35,675,952	48.64%	31,963,452	43.58%	29,735,952	40.54%
Non-Associated Shareholders interest	37,674,589	51.36%	41,387,089	56.42%	43,614,589	59.46%
Total shares on issue	73,350,541	100.00%	73,350,541	100.00%	73,350,541	100.00%

Table 8: Analysis of Associated Shareholders potential shareholdings (Source: BEL Share register 6 February 2012 and RSMBC Calculations)

Advantages to Non-Associated Shareholders of approving the Transaction

- 8.13. *Avoid further management distraction* – The Takeovers Panel considered that the purchase of the Approval Shares by DBS gave rise to unacceptable circumstances; however the Takeovers Panel

accepted that if fully complied with, the Undertaking given by DBS remedied the unacceptable circumstances. Should the Non-Associated Shareholders approve the Transaction, the Undertaking will have been fully complied with and as such this will bring the matters which have been raised by the Takeovers Panel to an end and avoid creating further distraction for BEL management and directors.

- 8.14. *Provides shareholders with the opportunity to purchase shares at below market prices* – Should the Non-Associated Shareholders approve the Transaction they will have the opportunity to purchase shares at a price which is currently below the recent market price for BEL securities. DBS is offering to sell a parcel of 3,712,500 shares to the Non-Associated Shareholders on a pro rata basis at a price of \$0.135 per share, this represents a discount of \$0.03 discount to the last traded price of a BEL share on the date this report 23 February 2012 of \$0.165, a \$0.015 discount to the 30 day, and \$0.019 discount to 60 day VWAP's of BEL shares to the 23 February 2012 as summarised in the table below.

Period (Trading days)	VWAP \$	Discount to VWAP \$
5	0.159	0.024
10	0.157	0.022
30	0.150	0.015
60	0.154	0.019

Table 9: Analysis of VWAP of BEL shares in the periods to 23 February 2012 compared to the offer price (Source: Bloomberg and RSMBCC Calculations)

- 8.15. The Non-Associated shareholders should be aware that whilst the price at which the parcel of the Approval Shares is being offered is a discount to current market prices and significantly below the price at which DBS purchased the shares, the price only represents a \$0.001 cash loss per share on DBS's investment in the Approval shares, as the shares were purchased for \$0.22 each and in the period since purchase DBS has received total cash returns from BEL on these shares of \$0.084 being dividends of \$0.034 in August 2011 and a capital return of \$0.05 per share in October 2011.
- 8.16. *Avoid possible risk of share price depreciation* – The closing share price of BEL on 23 February 2012 the date preceding this report was \$0.165, which is significantly below the price of \$0.22 which the Non-Associated shareholders can purchase the Approval Shares from DBS if the Transaction is not approved and as such in our opinion it is unlikely that the Non-Associated Shareholders will purchase the Approval Shares at this price when they could purchase them on market at a significant discount to this price. Therefore it is likely that if Transaction is not approved the Approval Shares will be put in the hands of the Appointed Seller who will be required to sell these shares within 3 months of being engaged, with the most likely method for sale being an on market sale. Our analysis (see paragraph 7.25) indicates that the BEL's shares are very illiquid with only 1,544,606 of the Company's shares being traded in the past 90 days, which equates to approximately 2.11% of the total shares on issue. Given the illiquidity in BEL's shares in our opinion there are likely to be few buyers for a parcel of shares of the size of the Approval Shares and to achieve a disposal of the Approval Shares is likely to result in a significant depreciation in the market price of BEL's shares and as such the value the Non-Associated shareholders investment in BEL. Approval of the Transaction would avoid this possible risk in share price depreciation as DBS would not be required to sell the Approval Shares through the Appointed Seller, which is likely to be done on market.
- 8.17. *No control premium paid to vendors of Approval Shares* – As outlined in paragraph 8.3 above in our opinion the vendors from whom DBS acquired the Approval Shares from did not receive a control

premium and therefore the vendor has not received a benefit at the disadvantage of the Non-Associated Shareholders.

Disadvantages to Non- Associated Shareholders of Approving the Transaction

- 8.18. *Increased level of control of the Associated Shareholders* – As a result of approving the Transaction the associated shareholders will increase their interest in BEL from 40.54% to a minimum of 43.58% and up to a maximum of 48.64% which is dependent on the up take of the offer to the Non-Associated Shareholders to purchase the 3,712,500 shares. We note that should Non-Associated Shareholders not take up their entitlement under the offer, any shortfall will not be offered to other Non-Associated Shareholders and, as such, it is likely that the Associated Shareholders interest in BEL will be above the minimum 43.58% as it is unlikely that 100% of Non-Associated Shareholders will take up their entitlement.
- 8.19. As a result of approving the Transaction the Associated Shareholder have increased their level of control and therefore their level of ability to influence the affairs of BEL without making a takeover offer to the Non-Associated Shareholders or providing any compensation or increase value being provided to the Non-Associated Shareholders either directly or indirectly. However DBS has confirmed they will continue to remain a passive investor in BEL regardless of whether the Non-Associated Shareholders approve the Transaction or not and as such will not be providing any indirect benefits to the Non-Associated Shareholders. We note the Decisions found Mr Khan the Chairman of BEL to be an associate of DBS.
- 8.20. Should the Non-Associated Shareholders approve the Transaction the Associated Shareholders could acquire up to an additional 3% of the shares in BEL on market in the next six months, and further 3% increments in six monthly periods thereafter, without requiring shareholder approval. Were the Associated Shareholders to acquire an additional 3% stake in BEL in the next 6 months the Associated Shareholders Interest would rise to a minimum 46.58% and maximum 51.64%, which at the maximum level would provide the Associated Shareholders with outright control.
- 8.21. Non-Associated Shareholders should also be aware that the Company still has the capacity to buy-back a further 5,993,929 shares in the Company until 31 August 2012 under the share buy-back scheme announced on 17 August 2011. Further details on the share buy-back scheme are set out a paragraph 7.5. Were all these shares to be bought back from the Non-Associated shareholders the Associated Shareholders Interest could rise to a maximum of 52.92% which would provide them control of BEL, and minimum of 47.41%, dependent on the uptake by the Non-Associated Shareholders of the parcel of shares being offered for purchase by DBS should the Transaction be approved, as summarised in the table below.

Shareholding reflecting potential impact of the BEL share buy-back scheme	Assuming nil up-take on offer		Assuming 100% up-take on offer	
	No#	%	No#	%
Total Associated Shareholders Interest (Per Table 8)	35,675,952	52.92%	31,963,452	47.41%
Non-Associated Shareholders interest (Per Table 8)	37,674,589		41,387,089	
Effect of possible buy-back	(5,933,929)		(5,933,929)	
Non-Associated Shareholders interest post buy-back	31,740,660	47.08%	35,453,160	52.59%
Total shares on issue	67,416,612	100%	67,416,612	100%

Table 10: Analysis of potential impact of BEL share buy-back scheme on Associated Shareholders Interest (Source: BEL Share register 6 February 2012 and RSMBCC Calculations)

- 8.22. *Reduction of prospect of takeover offer and possible future control premium* – The approval of the Transaction will result in DBS retaining an interest in BEL of a minimum 13.24% and the Associated Shareholders minimum interest to 43.58%, this may reduce the attractiveness of another party making a bid to acquire the Company and as such the Non-Associated Shareholders may be foregoing the opportunity to receive a control premium to the prevailing market price of BEL shares.
- 8.23. However should the Transaction not be approved and as such DBS will divest of the Approval Shares, they would still have a direct interest of 10.20% and the Associated Shareholders would have an interest in BEL of 40.54%, held by three shareholders. Thus in our opinion an interest of this level is likely to deter prospective purchasers making a takeover offer for BEL and as such the resultant increase in interest of the Associated Shareholders in BEL as a result of approving the Transaction is unlikely to have a material impact on the decision of whether prospective purchasers will make a takeover for BEL in the future.

Possible reduction in BEL's share price –Should the Non-Associated Shareholders approve the Transaction 3,712,500 shares will be offered for sale. Given the market for BEL's shares is relatively illiquid, the offer is likely to make it more difficult for Non-Associated Shareholders to sell BEL shares during the period of the offer should they wish to do so. In addition there is also risk that the offer may reduce the market price of BEL shares in the short term as it is priced at a discount to current market prices.

Yours faithfully

RSM Bird Cameron Corporate Pty Ltd



A J GILMOUR
Director



G YATES
Director

APPENDIX 1

Declarations and Disclosures

RSM Bird Cameron Corporate Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron (RSMBC) a large national firm of chartered accountants and business advisors.

Mr. Andrew Gilmour and Mr Glyn Yates are directors of RSM Bird Cameron Corporate Pty Ltd. Both Mr Gilmour and Mr Yates are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting the Non-Associated Shareholders of BEL in considering the Transaction. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of BEL and DBS and we have no reason to believe that this information was inaccurate, misleading or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability or completeness. RSM Bird Cameron Corporate Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Bird Cameron Corporate Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Bird Cameron Corporate Pty Ltd, RSMBC, Andrew Gilmour, Glyn Yates nor any other member, director, partner or employee of RSM Bird Cameron Corporate Pty Ltd and RSMBC has any interest in the outcome of the Transaction, except that RSM Bird Cameron Corporate Pty Ltd are expected receive a fee of approximately \$15,000 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of whether BEL receives shareholder approval for the Transaction, or otherwise.

Consents

RSM Bird Cameron Corporate Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Explanatory Memorandum to be issued to shareholders. Other than this report, none of RSM Bird Cameron Corporate Pty Ltd, RSM Bird Cameron Partners or RSMBC has been involved in the preparation of the Notice of General Meeting and Explanatory Statement. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement as a whole.

APPENDIX 2

Sources of Information

In preparing this report we have relied upon the following principal sources of information:

- BEL audited Full Year Report for the year ended 30 June 2011.
- BEL draft management accounts for the half year ended 31 December 2011.
- BEL share register as at 6 February 2012.
- Queste share register as at 15 February 2012.
- Notice of General Meeting and Explanatory Statement for the meeting of BEL shareholders to be held in March 2012.
- Australian Government Takeovers Panel – Reasons for Decision, Bentley Capital Limited OIR [2011] ATP 13.
- Publicly available information including ASX announcements and financial information from subscription services.

APPENDIX 3

Glossary of Terms and Abbreviations

Term or Abbreviation	Definition
\$	Australian Dollar
Associated Shareholders	In relation to BEL means, Mr Azhar Chaudhri, Mrs Ambreen Chaudhri, Mr Farooq Khan, DBS, Queste and Orion
Associated Shareholders Interest	The combined voting interest in BEL of DBS, Queste and Orion
Approval Shares	The 5,940,000 BEL shares acquired on market by DBS on 7 April 2011 at a cost of \$0.22 per share
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
BEL	Bentley Capital Limited
Control premium	The difference between the amount an investor pays to acquire control of a company, and the market value of the company pre the offer to acquire the company.
Company	BEL
DBS	Data Base Systems Limited
Decisions	The Decisions of the Takeovers Panel of the Australian Government in relation to the Transaction made on 6 July 2011
Fair and Reasonable	In the context of the Report that in the opinion of the Independent Expert that the advantages to the Non-Associated Shareholders of approving the Transaction outweigh the disadvantages
Independent Expert	RSM Bird Cameron Corporate Pty Limited
Non-Associated Shareholders	All holders of ordinary shares in the Company other than DBS, Mrs Ambreen Chaudhri, Mr Farooq Khan, Mr Azhar Chaudhri, Orion Equities Limited and Queste Communications Ltd and any of their associates
Notice of meeting	The notice of general meeting and explanatory statement in which this Report is included
Orion	Orion Equities Limited
Queste	Queste Communications Ltd
Report	This Independent Expert's Report
Transaction	The purchase of 5,940,000 BEL shares acquired on market by DBS on 7 April 2011 at a cost of \$0.22 per share for which approval from the Non-Associated Shareholders is sought

PROXY FORM

Bentley Capital Limited

A.B.N. 87 008 108 218

Website: www.bel.com.au Email: info@bel.com.au

PLEASE RETURN TO:

The Company Secretary

Bentley Capital Limited

Level 14, The Forrest Centre

221 St Georges Terrace, Perth WA 6000

Local Call: 1300 762 678 or Enquiries: (08) 9214 9757

Facsimile: (08) 9322 1515

{Name1}

{Name2}

{Name3}

{Name4}

{Name5}

{Name6}

Our Reference: BEL / { REGISTER } / { HOLDER ID }

Shareholding as at [] 2012: { UNITS }

A. Appointment of Proxy

I/We being a member/s of Bentley Capital Limited and entitled to attend and vote hereby appoint

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the General Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Bentley Capital Limited to be held at the **Sofitel Sydney Wentworth, The Boardroom, Lobby Level, 61-101 Phillip Street, Sydney, New South Wales, at 11.00 am on Wednesday, 4 April 2012** and at any adjournment of such General Meeting.

B. Voting Directions to Your Proxy - Please Mark to Indicate Your Directions

RESOLUTION

Approve Acquisition of 5.94 Million Shares by DBS on
7 April 2011

For

Against

Abstain*

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____%

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on the poll and your votes will not be counted in computing the required majority on the poll.

C. Change of Address (see note 1 overleaf)

mark if you want to make any changes to your address details

D. Please Sign Here

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Company Secretary

Contact Name

Contact Daytime Telephone

Date

Email: -----

NOTES AND INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **Change of Address**

Your pre-printed name and address is as it appears on the share register of Bentley Capital Limited. If this information is incorrect, please mark the box at **Section C** of the proxy form and make the correction at the top of the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Completion of a proxy form will not prevent individual shareholders from attending the General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the General Meeting.

3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.

4. A proxy need not be a shareholder of the Company.

5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on the poll and that your shares are not to be counted in computing the required majority on the poll.

6. If a representative of a company shareholder is to attend the General Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the General Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.

7. **Signing Instructions**

You must sign this form as follows in the spaces provided in **Section D**:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified copy of the appropriate Power of Attorney with your completed Proxy Form and produce a properly executed original (or certified copy) of that Power of Attorney at the General Meeting.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.

If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

8. **Lodgment of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below **not later than 11.00 am (Sydney time) on Monday, 2 April 2012** (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged:

- by posting, delivery or facsimile to the Company's Company Secretarial office below:

Bentley Capital Limited
Level 14, The Forrest Centre
221 St Georges Terrace
Perth WA 6000

Facsimile: (08) 9322 1515