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# CYPRESS LAKES GROUP LIMITED

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12 March 2010

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## DEBT REDUCTION

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Cypress Lakes Group Limited (the “**Company**”) today reduced its loan owing to its major shareholder, Lasseters CLG Pty Limited (“**LCLG**”) by \$10 million through the issuance of 29,205,607,476 fully paid ordinary shares (“**Debt Reduction**”).

The conversion price reflects the Net Tangible Assets (“**NTA**”) per share based on the reviewed financial statements of the Company as at 31 December 2009.

Prior to the Debt Reduction the Company owed approximately \$11 million to LCLG with an intercompany interest averaging between 3% to 5%. With the debt reduction, the Company will save annual interest costs of at least \$300,000 and this will further strengthen the base of the balance sheet position by increasing its net worth to \$11.88 million as at 31 December 2009. The Debt Reduction will also assist in managing the Company's loan covenants and reduced financial risk.

As a result of the Debt Reduction, LCLG interest in shares in the Company has increased from 96.03% to 99.90%.

The Debt Reduction was approved by the directors of the Company who are not related to LCLG (“**Independent Directors**”). The Independent Directors believe that the Debt Reduction is on arm's-length terms and was in the best interests of the Company as a whole.

For further information, please contact :-

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OWNERS AND OPERATORS OF CYPRESS LAKES RESORT AND THE GOLDEN DOOR SPAS AND RETREATS