



**CHARTER
PACIFIC**
Corporation Limited

A.B.N. 12 003 344 287

27 November 2006

CHAIRMAN'S ADDRESS

Ladies and Gentlemen,

The past year has seen a number of changes in Charter Pacific.

We have continued to invest significant efforts in enhancing our existing investments and have also put in place the foundation to expand your Company's exposure into the financial services sector.

The year also saw the Company report its first financial year results under Australian International Financial Reporting Standards (AIFRS), which resulted in the consolidated entity posting a \$602,581 profit, before taking into account equity accounted losses of \$2,041,940, delivering a loss of \$1,439,359.

To help us improve our position, your Company recently announced the formation of Charter Pacific Funds Management, which is now set up in the Brisbane CBD. Your Board is confident that the highly experienced team assembled for the Funds Management business will quickly establish a reputation for superior performance and service to the wholesale funds management market.

Charter Pacific's team has also been busy helping our direct investments - ChemGenex, Global Markets Capital, Monteray and OEM NuTech - develop their growth strategies .

The Board is continually monitoring the performance and level of these investments to take advantage of any opportunities to extract value from them and maximise returns to you. Your managing director, Kevin Dart, will speak about these shortly.

Your Board is confident that the new business direction we have embarked upon will have a beneficial impact on the way the financial markets value your Company.

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In finishing off, on behalf of the Board and shareholders I would like thank Bryan Dart, who retired on 25 August 2006, for his contribution to the Company from its foundation. I am sure that Bryan will be successful in pursuing his other business interests in the property industry.

I now hand you over to Kevin Dart.

Thank you.

A handwritten signature in black ink, appearing to read "B. Sprod". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Brian V Sprod
Chairman
Charter Pacific Corporation Limited



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MANAGING DIRECTOR'S ADDRESS

Ladies and Gentlemen,

Charter Pacific has recently completed the first step in its growth strategy into the financial services sector with the establishment of Charter Pacific Funds Management. This is the first part of the equation which will help us deliver more consistent revenue streams to the Company.

The fund will be lead by Stephen Cleugh, Managing Director who has strong support from William Ammentorp and Julie Kincade. This team has over 65 years experience in the financial services industry. Stephen Cleugh will give a detailed presentation on our fund following my address.

Today, inline with our financial services strategy, we are pleased to announce the second part of our financial services expansion – the formation of Charter Pacific Capital, our corporate advisory house.

Charter Pacific Capital has been established to provide corporate advisory services including mergers and acquisitions, takeovers and divestments.

This advisory house will have the benefit of our association with New York based investment bank, Global Markets Capital, which has a high profile in the life sciences sector in the US, Europe and Asia Pacific regions. Offices are planned for Brisbane and Sydney, with an associate office in New York.

The formation of this business now sees Charter Pacific with three distinct business areas –

- funds management,
- corporate advisory,
- and direct investments.

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Each of these business areas will complement each other and should generate additional revenue streams for our Company.

On the direct investment front, your Company consolidated its investment in ChemGenex by investing a further \$2 million during the 2006 capital raising, which takes our total investment to \$13.6 million. We currently hold 28 million shares or 18.6% of ChemGenex.

ChemGenex recently received US Food and Drug Administration fast track status for Ceflatonin® - which Patersons Securities' analyst, Matthijs Smith has stated "... could generate revenues of \$100 million-plus a year for ChemGenex".

ChemGenex has recently appointed Dr Ian Nisbet. Dr Nisbet is one of the best credentialed and most respected biotechnology executives in Australia and internationally.

Charter Pacific's other direct investments have also had an active year.

Global Markets Capital has successfully completed several M&A transactions in Australia this year in the life sciences sector, including -

- the first merger of two Australian publicly listed Life Science companies - Meditech and Alchemia, which has created a \$155 million Company,
- the recently proposed takeover of Gropep by Danish Company, Novozymes,
- and Novozymes take-over of Delta Biotech in the UK, from its owner, French based Sanofi-Aventis.

Global Markets Capital has a strong pipeline of Australian, US and European deals moving forward in 2007.

Monteray Group successfully completed the acquisition of the superannuation administration software platform "GPen" and is now rolling this business out to the market, and has entered into license arrangements with two major superannuation administrators. Other opportunities are currently under review.

OEM NuTech has expanded its position in the powder coating industry in Australia during the last 12 months. Major projects are in the pipeline, covering Australia and New Zealand, and are set to provide NuTech with a significant boost in revenues.

I look forward to announcing the progress of our new businesses and other investments during the coming months.

Thank you for your attendance today and I now introduce Stephen Cleugh to give a presentation on Charter Pacific Funds Management.

Thank you.

A handwritten signature in black ink, appearing to read 'Kevin J Dart', followed by two dots.

Kevin J Dart
Managing Director
Charter Pacific Corporation Limited